

## WORLD AFFAIRS



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# Asia's Reform Trinity?

SINGAPORE – Asia is poised to enter a historical sweet spot, with three of its most populous countries – China, India, and Indonesia – led by strong, dynamic, and reform-minded leaders. In fact, China's Xi Jinping, India's Narendra Modi, and Indonesia's Joko "Jokowi" Widodo could end up ranked among their countries' greatest modern leaders.

In China, Mao Zedong united the country in 1949, while Deng Xiaoping was responsible for engineering its unprecedented economic rise. For Xi to join their ranks, he must create a modern, rules-based state. That requires, first and foremost, slaying the massive dragon of corruption.

Over the years, corruption has become endemic in China, with regional party leaders and bosses in state-owned enterprises wielding their vast privileges and authority to accumulate personal wealth. This has severely undermined the Chinese Communist Party's legitimacy, while hampering the kind of market-based competition that China's economy needs to propel the country to high-income status.

So far, Xi seems to be up to the challenge. He has been boldly pursuing major figures who were previously considered "untouchable," such as General Xu Caihou, a former vice chairman of the Central Military Commission, and Zhou Yongkang, a former member of the Politburo Standing Committee, China's highest government body.

But the long-term fight against corruption cannot depend on Xi alone. It will succeed only if strong institutions are created to protect and nurture the rule of law long after Xi is out of power.

If Xi chooses to establish such institutions, he has a strong legal tradition upon which to call. As former US Ambassador to China Gary F. Locke reported in a speech early this year, the concept of equality before the law has deep historical roots. Indeed, in the fourth century BC, the statesman and reformer Shang Yang famously asserted that, “When the prince violates the law, the crime he commits is the same as that of the common people.”

Building on this tradition, Xi can create strong institutions that will stand the test of time. If he does – recognizing that, to be credible, the rule of law must apply even to the Party’s most influential figures – he will become modern China’s third-strongest leader.

In India, Mahatma Gandhi rejuvenated the country’s soul, which had been battered by colonialism, and Jawaharlal Nehru established its democratic political culture. Modi now must lay the foundations for India’s emergence as a global economic power.

Replicating the 10% annual growth rates achieved in Gujarat under Modi’s leadership from 2004 to 2012 would obviously be a boon to India’s development prospects and global standing. But achieving such high growth rates in a sustainable way will demand far-reaching, sometimes painful reforms, such as the removal of wasteful subsidies, especially for fuel, in order to free up resources for, say, increased health-care expenditure. Other imperatives include shrinking the budget deficit, removing internal barriers to trade, and encouraging private investment.

To win the support needed to implement these reforms without undermining political stability or social cohesion, Modi must demonstrate that he is an inclusive leader capable of cooperating with Indians outside of his Hindu nationalist base – including the country’s 150 million-plus Muslims. If he succeeds, he, like Xi, will become his country’s next iconic leader.

In Indonesia’s case, the two most influential leaders so far have been Sukarno, who used powerful rhetoric to foster a sense of national unity in one of the world’s most diverse countries, and Suharto, who overthrew Sukarno and created a strong economic base that lifted millions out of poverty. Jokowi must now lay the institutional foundations for good governance.

Jokowi has risen from humble beginnings to the apex of power without compromising his image as a “man of the people” or his reputation for pragmatism and honesty. Jokowi has a long track record of good governance, having implemented effective policies during his stint as Mayor of Surakarta (such as refurbishing markets, relocating slum dwellers, and cutting bureaucratic red tape), and as Governor of Jakarta (where he broadened access to health care and education).

But replicating this success at the national level will be no easy feat. Jokowi, who takes office in October, must implement policies that address rising inequality, unsustainable fuel subsidies, entrenched corruption, inadequate infrastructure, and restrictive labor laws – all while rebuilding trust in Indonesian institutions.

The challenges facing Jokowi are compounded by the fact that his ruling coalition holds only about one-third of the seats in Indonesia's parliament, with the rest loyal to the coalition of his rival in the presidential election, Prabowo Subianto. So, in introducing a new style of governance, exemplified by merit-based cabinet appointments, Jokowi must be careful not to alienate the political and business elites who have long benefited from their tight grip on power.

In short, if Jokowi is to form a national consensus on the institutions that Indonesia needs, he will have to reach across this political divide. To this end, Mexican President Enrique Peña Nieto's cross-party "Pact for Mexico" could serve as a useful model.

Promisingly, Jokowi has a reputation for independence from partisan and religious politics, and a talent for communicating with the people. And, as a political outsider, he is in a unique position to direct Indonesia toward a more prosperous, united future – and vault himself into the country's pantheon of great leaders.

China, India, and Indonesia are all well positioned to take important steps forward. A commitment by Xi, Modi, and Jokowi to do what is needed would bring rapid, far-reaching progress to their respective countries, Asia, and the global order.

*<http://www.project-syndicate.org/commentary/kishore-mahbubani-compares-the-historic-opportunities-facing-the-leaders-of-china--india--and-indonesia>*