

MARCH
—
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2023



Malaysia



Vietnam



Thailand



Philippines



Indonesia

SEASCAPES

Insights on the ASEAN Region

Table of Contents

In Transition: Malaysia After the 15th General Elections	3
<i>The Blazing Furnace: Vietnam’s Anti-Corruption Drive and Its Economic & Political Impacts</i>	7
Thailand’s Upcoming Elections: More of the Same or a New Hope?	12
The Philippines Under Marcos Jr: Restoring the Marcos Name?	17
Indonesia: The 2023 Elections and Key Power Players	21



StoneTurn

In Transition: Malaysia After the 15th General Elections

Four months on, the dust from Malaysia's 15th general elections has settled but many questions have yet to be answered. In the first of our SEAScape series, we take a look at the evolving socio-political landscape in Malaysia, where Anwar Ibrahim is finally Prime Minister after a 25-year-long wait.

Taking Stock

In the runup to the elections in mid-November 2022, few observers of Malaysian politics would have predicted the eventual outcome. While the focus was the competition between the old guard Barisan Nasional (BN), which ruled for six decades, and its chief rival Pakatan Harapan (Pakatan), which won the last elections in 2018, it was the upstart Perikatan Nasional (Perikatan), which proved to be the most successful contestant, securing 30% of the popular vote and snatching more than 40 Parliamentary seats away from BN and Pakatan.

Consisting mainly of Bersatu (which started out as an UMNO¹ splinter) and PAS, Perikatan has emerged as a formidable alternative to UMNO, historically the most powerful political party in Malaysia thanks to the support of Malay voters.² In particular, PAS' sudden transformation from a smallish regional party to a major national player with the most seats in Parliament is a concerning development for Malaysia's sizeable minorities and moderate Muslims. The party is a proponent of Islamic law and its recent performance indicates growing support among Malays, disenchanted with scandal-ridden UMNO and wary of reform-oriented Pakatan.



Government

Parliamentary democracy,
Constitutional monarchy

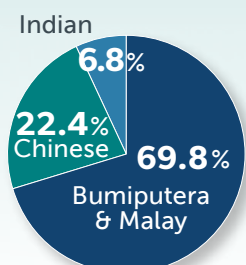
Population

33M

Per Capita GDP

USD
11,000

Ethnic Composition



Despite Perikatan’s unexpected performance, it was Pakatan that won the largest number of seats (82) while BN placed third with only 30 Parliamentary seats. With no coalition winning enough seats to form the government, the “unity government” led by Anwar Ibrahim was cobbled together at the Yang di-Pertuan Agong’s request.³ The result resembles a patchwork blanket that barely holds together at the seams: the unity government consists of four coalitions (Pakatan, BN, GPS, GRS), 19 political parties, and 148 Members of Parliament, i.e. a two-thirds majority in Parliament.

Strange Bedfellows

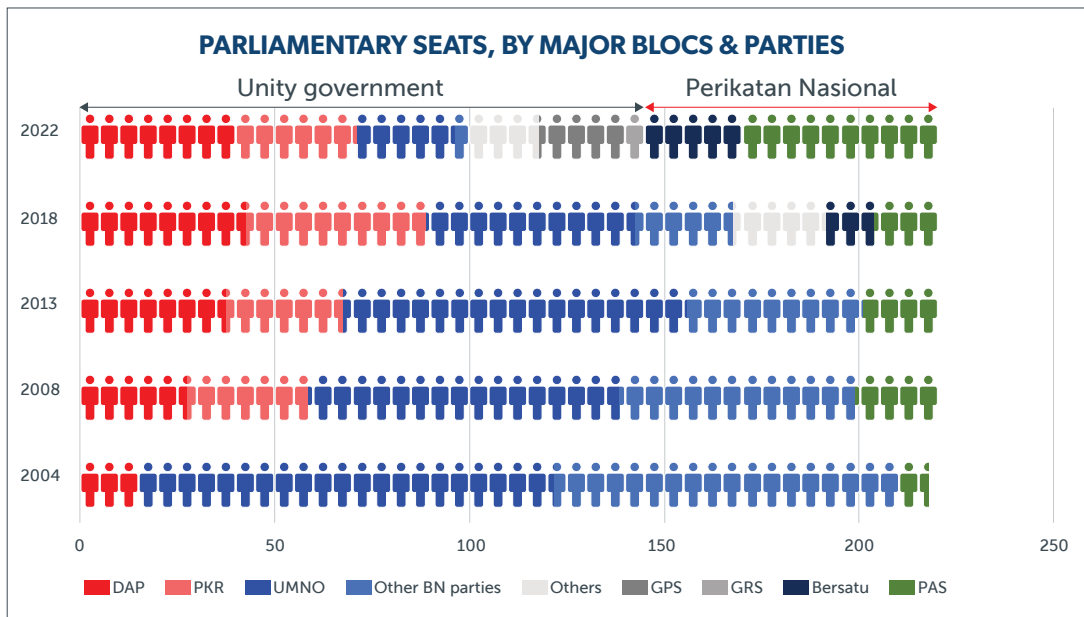
At first glance, Anwar is in an enviable position; no government has held a 2/3rds majority in Parliament (the magic number needed to amend the constitution) for a decade, and Zahid Hamidi, the chairperson of BN—the second largest bloc in the unity government—is an old friend but tensions simmer just beneath the surface.⁴

The Peninsular Malaysia-based coalitions, Pakatan and BN, have been bitter rivals for close to 20 years – Pakatan championed good governance and its vision of a multiracial Malaysia as its defining stance against BN while BN’s UMNO depicted Pakatan mainstay DAP as a Chinese threat to ethno-Malay privileges.⁵

Within UMNO, Zahid Hamidi’s hold over the leadership is secure for the time being, but he faces criminal charges. If found guilty, it is likely that he will be unable to hold public office and could face another leadership challenge in UMNO. While politically necessary, Anwar’s alliance with Zahid makes for bad optics particularly in view of Pakatan’s governance agenda.

Meanwhile, the Sarawakian coalition GPS bore a grudge towards DAP over the party leadership’s treatment of the state after the 14th general elections, when the finance ministry portfolio was held by DAP’s then-Secretary General, Lim Guan Eng.⁶ Lim notoriously said that Sarawak would go bankrupt under GPS rule and threatened to withhold funds for school repairs until the state settled its debts to the federal government. These issues were papered over with sweeping apologies in late November and the antagonist has been effectively relegated, but it is unclear if the peace will hold.

It remains to be seen if Anwar can govern effectively, walk the tightrope that is Malaysian politics, and maintain his reputation as a reform-oriented leader. The halo has already started to tarnish—in addition to being Prime Minister, he has also taken on the finance portfolio, violating a previous



Pakatan campaign pledge and drawing uncomfortable parallels to Najib, the last Prime Minister to hold both positions concurrently. A now-void decision to appoint his daughter as his senior economic and financial advisor also went down poorly, sparking cries of nepotism. His government has also filed corruption-related charges against Bersatu leaders, including former Prime Minister Muhyiddin Yassin, while no visible action has been taken on other corruption scandals involving key allies, creating the impression that two sets of rules apply depending on whether you are friend or foe.

Through a broader lens, the country is increasingly polarised along ethnic and socio-economic lines. If left unchecked, there is a real risk that existing divisions in Malaysian society will harden as time passes, resulting in greater socio-political instability and dampening Malaysia's growth prospects.

Not Just the Economy

Foremost among the unity government's priorities is Malaysia's cost of living crisis. Over the past year, food prices have increased by up to 20%. Meanwhile, wage growth, particularly among the lower and middle-income groups which necessarily spend a larger proportion of their income on food, has been almost stagnant for over a decade. Successive governments have spent substantial amounts to cushion consumers from higher food and commodity prices through price controls and subsidies; the country's subsidy bill in 2022 amounted to almost MYR 80 billion (USD 18 billion). Much of the expenditure has been financed via debt, with interest payments placing strain on national finances.

Another focal area for the new government is to plug the holes in government expenditure. Estimates of the amount lost to "leakages" vary; according to the latest Auditor-General's report, the government suffered losses of MYR 158 million in 2021 from "non-compliance in financial management" while

Did **you** know?

The largest cave chamber in the world is in Malaysia



The Sarawak Chamber

(also known as Lubang Nasib Bagus – Good Luck Cave) in Gunung Mulu measures **600m by 415m** and is **80m high**.

Anwar claims that as much as MYR 10 billion could be saved by rooting out corruption and irregularities. To achieve this, Anwar has declared that all government procurements must go through the tender process.

A third priority for the unity government is fulfilling the 1963 Agreement which created Malaysia. Under the 1963 Agreement, Sabah and Sarawak

were equals to Malaya (now Peninsular Malaysia), but over time this status was eroded to mere statehood, with few exceptions. Efforts to this end started when the new cabinet was formed, with the appointment of the first deputy prime minister from Sarawak. Discussions within the government to provide Sabah and Sarawak with greater autonomy, national representation, and budgetary allocations are underway.

Where Do We Go From Here?

The 100-day mark has become a popular point to assess a government's initial performance against campaign promises. In the unity government, this reference point is of limited utility as it is unclear which campaign platform can or should be used to judge the various coalitions and parties in government.

There are arguably more important questions to consider:

- How the Pakatan's partnership with BN will affect support from both coalitions' voter bases?
- Will Bersatu and PAS cement their capture of UMNO's voter base? If so, what direction will a divided Malaysia take?

The six state elections due this year may provide some insight into these issues. The coalitions and parties that constitute the unity government will have to decide if their national-level cooperation will extend to non-compete agreements at the state elections. State elections will also show if Perikatan can eat into Pakatan's voter base, particularly in the wealthier and more urbanised states of Penang and Selangor.

Notes

- 1 UMNO is the dominant political party in Barisan and for much of Malaysia's post-colonial history, or until 2018, the position of Prime Minister was held by UMNO's President.
- 2 Malaysia's political landscape is noteworthy for the prominence of race-based political parties, perhaps best exemplified in Barisan where the three main component parties represent ethnic Malay, Chinese and Indian interests.
- 3 The Yang di-Pertuan Agong is Malaysia's constitutional monarch, a position which is held by rotation among the nine Sultans in Malaysia.
- 4 Zahid Hamidi and Anwar were student activists and in UMNO together in their younger days.
- 5 DAP and Anwar's party, PKR, have been the core members of Pakatan and its predecessors since 1998.
- 6 DAP is also a political rival in Sabah and Sarawak, having attempted to make inroads in both states.

The Blazing Furnace: Vietnam's Anti-Corruption Drive and Its Economic & Political Impacts

Vietnam has demonstrated its resilience amidst a changing global landscape. Average GDP growth approximated 7% annually between 2000 and 2022. In 2020 and 2021, when many major economies and its regional peers contracted, the Vietnamese economy continued to grow by 2.5% p.a. However, uncertainty awaits the communist state; we analyze these factors in the second part of our *SEAScape series*.

The Star of the Show

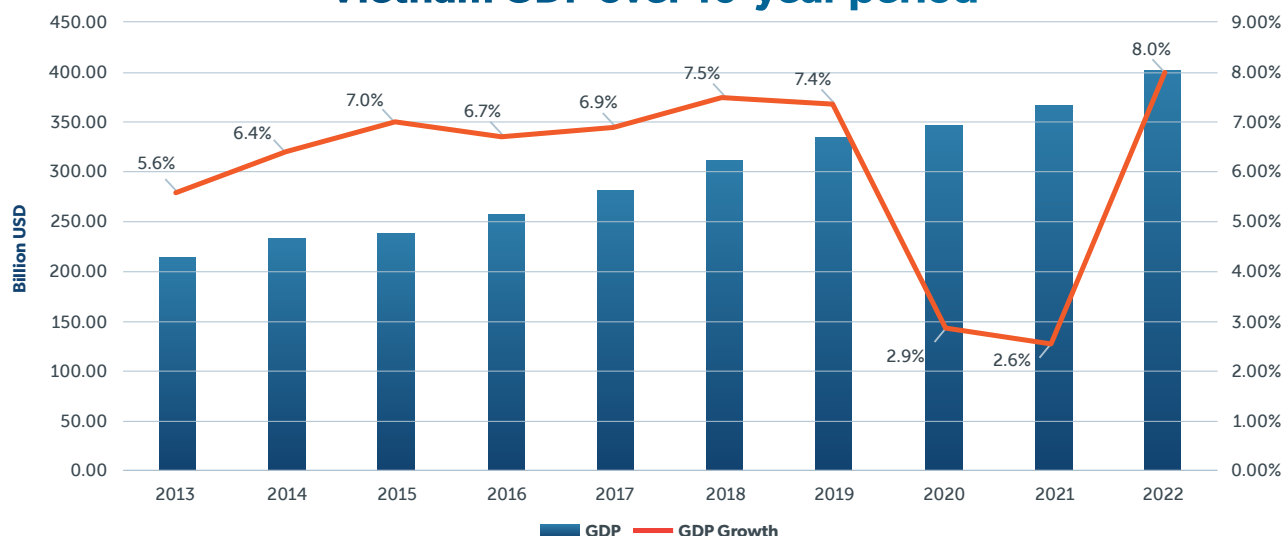
Vietnam wrapped up 2022 on a high note with an impressive GDP growth rate of 8%, the fastest pace in 25 years, and surpassed its official target of 6 – 6.5%.

Domestic consumption, export performance, and investment are driving growth. Domestic consumption and exports respectively stood at 15% and 41% higher than in the pre-pandemic year 2019. Registered foreign direct investment (FDI) capital in 2022 was the lowest since the beginning of the pandemic, estimated at USD 27.72 billion. However, realized FDI in 2022 stood at USD 22.4 billion, the highest in five years and a 13.5% increase from the previous year.¹ This shows that despite almost two years of pandemic-induced disruptions, foreign investors continue to favor the country.

Looking ahead, Vietnam is expected to sustain robust growth in 2023, albeit at a slightly slower pace of 6 – 7%.



Vietnam GDP over 10-year period



Cleaning House

This year's growth, however, might not come easily for the communist state. Besides unfolding global events such as the spectre of a global recession, the Russian invasion of Ukraine, and U.S.-China tensions that may impact Vietnam and the world, there is an element of uncertainty from within.

Many closely watch the reach of the "blazing furnace" anti-corruption drive spearheaded by Nguyen Phu Trong, the General Secretary of the Communist Party of Vietnam (CPV). Trong remarked at the drive's 10-year mark in June 2022 that 16,000 corruption and corruption-related investigations were undertaken against over 30,000 defendants, including business executives as well as senior government officials. In particular, over 7,300 CPV members were disciplined, including four members of the Politburo, 29 members of the Central Committee, and 50 general officers in the People's Army of Vietnam.²

On the upside, Vietnam's ranking in Transparency International's Corruption Perception Index has improved significantly over the course of the anti-corruption campaign. In 2012, the country was ranked 123rd out of 176 countries and territories. Ten years later, it is rated 77th out of 180, behind only Singapore and Malaysia in the region. Coupled with

the government's continued efforts in streamlining the bureaucracy, this can help further attract foreign investment, which Vietnam's economy heavily relies on.

But the crackdown has also shaken up key sectors of the economy and diminished the country's position as a reliably stable body politic in the region. From 2017 to 2019, the real estate industry in Vietnam's southern provinces was frozen as the crackdown intensified. Hundreds of real estate projects were investigated or suspended, and several government officials were implicated, including a former member of the Politburo and the most senior CPV leader in Ho Chi Minh City. In a similar vein, the ongoing investigation into a Covid-test kit scandal, which already saw two former ministers prosecuted, dominoed into supply disruptions and shortages of medical products. In both instances, government officials became too anxious to give the go-ahead for projects or procurements, fearing their approvals might later send them to jail.

In the private sector, arrests of several high-profile local corporate executives in 2022 have sent the country's relatively nascent stock market into the red. Reuters in April 2022 estimated that the Vietnamese stock exchange lost USD 40 billion in market capitalization after the arrests of two of

such executives in early 2022.³ Six months later, another high-profile executive who was long suspected of being backed by politicians was also arrested. Meanwhile, Pham Nhat Vuong, the owner of Vingroup and arguably the country's most high-profile corporate executive, was rumoured to have been banned from travelling abroad by the police. All of them headed some of the country's largest real estate companies, operating in what is considered one of the most corruption-prone industries.

Fanning the Embers

Such disruptions might be considered short-term, and for Trong, perhaps this is a price worth paying for the great cleanse. Since his rise to prominence in 2016 when he ousted the charismatic former Prime Minister Nguyen Tan Dung, Trong has been at the forefront of the country's battle against corruption.

Observers have been unable to agree on Trong's motivations. Some speculate that Trong is using the anti-corruption drive as a guise to remove his politi-

cal rivals. Others view it as his attempt to re-assert the CPV's power over the government apparatus, which is patronized by the private sector and gained influence during Dung's premiership (2006–2016).

One thing is clear though: Trong, who considers "individualism" and "degeneration in political ideology and morality" as the root causes of corruption, will do everything in his power to make sure that the fire in the furnace will keep burning, even after he retires because of frail health.⁴ A recent reshuffle of top government officials is seen as a move by Trong to put in place, or expedite, his succession plan by inserting into the "four pillars" his "cleaner" and trusted ally who upholds the communist ideology.

What Will Rise From the Ashes?

In early January, deputy prime ministers Pham Binh Minh and Vu Duc Dam were removed from their posts. This was quickly followed by the

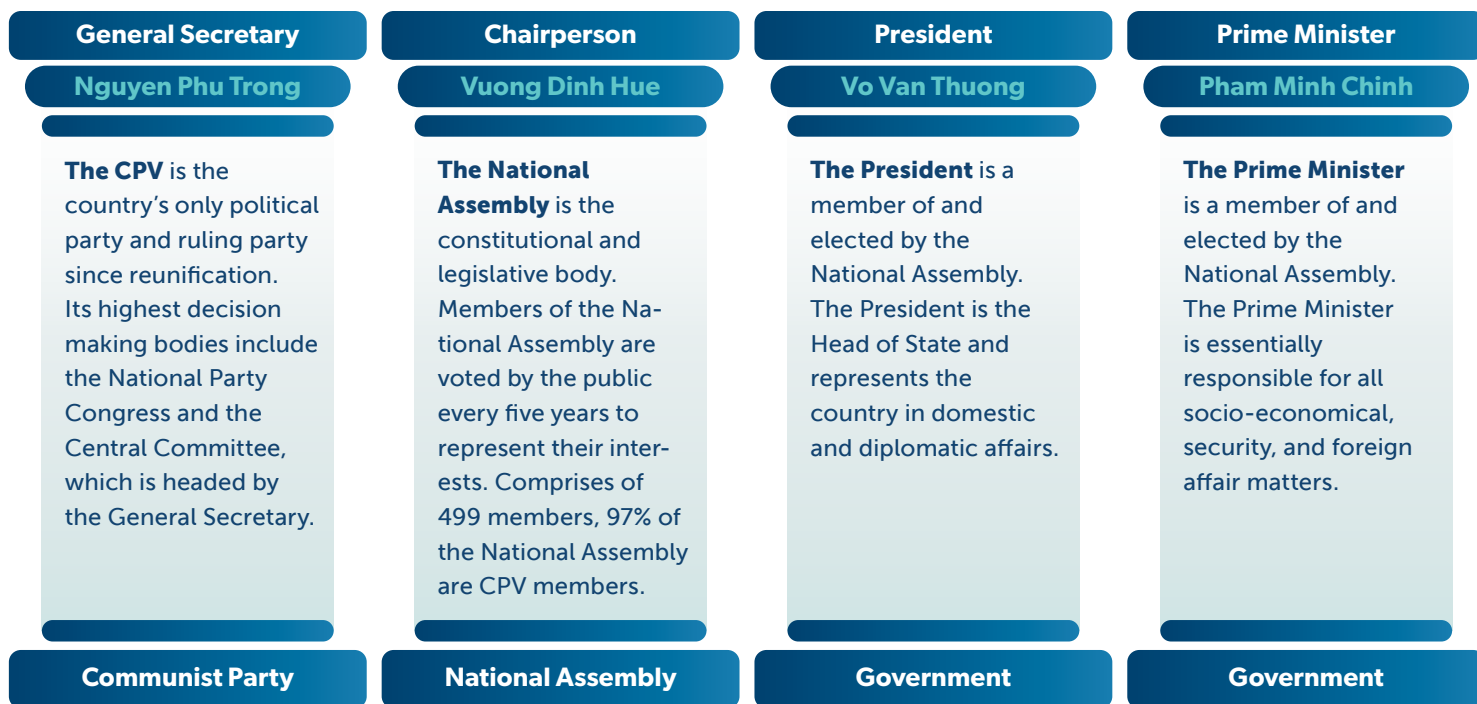


Figure 1: Vietnam's top leadership, known as the "Four Pillars" (as of March 2023)

resignation of the President, Nguyen Xuan Phuc. The two former deputy prime ministers were caught up in Covid-19 related corruption scandals, one related to repatriation flights under the Ministry of Foreign Affairs where Minh was the minister, and another over Covid-19 test kits at the Ministry of Health for which Dam was responsible. Phuc, viewed as a pro-business leader, was held accountable for the “violations and shortcomings” of senior officials under him, i.e Minh and Dam, when he was the Prime Minister (2016-2021). Many, however, believe the real reason for his ouster was because his wife was allegedly behind the company which paid a total of USD 33.7 million in kickbacks to provincial CDC centers for the purchase its Covid-19 test kits.⁵ This makes him the first President to voluntarily resign, and the highest-ranking official touched by the corruption crackdown. With Phuc out, Trong successfully installed one of his trusted cadres into the four pillars; Vo Van Thuong, whose spent his entire career inside the CPV, became the President in March.

Another shaky seat of the four pillars at the moment is the Prime Minister, Pham Minh Chinh. He is rumored to have backed a fugitive who has been sentenced a total of 30 years in prison for bid rigging and bribery in a hospital project.⁶

If Chinh is out this year, the two top positions in the Vietnamese government could be filled by entirely new faces. In addition to this, Trong, who has been in poor health for some years, is rumored to be stepping down this year instead of completing his term in 2026.

Therefore, many are wondering:

- Who will replace Trong when he steps down? And what the new leadership will look like?
- Will anti-corruption efforts continue, and who will it reach?

Did you know?

Ho Chi Minh is not his birth name

Vietnam’s first President and Prime Minister, **Ho Chi Minh** was born as **Nguyen Sinh Cung** in 1890.

Throughout the years of revolutionary and political activities, he used over **160 pseudonyms**.

The name **Ho Chi Minh** was first used around 1942.



Notes

- 1** Registered FDI is the investment capital that foreign investors lodge with the Ministry of Planning and Investment; this includes fresh registered capital for specific projects, revised registered capital from previous years, and registered capital for partnership with or acquisition into Vietnam-based companies. Realized or disbursed FDI is the actual capital being spent on projects and business activities within the year.
- 2** The CPV's highest leadership body is the National Party Congress, which convenes every five years. During the five years between the two congresses, the Central Committee is the decision maker within the CPV. The Central Committee comprises of the CPV's most powerful members. The Politburo, of which members are elected by the Central Committee, is primarily responsible for the implementation of resolutions passed by the Party Congress and Central Committee.
- 3** <https://www.reuters.com/article/vietnam-security-markets-idUKL3N2WP3M0>
- 4** <https://www.asiasentinel.com/p/nguyen-phu-trong-legacy>
- 5** <https://www.channelnewsasia.com/asia/vietnam-president-phuc-resigns-corruption-wife-covid-test-kits-scandals-3219991>
- 6** <https://fulcrum.sg/red-card-for-the-president-vietnams-biggest-political-drama-in-decades/>

Thailand's Upcoming Elections: More of the Same or a New Hope?

Thailand will return to the ballot box on May 14, the country's second election since the most recent coup in 2014. As the elections approach, we look at Thailand's political quandary and the key figures in the political arena.

Press Play-Pause-Rewind: Thailand's Governmental 8-Track

Since the 1932 revolution, Thailand has transformed from an absolute monarchy to a constitutional monarchy with an occasionally democratic government. The path to democracy has been rocky. In the 91 years since the revolution, the military has dominated Thai politics and ruled for over 60 years, with support from the monarchy and the ultrawealthy urban elites. These three groups form the ultra-royalist and pro-military camp while the pro-democracy camp largely comprises of the urban middle class and rural population.

Since the premiership of Thaksin Shinawatra (2001–2006) who led with populist policies that changed Thai politics, the division between the two camps has largely manifested as an ongoing tug of war between Thaksin and his proxies, and the military and its allies. The latter staged two successful coups to unseat Thaksin and his sister's governments in 2006 and 2014, respectively.



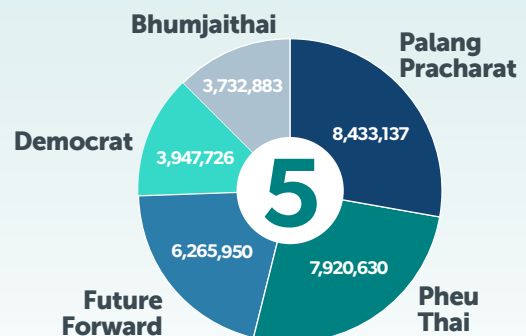
Population

71.6M

GDP Per Capita

USD **7,066**

2019 Election
(as of March 2019)



Parties with the most popular votes

With a Little Help from My Friends: Exploring Thai Senate Design

Following the latest coup in 2014 led by Prayuth Chan-o-cha, the constitution was amended by military appointees and passed in a controversial referendum in 2017. The 2017 constitution redesigned the electoral system by stipulating that the 250-member Senate, 194 of whom were hand-picked by the Prayuth government, jointly selects a prime minister with the 500 elected members of the House of Representatives. For most of its existence, Thailand’s Senate consisted of royal appointees and the current iteration of the constitution, by its very design, favours military-linked parties.

Unsurprisingly, this has been detrimental to the pro-Thaksin camp. In the 2019 election, Prayuth

received almost all the Senate’s votes and nearly 500 votes in total. He became the Prime Minister even though Thaksin-linked Pheu Thai won the most seats in the House of Representatives. This arrangement will also be applied to the upcoming elections, as the current members of the Senate are in place until 2024.

New electoral rules have also been introduced to change how members of the House of Representative are selected in May 2023. Thailand will return to a dual ballot system in which the electorate will cast one vote for their district candidate, which contributes to the make-up of 400 constituency seats, and another vote for the political party of their choice, which will be used to allocate 100 party-list seats. The new rules will benefit larger parties, such as Pheu Thai, which can meet the higher threshold required to win party-list seats.

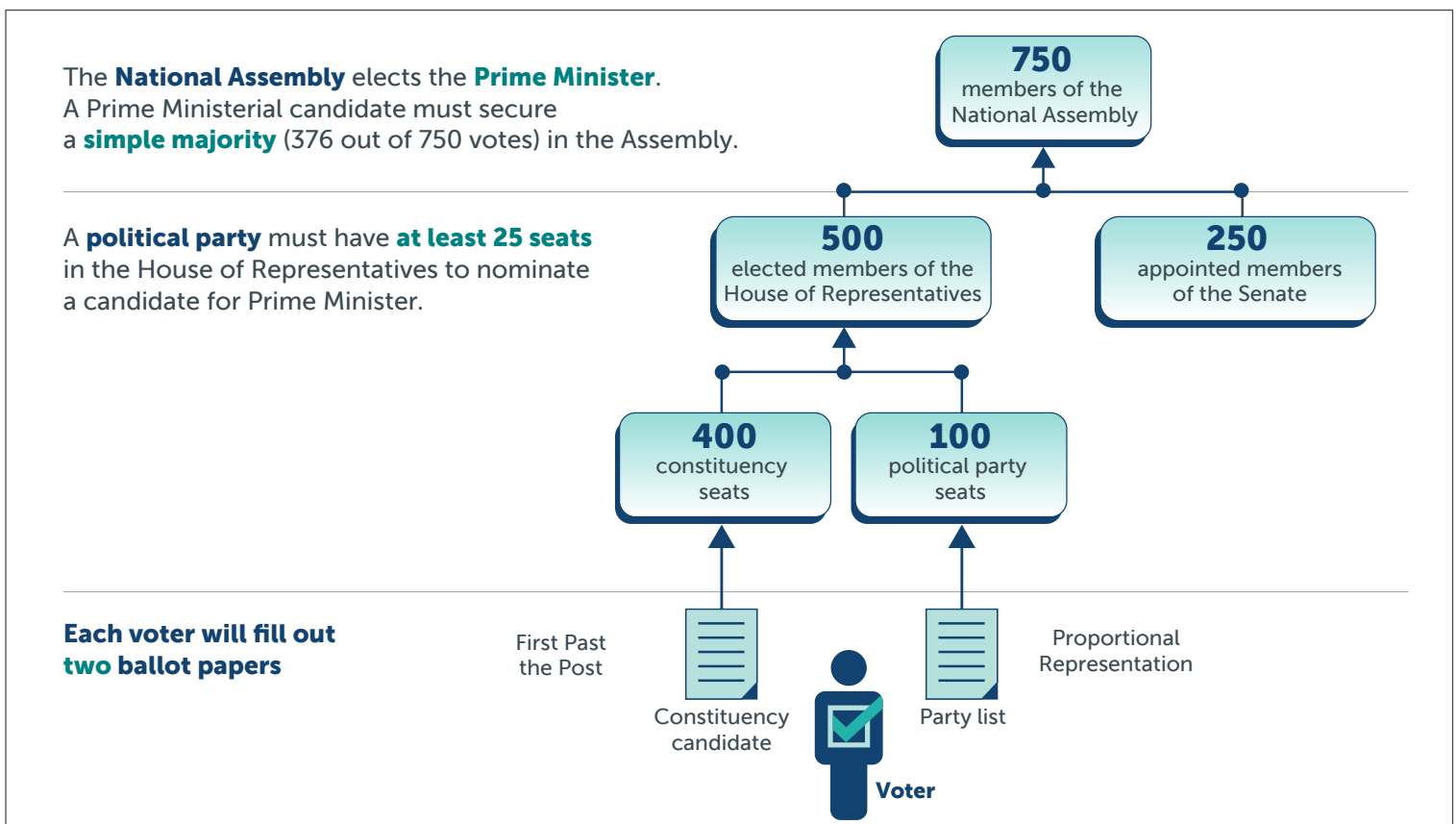


Figure 1: Electoral System for Thailand’s 2023 Election

(Old and) New Kids on the Block: Political Evolutions

Prior to the 2014 coup, political contestation was mainly between the Democrat Party (the oldest and more conservative party founded by royalists and the old elite) and Thaksin's populist Thai Rak Thai Party or its successor Pheu Thai. However, the political landscape is evolving with more diverse ideologies, greater youth participation in politics, and deeper divisions among parties.

The Democrat Party, which was once a source of hope for democracy in Thailand, is in crisis and has found it challenging to attract members and voters. In 2019, its ambiguous stance on whether it supports the military government contributed to major losses by the party in its traditional strongholds. The party appears to have lost ground to army-linked Palang Pracharath Party (PPRP), and Bhumjaithai Party, which were the two largest parties in the ruling coalition before parliament was dissolved in March. A recent poll suggested that the party has the least support among the major parties, with only 4.58% of those polled supporting the Democrats.¹

Meanwhile, Pheu Thai, which had won every election between 2001 and 2014, has once again been leading in recent polls and surveys. The party is expected to win the most seats in the House of Representatives, especially in the north and northeast part of Thailand where support for Thaksin remains strong. Thaksin's youngest daughter, Paetongtarn Shinawatra, also appears to be the most popular choice for Prime Minister, based on a survey conducted in March 2023.² The party hopes to win at least 310 seats to form a single-party government, although given the division of voters between various parties, this will be an uphill battle and a coalition government is more probable.³

Pheu Thai will continue to be challenged by military-backed parties, including the PPRP and Ruam Thai Sang Chart (or United Thai Nation, UTN), and the

Thaksin's Enduring Influence on Thai Politics

Thaksin, a former police officer and telecom magnate, is seen as a controversial and divisive figure in Thai politics. The conservative camp accuses him of amassing too much power and resources during his premiership.

Despite that, Thaksin's economic policies, dubbed **Thaksinomics**, were widely popular with the middle class and the rural and urban poor, and he remains popular over a decade after he was ousted. Following the influence of Thaksin's leadership and two years of pandemic-induced economic slowdown, almost all political parties, are pursuing similar strategies, promising better welfare policies, economic handouts, and more jobs.

appointed Senate. The UTN, while a relatively new and small party, includes several members of the now-defunct People's Democratic Reform Committee, a pro-monarchy political pressure group which led the bloody anti-Thaksin protests that paved the way for the 2014 coup. The party's main contender is Prayuth, who is backed by the royalists and the palace. The odds of UTN engineering a big electoral upset are slim, but the party may garner enough votes to nominate Prayuth as a PM candidate.

The PPRP, Prayuth's previous party, has put forward Deputy PM and former army chief Prawit Wongsuwan as its candidate for the prime ministership. Prawit and PPRP have positioned themselves as reconciliatory figures who could bring about unity and end decades of polarization by working with both the conservative parties and their opponents.

It is worth noting here: Prayuth and Prawit, who were long-time allies and key figures in the 2014 coup, appear to now be at odds, which might be a disadvantage to the pro-military camp as votes could be split between the two parties. However, this division between the two former allies does not eliminate the possibility of post-election maneuvers that would favour military-backed parties to the detriment of Pheu Thai.

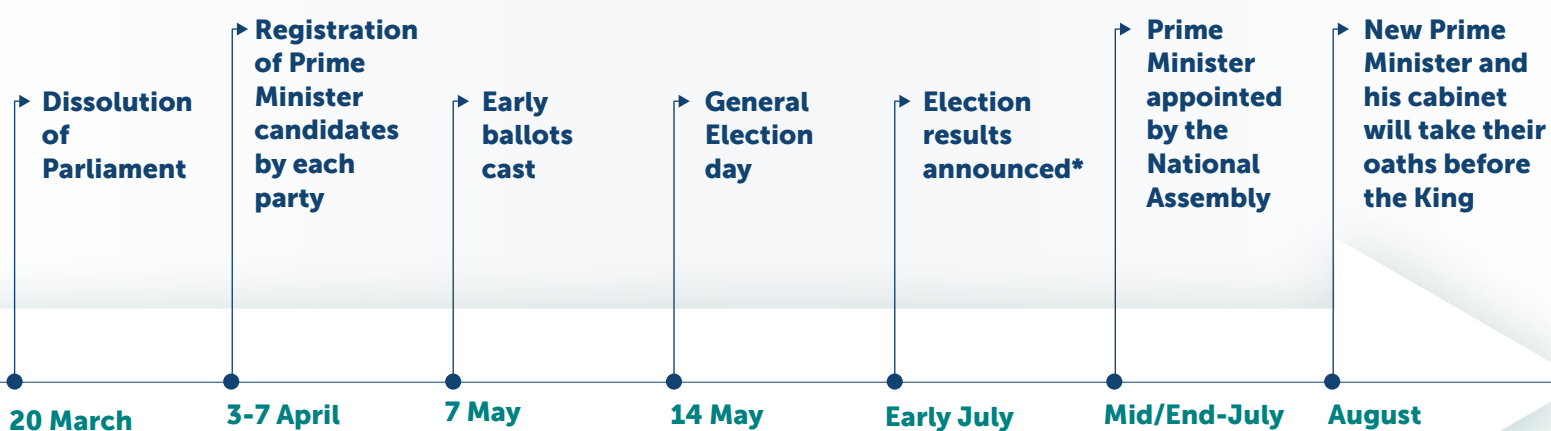
The freshest face in Thai politics is the Move Forward party, consisting of a young and progressive base, that placed third in 2019 via its predecessor. Its party leader recently declared that the party would not form a coalition government with any military-linked parties and would work with Pheu Thai after the election. Move Forward is known for its pro-democracy and anti-establishment stance and the party appeals to urban voters and the industrial provinces. Its leader, Pita Limjaroenrat, is the top choice for PM among Bangkok voters. However, one of Move Forward's policy platforms calls for amendments to Thailand's lèse-majesté law and the party is closely associated with the 2020-2021 youth protests that sought to reform the monarchy. Thailand has one of the world's strictest lèse-majesté laws, and the party's stance on the lèse-majesté laws may be too radical for other parties, including Pheu Thai, to be associated with.

Amidst the extremes, a party that might be able to offer neutral ground is Bhumjaithai. In the past it showed that it was able to work with both the conservatives and their opponents, and its current leader, Anutin Charnvirakul, is open to talks with any parties for the May election. Bhumjaithai has a big budget, less in-party "drama", and is less controversial with its pro-monarchy stance. Anutin is seen as a strong contender for the premiership with both political experience as a former executive in Thaksin's Thai Rak Thai as well as parliamentary experience as a serving Deputy Prime Minister and Minister of Public Health. The party, which is behind Thailand's recent cannabis liberalisation policy, is seen as a dark horse in the upcoming election.

The X Factor: Monarchy's Influence

Observers of Thai politics are also keeping an eye on potential signals from the palace. While the monarchy is nominally above politics, King Maha Vajiralongkorn's father, King Bhumibol (1946 – 2016) occasionally intervened at critical junctures in Thailand's history through proxies. Enthroned in 2016, King Maha Vajiralongkorn has been more direct than his father in his involvement in politics.

Timeline of Thailand's 2023 General Election



* Preliminary results can be announced on the same day of the election

Did you know?

The official name of Thailand's capital is **Krung Thep Maha Nakhon (City of Angels)** and colloquially as **Krung Thep?**

The name's full version is comprised of **168 letters** (Krungthepmahanakhon Amonrattanakosin Mahintharayutthaya Mahadilokphop Noppharatchathani-burirom Udomratchaniwetmahasathan Amonphimanawatansathit Sakkathattiyawitsanukamprasit) and hence is recorded as **the longest place name** in the *Guinness World Records*.



Notably, in the run up to the 2019 elections, he prohibited his sister, who renounced her royal title after marrying a commoner, from running as a Prime Minister candidate for a Thaksin-linked party.⁴ Thus far, the King has steered clear of the political arena, but it is too early to rule out a royal move.

As the 2023 elections approach, we pose the following questions:

- Will Pheu Thai be able to dominate the House of Representatives or will Thailand see another Prime Minister from the military?
- Which parties will form the ruling coalition and how will they work together?

Notes

- 1 <https://www.bangkokpost.com/thailand/politics/2463470/democrats-on-the-brink>
- 2 <https://www.straitstimes.com/asia/se-asia/thaksin-s-daughter-paetongtarn-widens-lead-over-prayut-in-new-opinion-poll-on-next-thai-premier>
- 3 Political coalitions in Thailand are not fixed and appears to be formed based on negotiations among the parties rather than on similarities in ideologies.
- 4 Thaksin founded Thai Rak Thai in 1998 and the party was dissolved in 2007. Its incarnations include the now-dissolved People's Power Party, and the current Pheu Thai Party. Thai Raksa Chart Party, founded in 2009 and dissolved in 2019, was a Pheu Thai sister party.

The Philippines Under Marcos Jr: Restoring the Marcos Name?

After his victory in May 2022, the President of the Philippines Ferdinand “Bongbong” Marcos Jr. said, “Judge me not by my ancestors, but by my action.” To mark the first year of his six-year presidency, we take a closer look at Marcos Jr.’s leadership and actions to date.

Keeping It in the Family

Political dynasties are common in the Philippines; some studies in the mid-2010s found that over 70 percent of the House of Representatives’ elected members and approximately 80 percent of Congress came from political families.* All eight presidents over the last five decades have come from prominent political families, including Marcos Jr.

Marcos Jr. won the 2022 elections with a landslide victory, after serving as a senator and governor of Ilocos Norte, the family’s stronghold. The Marcos clan also holds several other leadership positions in the government. The 2022 election saw Marcos Jr.’s first son become a district representative and his first cousin was elected the Speaker of the House of Representatives. Meanwhile, his sister is a senator, and his nephew is the current governor of Ilocos Norte.

Another family that performed well in the 2022 elections was that of Marcos Jr.’s predecessor and ally, former president Rodrigo Duterte. Sara Duterte-Carpio, Duterte’s daughter and Marcos Jr.’s running mate, was elected Vice President. Duterte’s two sons became congressmen and vice mayor.

* <https://www.sciencedirect.com/science/article/pii/S2667319322000222>;
<https://www.jstor.org/stable/26372038>

Fast Facts – Philippines

Government Type:

Republic,
Presidential system

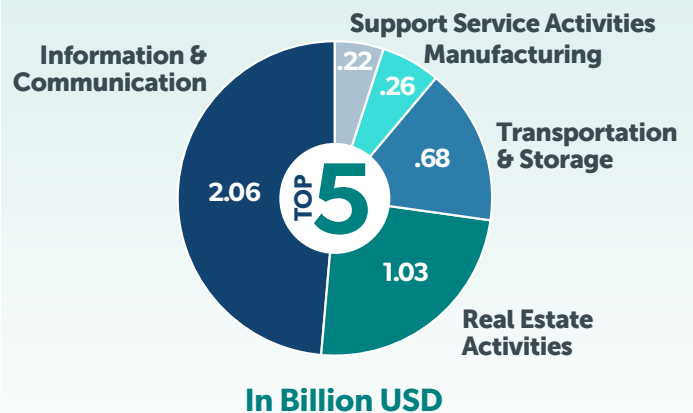
Population

115.56 M

GDP Per Capita

USD 3,623

FDI Top 5 by Industry (2022)



Rewriting History

Marcos Jr. is the only son of the dictator and former president Ferdinand Marcos Sr (1917 – 1989) who ruled the country for 20 years, nine of which were under martial law. Marcos Sr. was toppled by the nonviolent 1986 People Power revolution, and the Marcoses subsequently lived in exile in Hawaii before returning to the Philippines in the 1990s, after Marcos Sr.'s death. The legacy left by Marcos Sr. is a dark history of repression, violence, election fraud, and corruption that many older Filipinos still remember.

Given his family's image, Marcos Jr. orchestrated a massive social media campaign, years ahead of the 2022 election, to change the narrative about his family's legacy. Targeting the youth who did not grow up or live through the martial law period (those born from the 1980s), Marcos Jr. rebranded the years under his father's rule as a "golden era" of prosperity and stability, and downplayed criticism against the brutal military regime. While campaigning, Marcos Jr. shunned away from presidential debates and most questions from the press to avoid stirring up the past.

"Friend to All"

Since taking office, Marcos Jr. appears to have prioritized foreign policy amidst increasing China-U.S. tensions and the risk of a war over Taiwan, which is just 190 kilometers away from Philippines' northernmost islands.

Marcos Jr. vowed to continue Duterte's foreign policy of making the Philippines a "friend to all, an enemy to none," but his approach and actions are very different from his predecessor's. Duterte attempted to move the country away from its traditional pro-American stance and pivoted towards a friendly relationship with China. During most of Duterte's presidency, the U.S. was portrayed as a weak and unreliable partner. He went so far as to say it was "time to say goodbye to Washington" in his first visit to China after taking office in 2016.

Meanwhile, Marcos Jr. has quickly made his intentions to re-align with the U.S. clear. Within his first year in office, he visited the U.S. twice: in September 2022 and in April-May 2023 (whereas Duterte did not make any visits to the U.S.). He also met with several high-level U.S. officials, including Deputy Secretary of State Wendy Sherman, Secretary of State Antony Blinken, and Vice President Kamala Harris.

The result of these meetings is mutual commitments to deepen Philippines-U.S. security ties. In particular, Marcos Jr. has allowed the U.S. Army access to four new bases in addition to the five sites covered by the 2014 Enhanced Defense Cooperation Agreement. In April, the two countries conducted the largest ever Balikatan exercise, their annual bilateral shoulder-to-shoulder military drills, with 17,600 participants. During Marcos Jr.'s most recent visit to the U.S., he secured the U.S.' "ironclad" commitment to protect the Philippines

Marcos Jr.'s Career History



under the 1951 Mutual Defence Treaty as well as U.S. support to modernize the Philippines military.

In addition, Marcos Jr. made his first visit to Japan in February 2023, where the two countries' leaders agreed to strengthen their defense alliance and to simplify procedures to send Japan's Self-Defense Force to the Philippines for humanitarian assistance. They also conducted their first integrated air defense training in November 2022. The Philippines and Australia have also been in talks to deepen bilateral defense relations and are considering joint patrols in the South China Sea, which accounts for at least a third of the world's maritime shipping and is an area contested by China and several Southeast Asian nations, including the Philippines. Both Japan and Australia are U.S. allies.

Treading the Fine Line with China

Many argue that Marcos Jr.'s moves are consequential to China's aggressive behaviors in the South China Sea. Within the first two months of 2023 alone, the Philippines filed 10 diplomatic protests against China over violations in the South China Sea. In a February incident, a Chinese Coast Guard ship pointed a military grade laser at a Philippines vessel carrying supplies to its troops, temporarily blinding the crew. The incident happened just one month after Marcos Jr.'s meeting with Chinese President Xi Jinping and was viewed as a warning from China ahead of his visit to Japan.

Despite increasing cooperation with other pro-U.S. nations, Marcos Jr. has been careful to avoid provoking China, its top trade partner, and he has stated "disengagement with Beijing is not an option." In his first visit to China in January 2023, he tried to foster stronger economic cooperation with China, particularly in trade, infrastructure development, and agriculture. He also expressed his willingness to resolve disputed issues via peaceful means; he proposed direct and prompt communication between the two countries' leaders via a hotline to avoid mishaps in the



China-Philippines Relation under Duterte

It is worth noting that China's assertiveness in the disputed South China Sea was also a sticky issue under Duterte's presidency.

During Duterte's administration, despite his warm gestures and eight visits to Beijing, China did not hesitate to push its territorial claims. China continued to flex its military muscle in the disputed water while the Chinese government's promise of billions of dollars in infrastructure investments to the Philippines under its One Belt One Road initiative went unfulfilled. Therefore, in his last years in office, Duterte turned away from China and started reinstating security ties with Washington.

South China Sea. In April, Marcos Jr. also held talks with Chinese Foreign Minister Qin Gang to clarify that the four new military bases granted to the U.S. Army are not a direct military challenge to China but are for disaster relief and response to climate change impacts.



Did you know?

The Philippines is the home of Asia's first basketball league?

Founded in 1974, the **Philippine Basketball Association (PBA)** is Asia's first and the second oldest professional basketball league in the world after the NBA.



Looking Into the Future

Despite the outward focus thus far, Marcos Jr. is keenly aware that sustaining domestic pre-pandemic economic growth of 6 percent to 7 percent is key for his presidential performance. Thus, he has also brought in foreign investment to boost growth, and is targeting investments in public infrastructure, energy, agriculture, and digitalization. The country's projected GDP growth for 2023 is a respectable 6 percent to 6.5 percent, although it needs to deal with rampant inflation.

He has brought home a pledge of USD 1.3 billion in economic investments from U.S. firms after his second visit with Biden. For example, during the visit, he met with an American solar technology firm and an American healthcare services provider, which respectively pledged a USD 900 million investment into solar energy projects in the Philippines, and an investment of approximately USD 14 million in medical business process outsourcing.

Similarly, he also inked 35 investment deals totaling USD 13 billion into infrastructure, energy, health-care and agriculture sectors after his February visit to Japan, in addition to USD 3 billion infrastructure loans for two major public transportation projects.

We pose the following questions about Marcos Jr' presidency:

- Will Marcos Jr. be able to redeem his father's legacy?
- Will Marcos Jr. and the Philippines be able to maintain the delicate balance between China and the U.S. or will it be forced to pick a side?

Indonesia: The 2024 Elections and Key Power Players

Indonesia’s ever-changing constellations of political parties and politicians are gearing up for the 2024 elections, which will see voters go to polling booths to elect a new president, members of Parliament, and local legislative representatives. To conclude our series exploring the Southeast Asia region, we take a look at the political landscape leading up to the 2024 presidential elections in the world’s fourth most populous country.

A Celebration of Democracy

Indonesia’s presidential elections are among the biggest of its kind globally – up to 203 million registered voters will vote directly for their head of state. It’s dubbed *Pesta Demokrasi*, or the Festival of Democracy, in celebration of the citizenry’s rights to determine the country’s direction.

Like many of its regional neighbours, elections in Indonesia are strongly driven by personalities rather than platforms or policies. While political parties can play a secondary role to individual politicians at the voting booth, party support is key to getting a seat at the table.

Structuring Indonesia’s Presidential Elections

In order for a political party or a coalition of parties to nominate a presidential candidate in 2024, the party/coalition must hold at least 20% of Parliamentary seats or have secured at least 25% of the popular vote in the 2019 elections. The following parties and coalitions meet this condition and have thrown their support behind a candidate: PDI-P (joined by PPP), Gerindra + PKB, NasDem + Partai Demokrat + PKS.

A candidate must secure at least 50% of the popular vote to win outright. If no candidate succeeds in this, the vote goes to a runoff where the top two contestants in the first round will stand against each other.

Fast Facts – Indonesia

Government Type:

Republic, Presidential system

Population

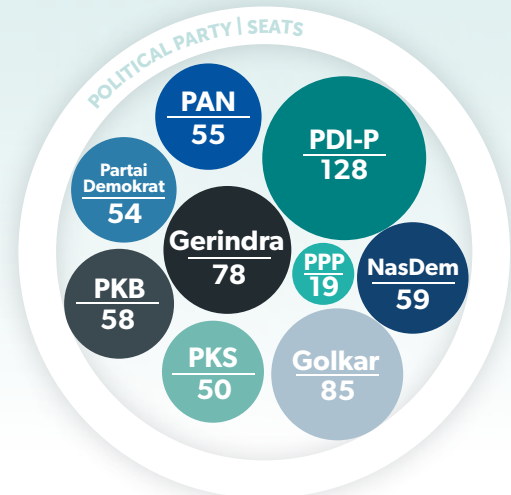
273.8 M

GDP Per Capita

USD 4,332

Parliamentary (DPR) Composition

(by political party, from the 2019 elections)



Meet The Candidates

The three main contenders in the 2024 elections include some familiar faces.

Prabowo Subianto



**Minister for Defense
(2019 – present)**

Contested the presidency in 2014 and 2019

Retired general and former commander of the Indonesian Special Forces

Ganjar Pranowo



**Governor of Central Java
(2013 – present)**

Former DPR legislator from 2004

Known for populist policies and a similar style to Jokowi

Anies Baswedan



**Governor of Jakarta
(2017 – 2022)**

**Minister for Education
(2014 – 2016)**

A former Jokowi ally turned opposition leader

Former Rector of Paramadina University

Prabowo Subianto

This will be Prabowo's third and possibly final tilt at the Presidency after two unsuccessful runs against Jokowi, and he stands a better chance this time around with the incumbent unable to contest. He also benefits from the halo cast by Jokowi; Jokowi brought Prabowo into his cabinet to help mend fences after the 2019 elections and in an illustration of the old adage about no permanent enemies, the two former rivals have become allies. In recent months, Prabowo has pulled ahead of his two rivals in most surveys and as of June 2023 is the front-runner in the elections. Intriguingly, support for Prabowo has increased the most among the youth/ under-25s,¹ possibly because younger voters have no direct recollection of the allegations of human rights abuses that surrounded Prabowo's leadership of the special forces. It is unclear what a Prabowo presidency would look like; while he has shown a preference for a more centralized and authoritarian style of leadership in the past, he has softened his approach and taken a more conciliatory tone in recent months.

Ganjar Pranowo

While Prabowo will be a formidable challenger in 2024, Ganjar holds the advantage of the support of the largest political party in Parliament, PDI-P. As PDI-P's candidate, he has the party machinery behind him and is seen as a natural successor to Jokowi. Ganjar is therefore the candidate for continuity. He bears notable similarities to Jokowi – both come from humble origins and do not belong to the political elite; they share a fondness for *blusukan* (casual walkabouts) and had success in regional politics. Yet, he is more of a party stalwart than Jokowi. While Jokowi built his support base and reputation independently of PDI-P before entering the party fold, Ganjar has spent his entire political career as a member of the party and is more inclined to toe the party line, especially given his hard-won nomination from the party in April 2023. Ganjar is currently polling behind Prabowo but ahead of Anies, but much could change in the months ahead.

Anies Baswedan

Anies, who comes from a background in academia but has spent the past decade in politics, is the laggard among the three but should not be ruled out. A spokesperson for Jokowi's first presidential campaign and a cabinet minister for two years, he fell afoul of the President during the Jakarta gubernatorial elections in 2017 when he ran against Ahok, Jokowi's former deputy and close friend.² Anies appeals to voters who are dissatisfied with Jokowi but in order to have a real shot at the Presidency, he will have to broaden his appeal beyond Islamists and be more than just an anti-establishment candidate.

The Kingmaker(s)

With his popularity ratings at an all-time high,³ Jokowi looms large as a potential kingmaker in the 2024 elections. He has shown no interest in quietly slipping away into retirement and has sent mixed signals about which candidate (between Prabowo and Ganjar) has his support. This is a strategic decision; Jokowi may be keeping his cards close to his chest in order to extract as many concessions as possible out of the two candidates before openly declaring his support for one of the two contestants. Jokowi's foremost concern is the preservation of his legacy; his primary achievement is moving Indonesia's capital to Kalimantan, which is still in its early stages, and he will want to ensure that this vision is properly executed by whoever succeeds him. His family's political fortunes form a second part of his legacy as both of his sons enter the political arena.

Key Dates

April 24, 2023

Registration opens for regional and national legislative elections

October 19, 2023

Registration opens for Presidential & VP candidates

November 25, 2023

Deadline for registration of all election candidates

Nov 28, 2023 – Feb 10, 2024

Campaign period

February 14, 2024

(First round) presidential and national legislative elections

June 26, 2024

(Second round) presidential election (if no candidate wins 50% of the popular vote in the first round)

November 27, 2024

Regional elections for governors and regents/ mayors

While Jokowi signalled his support for Ganjar from 2022, there are rumours that he has cooled on his early choice and is now leaning towards Prabowo because his efforts to shape Ganjar's campaign have been rebuffed by PDI-P leadership. If the presidential election goes to a second round, as appears likely at this point in time, Jokowi's support could be the deciding factor between the two frontrunners.

A second influencer in the 2024 elections is PDI-P chairperson and founder, Megawati Sukarnoputri. As party chief, she is the ultimate decision-maker

in Indonesia's largest political party. Megawati has already pulled on strings in the decision to name Ganjar as PDI-P's candidate; there are reports that in exchange for the party's official endorsement, Ganjar agreed to leave the decisions on his running mate and cabinet ministers to PDI-P. A former president (and daughter of Indonesia's first president) herself, Megawati's ambitions for her daughter Puan Maharani are no secret. However, neither Megawati or Puan have ever been popular with the electorate⁴ and their efforts to shape Ganjar's campaign could come at a cost if he becomes seen as a mere puppet.

To Be Determined: The Running Mates, and Why They Matter

While the main candidates for the presidency have made their interest clear, what remains to be seen is who each of the three will have as their running mate. Past elections have shown the importance of this choice, which provides the opportunity for a candidate to broaden his/her voter base significantly and address any perceived shortcomings. Examples of successful past pairings include a Javanese presidential candidate with a non-Javanese VP (SBY/ Jusuf Kalla, Jokowi/ Jusuf Kalla) and a more secular/ nationalist President with a VP that has religious credentials (Jokowi/ Ma'ruf Amin). In a tight runoff between two competitors, the choice of a VP candidate could be key.

Several names have been floated as potential VP candidates, but nothing has been confirmed. At the moment, the potential candidates generating the most interest include Erick Thohir, the Minister for State-Owned Enterprises and a member of one of Indonesia's most prominent business families, and Sandiaga Uno, another businessman-turned-politician who shared a ticket with Prabowo in 2019. Both Erick and Sandiaga tick multiple boxes: they present a more international/ media-savvy front than the two presidential frontrunners, both have their own wealth to draw

upon for the campaigns and have extensive business experience to complement the candidates' political nous, and both could claim partial non-Javanese heritage.

Other names being tossed about as potential VP candidates include Golkar Chairperson Airlangga Hartanto, East Java governor Khofifah, Coordinating Minister for Political, Legal and Security Affairs Mahfud MD, West Java Governor Ridwan Kamil, and Partai Demokrat chair AHY. Each brings their own strengths to the table and the coming months will see who will be running mates to the main stars.

A week is a long time in politics and with five months to go before Indonesians head to the polls, a lot can change. With this in mind, we pose the following questions:

- Will Jokowi defy his party by supporting Prabowo?
- Who will be Indonesia's next president and what will their presidency achieve?

Notes

- 1 <https://indikator.co.id/wp-content/uploads/2023/05/RILIS-INDIKA-TOR-18-MEI-2023.pdf>
- 2 In his campaign against Ahok, Anies aligned himself with Islamist groups that spearheaded opposition to the former governor of Jakarta; Ahok was subsequently found guilty of blasphemy and imprisoned.
- 3 Jokowi's approval rating in May 2023 stood at 82%
- 4 Megawati was not directly elected to the Presidency; she was the Vice President to the cleric Gus Dur, who was impeached midway through his term.

Did **you** know?

The population of Java is equivalent to that of Russia. Java has 7% of Indonesia's total land area but is home to 145 million people, or over 50% of the total population.



Leaving no stone unturned.

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