

# Proceedings

# TU-CAPS 2020

5<sup>th</sup> Thammasat Annual Academics and Postgraduate  
International Conference on Asia-pacific Studies

## “Multi-dimensional Disruption in the Asia-Pacific”

**17 - 18 DECEMBER 2020**

**Sheraton Hua Hin Resort and spa , Thailand**



**TIARA**



FACULTY OF  
LIBERAL ARTS



Australian  
National  
University



MEIJI  
UNIVERSITY



**MAPS**

# PROCEEDINGS

## 5<sup>th</sup> Thammasat Annual Academics & Postgraduate International Conference

*“Multi-dimensional Disruption  
in the Asia-Pacific”*

*Hosted by*

Thammasat Institute of Area Studies,  
Thammasat University

*In association with*

Office of Higher Education Commission,  
Ministry of Higher Education, Science, Research and Innovation

Aichi Gakuin University

Australian National University, Australia

Meiji University, Japan

Graduate School of Asia-Pacific Studies, Waseda University, Japan

Master of Arts in Asia-Pacific Studies (MAPS) Program, Thammasat University

Faculty of Political Science, Thammasat University

Faculty of Liberal Arts, Thammasat University



Proceedings: Multi-dimensional Disruption in the Asia-Pacific  
(The 5<sup>th</sup> TU-CAPS, 17-18 December 2020)

Thammasat Institute of Area Studies (TIARA), Thammasat University

Editor: Suphat Suphachalasai, Ph.D.

Editions: 1, (August 2021)

Series: TU-CAPS Proceedings, NO.5

Cataloging in Publication Data

Multi-dimensional disruption in the Asia-Pacific.-- Pathum Thani : Thammasat  
Institute of Area Studies (TIARA), Thammasat University, 2021.

265 p.

1. Social sciences -- Congresses. I. Title.

300

Publisher: Thammasat Institute of Area Studies (TIARA) Thammasat University  
Dome Administration Building, 1st Fl. 99 Moo 18, Phaholyothin Road,  
Klong Nueng, Klong Luang, Pathumthani, 12121 Thailand  
URL: <http://tiara-tu.ac.th/site/publicationsProceedings>  
E-mail: [tucaps.thammasat@gmail.com](mailto:tucaps.thammasat@gmail.com)

ISBN (e-book): 978-616-488-203-4

*The views and opinions expressed herein are those of the authors and  
do not necessarily reflect the views of the Thammasat Institute  
of Area Studies.*

## Foreword from the Conference Chair

2020 marked another profile year for TU CAPS Conference. There were academics, researchers, and students from different universities in the Asia-Pacific region. The theme of 5th Thammasat Annual Academic and Post Graduate International Conference on Asia Pacific Studies (TU CAPS 2019) is “Multi-dimensional Disruption in the Asia-Pacific”, which gave us an opportunity to exchange our research with invited guests and participants from across the world.

For the past four years, our annual academic congregations have successfully gathered and engage academics on Asia Pacific Studies. As for this year, we had various conference sessions such as Australian Panel on Security Issues in Indo-Pacific Region as well as an Emerging India in the Security Landscape of Southeast Asia. Additionally, there were areas such as Myanmar, Russian and sessions on Attitudes of Mass Public Towards Fake News and Covid-19 Pandemic. As for post-graduate students, we have students from Meiji University and Thammasat University, mainly from Faculty of Political Science as well as our MAPS program.

This conference would not take place without the kind support from our esteemed affiliated networks namely Ministry of Higher Education, Science, Research and Innovation, Graduate School of Asia Pacific Studies (GSAPS), Waseda University, Meiji University, Australian National University, Aichi Gakuin University, Kyoto University, Faculty of Political Science and Faculty of Liberal Arts, Thammasat University for your strong support for the past years and hopefully to continue for years to come.

We are looking forward to TU CAPS in the next year in order to provide a platform for academics, researchers, and graduate students to share ideas and present their research work on Asia-Pacific as well as networking.

Suphat Suphachalasai, PhD.

Director of Thammasat Institute of Area Studies, Thammasat University  
Conference Chair

## Committee Board

- |    |   |  |
|----|---|--|
| 1. | Associate Professor Suphat Suphachalasai, PhD<br>Director, Thammasat Institute of Area Studies,<br>Thammasat University   | Chair of Committee<br>Chair of Editorial Board |
| 2. | Associate Professor Chanin Mephokee, PhD<br>Advisor to the Director,<br>Thammasat Institute of Area Studies,<br>Thammasat University  | Committee & Editor                             |
| 3. | Dr. Thanyaporn Soontornthum<br>Deputy Director,<br>Thammasat Institute of Area Studies,<br>Thammasat University   | Committee & Editor                             |
| 4. | Dr. Supruet Thavornyutikarn<br>Advisor of India Studies Centre,<br>Thammasat Institute of Area Studies,<br>Thammasat University   | Committee & Editor                             |
| 5. | Assistant Professor Jittipat Poonkham, PhD<br>Advisor of Russian and CIS Studies Center,<br>Thammasat Institute of Area Studies,<br>Thammasat University  | Committee & Editor                             |
| 6. | Professor Emeritus William Tow, PhD<br>Department of International Relations,<br>Coral Bell School of Asia Pacific Affairs,<br>ANU College of Asia and the Pacific,<br>The Australian National University | Committee & Editor                             |
| 7. | Professor Hitoshi Mitomo, PhD<br>Graduate School of Asia-Pacific Studies (GSAPS),<br>Waseda University  | Committee & Editor                             |
| 8. | Professor Chosein Yamahata, PhD<br>Department of Policy Studies,<br>Aichi Gakuin University   | Committee & Editor                             |

9. Dr. Greg Raymond  
Strategic and Defence Studies Centre,  
Coral Bell School of Asia-Pacific Affairs,  
The Australian National University  
Committee & Editor
  
10. Dr. Takashi Tsukamoto  
International College of Liberal Arts,  
Yamanashi Gakuin University  
Committee & Editor

## Table of Content

Forward from the Conference Chair.....	I
Committee Board.....	II
Table of Content.....	IV
<i>A Study on Thailand and Its Positioning in the 21st Century World Order: The Case for Hedging Strategy</i>	
Nutrada Siriarkkalarp.....	1
<i>A Study on the Economic Preparedness of the 20-Year National Strategy and Short-term policies of Thailand’s Export during December 2019 - August 2020 amidst Global Impact from the COVID-19</i>	
Nabodee Na Thalang.....	13
<i>Assessing E-Filing Success: The Moderating Roles of Tax Complexity, Prior Experience, and Perceived Risk</i>	
Trisha Ann Gabrielle Del Rosario Albay.....	27
<i>Changing the Roles of South Asian Women in Politics</i>	
Nansinee Harnsamut.....	52
<i>Deconstructing the Marvel Cinematic Universe: The Security/Popular Architecture of American Identity and Threat Perception</i>	
Pakapong Damrongrat.....	70
<i>Indonesia’s Two-level Game at the WTO: A Political Economy Approach to the International Poultry Trade</i>	
Muhammad Maulana Ibrahimi.....	82
<i>Microenterprise Access to Finance the Case Study of Handicraft Industry in Samneua District, Houaphan Province, Lao PDR</i>	
Anoulack Keomany.....	105
<i>Political Languages: An Analysis of Mahathir Mohamad’s Political Speeches on Muslim Identity</i>	
Lau Kai Xian.....	122

*Regional Powers of International Society in the Asia-Pacific Region*  
 Thanapat Pekanar.....140

*Sino-Russian Relations and Its Implication on Russia’s Position  
 in the Asia-Pacific: A Constructivist Approach*  
 Chitra Tkhompira.....167

*Small State Diplomacy: Cambodia’s Foreign Policy Under  
 the Constrains of Traditional Security Issue*  
 Vichea Huot.....185

*The Study of Cooperate Social Responsibility (CSR) Process in Central Group*  
 Ilham Salaeh.....198

*Utilization of Cyberspace by Authoritarian Regimes: An Analysis on Effects  
 of Embeddedness in Global Governance and Trade*  
 Elif Sercen Nurcan.....211

*Understanding How Celebrities Influence Donors Participation in  
 Social Crowdfunding (The Mediating Role of News Media Coverage  
 and Online Social Networks)*  
 Agung Maulana.....229





## *A Study on Thailand and Its Positioning in the 21<sup>st</sup> Century World Order: The Case for Hedging Strategy*

Nutrada Siriarkkalarp  
anan.nutrada@gmail.com

### **Abstract**

The rapidity changes of the 21st Century power transition especially the Sino-US strategic rivalry in the Indo-Pacific raises some theoretical and empirical questions in which affect the international system drastically. Thailand as a middle state in the world arena also inevitably affected by the phenomena.

The study illustrates how and in what ways the Thai government under General Prayuth Chan-o-cha from 2014 to the present has pursued the hedging strategy that cause Thailand to become successfully survives during the rivalry of major powers, U.S and China Nevertheless, this study in this paper examines the approaches from risk management under hedging and System Structure and state behavior in order to explain the behavior of Thailand's foreign policy in the changing world order and to understand Thailand's position as a secondary state and the options that it can exercise in the light of the growing uncertainties in global power concentration.

The power of hedging strategy study confirms that Thailand's approach in its foreign policy under Prayuth Chan-o-cha is that of hedging in an attempt to become constructive player on the international platform and survival state amidst the world order transition which resulted in committed its engagement to both major powers while maintaining as regional norm setter among its neighboring countries, its own internal independence, and follow its own region-based foreign policy.

**Keywords:** Balance of power, Bandwagoning, Hedging, Indo-pacific, Major Powers, Power Transitioning, Thailand's Foreign Policy, The 21st Century, World Order.

The rise of China and the 21st Century will put Thai foreign policy up for a test and for its ability to keep a good balance and positive ties with all major powers and continue its success on surviving the global power transition. Thailand, as a middle state has been recognized to have the “bending with the wind” diplomacy, which according to Busbarat (2016), is a center of critic in discussing foreign policy management. One reason for such, is the high flexibility of the policy, which allows a country to shift tides based on their self-national-interest and needs. With the strategically located in the centre of Southeast Asia, Thailand not only geopolitically and economically significant to the region but also the global arena. Thailand’s traditional foreign policy or the “Bamboo Policy” may not help Thailand to survive and sustain in counterbalance the influence of the major powers. It can be generally said that the relations between Thailand and other global powers are friendly in nature with Thailand showing mutual respect towards others following the aftermath of the Cold War era. Although the relations between global powers and Thailand is very old, but the most positive development in the bilateral relations between the two started from 2000 and onwards (Koldunova, & Rangsimaporn, 2012). The ties between the two are not only diplomatic but are also political and culture based, with culture playing a greater role in enhancing the relations between Thailand and other global powers. As a middle power state, Thailand could not ultimately resist the tension from the power rivalry. With the power transitioning and the Sino-US strategic rivalry in the Indo-Pacific, Thailand needs to establish an effective strategy that will advance its competitiveness in the protection of the national interest.

Since during and the post-war era, Thailand has been reckoned to adopt flexible foreign policy system, ensuring that, Thailand’s policies are in favour to its national interests. The survival strategy of Thailand, in the post-war-era, has been reckoned to change colours, for instance, by balancing the relation between Japan and the United States. The changing colour of Thailand’s foreign diplomatic relationship significantly influenced the image of Thailand. This has affected Thailand’s image of inconstancy on foreign policy among other neighbouring countries. During the first phase of the Vietnam war, Thailand declared itself as the U.S.’s allied in hoping to gain priority acceptance from the U.S. among other countries in the region. However, Thailand later realized that it will be left at war with no supporter and no protector, The U.S. withdrawal from the war left Thailand with a great lesson of great danger in pursuing a dependent relationship with one single power that could have fewer regards when it comes to the vulnerability of smaller countries. With no choice, Thailand starts the notion of balanced relation with other major powers like China and the Soviet Union right after.

Thailand historically adapts itself to seek support for the balance relation from major powers in the region. The idea was served in Thai’s foreign policy to expedite the move away from dependence on the U.S. during the Vietnam War in the notion that no country could complete reliance on one single power. In the past, the idea of the balance of power was expressed by Thai leaders in a sense of self-trust and to conceal internal doubt on the reliance with China in which were meant to be temporary because during Vietnam War, the shared short-term goal of Thailand and China is the withdrawal of Vietnam in Cambodia, however, China’s long-term goal is to see the annihilation of Vietnam while Thailand wishes to use Vietnam as a counterweight to China’s influence in the region. At that time, the balance of power in the foreign policy of Thailand was used to ensure its survival in wartime but during the 21st Century, the global tension was not limited to traditional threats, thus non-traditional threats play a constructive role in the development of foreign policy. As time went on, Thailand increasingly faces complexity in maintaining its trademark, the flexibility of foreign policy. The rise of China has changed both the political and economic landscape of the world, especially in the Indo-Pacific region. China undeniably became the major power and rival to the long-term world major power like the U.S. As Thailand has always been able to manage security threats throughout history, from WWII, Cold War, expansion of communism in the region by using “bending with the wind” practice. The rise of China and the 21st Century will put Thai foreign policy up for a test and for its ability to keep a good balance and positive ties with all major powers and continue its success on surviving the global transition.

Foreign policy under General Prayuth Chan-o-cha involves multiple players for military cooperation as well as economic cooperation and is about maintaining regional balance of power. One, it opened itself economically towards China, while increased its military cooperation as well and, two it kept its military ties with the U.S. as well, albeit not of the same level but enough to keep US and China keep a check on each other (Han, 2018). General Prayuth’s other foreign policy dimensions involved a concentrated focus towards the mainland Southeast Asia neighbours. Three, Prayuth reinstated the status of Thailand as the ‘economic patron’ of the region (Kongkirati and Kanchoochat, 2018), aimed at leading the development levels of the neighbouring countries. Fourthly, Thailand envisioned the Eastern Economic Corridor as the means to attract investment from other countries like Japan and Germany.

This has proved to be a counter-balancing tool against the increasing influence of China in the region (Tekasuk, 2019), and in itself, is a strong indication of application of the hedging strategy. All these major four principles show that Thailand under General Prayuth Chan-o-cha, the current junta turned democratic government is pursuing a complex arrangement of foreign policy. It aims at not giving too much leverage to any one single country but cooperating with quite a lot of them at the same while simultaneously showing its own presence through a regional alliance with states through its economically guided foreign policy. Hence, it is imperative for policymakers to have insights on past and present relations with global power like the U.S. and China to effectively develop beneficial policies to retain the hedging strategy.

Especially, Thailand being a centre of many major players of the world, trying to gain leverage over each other. This can be proven by the Thailand's acceptance of the China's Belt and Road Initiative, which almost every other country has too. Japan is aiming at increasing its influence not just in Thailand through its Thailand-plus-one foreign policy but by engaging other smaller countries as well. Amidst all this, Thailand's major focus is on the regional cooperation originally envisaged under the ACMECS, that is, Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (Chambers and Bunyavejchewin, 2019). This strategy is three pronged and is the Master Plan of Prayuth in increasing its regional influence through infrastructure and transport development, digital interconnectivity, harmonized trade and economy, and development in the areas of agriculture, human resource, public health, cyber security and tourism.

So far, as it has been witnessed that the foreign policy had seen its share of turmoil with the change in the government, the 2014 military coup yet brought another change, different foreign policy under the vision of the junta leader Prayuth.

Strategic hedging has played an important role in foreign politics and manipulating the global powers. Especially, globalization has created a world free of borders, leading to the global power to develop success strategies to balance the power and to survive during world power transition. Being that this study's objective is to explore the foreign diplomatic policy of Thailand, the strategy to maintain good diplomatic relations, and the application of hedging strategy is explored, the policymakers of Thailand can acquire benefit from it. Since the past policies of Thailand has been reviewed, the historical research will allow, not only exploring the foreign policy approaches of Thailand, the study would also critically summarize the factual information. Hence, the policymakers will be able to understand the strategic approach prior to and during the

21st Century, which will provide a foundational knowledge to recommending strategic policy. Similarly, the consideration of Thailand’s relation with the U.S. and Thailand has been explored, allowing policymakers to comprehend how balanced and strategic hedging approach can enhance Thailand’s position as a middle state power.

### 1. Relations with the United State and China in the 21st Century

So far, China’s rise in Southeast Asia has not caused any fundamental change in Thailand’s alignment posture. In this way, Thailand does not see it as a threat, but rather an opportunity. Therefore, Thailand is neither balancing nor band-wagoning with China. Thailand’s foreign policy appears to practice hedging strategy in order to avoid choosing sides in this Sino-US rivalry. It is not abandoning its long-standing alliance with the U.S. but instead is seen to diversify and secure relationships in times of growing uncertainties. This is to lower tensions over the South China Sea and also to avoid picking a side. Thailand has always exhibited a tendency to adopt more neutral diplomatic positions in global affairs as is the case of their involvement in the Second World War when they initially granted access for Japan’s Imperial army to their resources only to switch alliances and align themselves with the Allied forces of the U.S., upon realizing imminent Japanese surrender (Mendiolaza, 2019). Recent foreign policies announced by the Thai government have witnessed its declaration of support for China’s Belt and Road Initiative (BRI). Thereby, it has brokered numerous deals for infrastructural development projects hosted by the Chinese state-owned companies over the last decade or so. Thailand’s own hosting of infrastructural development projects throughout the Southeast Asia Region via the Eastern Economic Corridor initiative hinges heavily on their ability to secure foreign investment into these ventures – investment that will be siphoned from predominantly Chinese investment parties. To further emphasize Thailand’s neutral stance towards both superpowers, an illustration of its trading history over the last decade has been dominated by two main trading partners in the form of the U.S. and China in terms of imports and exports.

Thai diplomatic relations on the American front, have been established since the Second World War period onwards, culminating in the Cold War alliance. One of the key features was the access granted by the Thai government for their ‘Cobra Gold’ multinational military exercises – the largest Indo-Pacific multinational military exercise where the U.S. participates with allied and partnered nations. In addition to such military fellowships, the overall input of the U.S. influence in Thai foreign policy has assisted the Thai government’s efforts to attain advantages derived from the signature of various

treaties over the years, with the Treaty of Amity, FTA treaties and the maintenance of American commitments to Thailand within the Southeast Asia Treaty Organization (SEATO). Current economic development projects like the Mekong Initiative have been endorsed by the U.S.’s membership of the plan. The BRI and the Mekong Initiative coupled with various treaties agreed upon by Thailand with both nations further demonstrate how Thailand seeks to have its cake and eat it at the same time by gaining the support of two opposing global major powers.

## 2. Thailand’s Shift from Bamboo Policy to Hedging Strategy

Thailand’s foreign policy has been given many names over the years, from Bamboo diplomacy to complex engagement, yet the main essence even in this 21st century of it remains the same: engagement with multiple states at multiple levels and in varying degrees in order to make the best of all the opportunities and keep conflicts far from home. With stronger regional alliances, the major players in the region see Thailand as a means of giving them a stable foothold in the region (Chachavalpongpun, 2018).

After the coup of 2014, Thailand adopted a foreign policy approach, under which the country was to maintain and balance its relations with the rival world powers, including China and the U.S. It was a co-operative based approach, with interdependence and a mutual understanding on various common issues among states at its core. The illiberal values of General Prayut’s current government bore no nexus with its foreign policy of maintaining significant relations with the rival groups. However, as Thailand was struggling to pursue its aims under its developed foreign policy, there were simultaneous events involving co-operation and conflict among the countries with whom Thailand sought to balance relations. It was because of these conflicts between these countries and Thailand’s own economic interest that Thailand had decided to move from a bamboo diplomatic approach towards a more hedging approach. In this background, Thailand has adopted a foreign policy of “complex engagement” in its relations with the U.S. and a foreign policy of “comfort engagement” with China, where the former relation is geared more toward procuring military security, while the latter relation is geared more toward attaining economic advantages given China’s rise in the post-cold war era. Therefore, these changes in the post-cold war era necessitated Thailand’s change in foreign policy as compared to its previous bamboo policy, which concerned Thailand only with its aim to survive, which was only possible under the shadow of the U.S. because of Thailand’s strong relations with the U.S. during the Cold War era.

Before adopting a hedging approach, a name given to a more proactive foreign policy approach where a country’s relations were balanced with superpowers. Thailand had been pursuing an approach known as bamboo diplomacy. A state adopts bamboo diplomacy where its ultimate aim is the survival of the state and the country takes a turn wherever the wind is blowing effectively (Busbarat, 2014). In the post-cold war era, with Thailand’s geostrategic position in South East Asia and the increasing rivalry of China and the U.S., the Thai policymakers decided to pursue its own national interests for promotion of its own economic development. Therefore, instead of choosing sides, the Thai government decided to take forward its own regional agenda. There was a re-adjustment in this policy in 1997 when Thailand was hit by the Asian Financial Crisis; although regional agenda was still at its core, Thailand adopted a “flexible engagement” model by appealing to countries with its democratic and human rights principles in exchange for economic coordination (Busbarat, 2014).

However, after the military coup of 2014, Thailand changed its foreign policy approach, as it abandoned principles of liberal democracy and therefore, it changed its relationship with the U.S. drastically. The U.S. relations with Thailand grew during the Cold War era because of the U.S.’s agenda of anti-communism in the South East Asian region. The U.S. provided adequate support to Thailand to stay away from communist forces. This relation was maintained till Thailand’s democratic regimes were overthrown by establishment forces and the subsequent adoption of illiberal policies (Manowong, 2020). Since the pro-democracy principles were vanishing in Thailand, the Thai government began distancing itself from the U.S. and to become more proactive toward China (Suorsa & Richard Thompson, 2018). Thus, the rise of China provided a hedge to Thailand to overcome its dependence on the U.S. However, instead of getting too close to China, Thailand has also maintained its relations with the U.S. as part of Thailand’s strategic interests (Suorsa & Richard Thompson, 2018). Strong security and military ties with the U.S. have been crucial for Thailand to maintain, while the Thai government has also been manoeuvring its relationships with the EU countries and other countries of East Asia, including China, under the model of “comfort engagement” (Ganjanakhundee, 2020). In case of China, Thailand has found it more comfortable to maintain relations with the government given China’s neutrality toward domestic issues of Thailand, concerning itself only with the mutual economic interests of both countries.



Such a changing attitude in Thailand’s foreign policy in dealing with countries, especially the rival powers of the 21st Century, the U.S. and China, has been due to the shifting nature of world politics. While previously, the Thai government flew with the wind and adopted foreign policy which was more commensurate with its relations with the U.S., it changed significantly after the military coup in 2014 and the changing dynamics of the world, especially the Sino-U.S. rivalry, which is has become a topic of heated discussion with each passing year. With the rise of China, instead of choosing to side with either group, the Thai government has adopted an approach which will serve benefit to Thailand’s economic interests. The anti-democratic characteristics of the Thai government have not been proven an obstacle in lending support from the Trump administration for bilateral strong military ties. At the same time, Thailand has also been able to tap its economic growth with its friendly relations with China, which are purely economic in nature (Ganjanakhundee, 2020).

Thoroughly, it can be considerate that Thailand’s change from a bamboo diplomacy, specifically for its interest in siding with the U.S. in post-Cold War era, toward a more hedging approach, which has provided Thailand with a hedge against the U.S. by building strategic relations with China, has been triggered due to changing dynamics of the world politics. Moreover, with the U.S. being more critical of Thailand’s domestic issues and its illiberal policies, Thailand found it more beneficial to grow its relations with China simultaneously and procure economic advantages by being in a complex engagement with the U.S. and a comfort engagement with China. However, despite weakened relations of Thailand with the U.S., it has still been able to procure military equipment from the U.S (Manowong, 2020). Therefore, it can be said that both the major superpowers, the U.S. and China, have been important to Thailand, considering Thailand’s location in South East Asia and its sprawling economic advantages to both countries.

### **3. Thailand’s Foreign Policy Before and During the 21st Century and Shift to Hedging Strategy**

Before the 21st Century, Thailand’s foreign policy had always been termed as “bending with the wind.” Under the respective foreign policy, Thailand was often found accommodating its policies by bargaining and obligating with the major power to protect its sovereignty. However, during the events of colonialism, WWII, Cold War and Trade War between the United State and China, Thailand increasingly faced complexities in maintaining its traditional balancing diplomatic policy. As Thailand

describes, the balanced relation policy was all about the flexibility to obligate the powerful state for its protection; accommodation of its policies in exchange for bargaining power was seen as a trademark of Thai’s foreign policy. Though the country had always been used, it was during WWII that the country declared war against allied power; however, at the same time, it manipulated its reputation by seeking the U.S. protection to avoid war indemnity from Britain. During the Cold War, foreign policy of Thailand went through quite a few changes. During the rule of Siddhi Savetsila, the focus of the foreign policy shifted to the enhancement of the wellbeing of the nation. He suggested that the key to achieving the goal was to pursue diplomacy actively and ensure the national security of the county. Moreover, he also focused on increasing strong relations with major powers. So, it can be concluded that Thailand’s foreign policy was focused to enhance the socio-economic development of the nation. Later, when the Cold War was coming to an end, Thailand put its focus at placing itself as the centre of the economic trade in the region. However, the crisis of 1997 was the end of Thailand’s economy-based diplomacy.

#### 4. Thailand’s Diplomacy with the United State and China

The U.S.- China rivalry in the region prompted Thailand to operate a more flexible foreign policy. The 2014 coup strained the Thai- U.S. relations, but they sustained the pressure because Thailand wanted to reduce the military-based relation with China, thus balancing its strategies towards both the countries. Current literature on Thailand’s foreign policy continues to suggest that Thailand pursues hedging in establishing its external relations. The economic and security centered the U.S. - China-based hedging is obvious, but Thailand also tries to hedge foreign policy towards other major actors as well like Japan, India, Russia, and Malaysia. During this time period, Thailand went under another military coup in 2014, and with Prayuth leading the Junta and then winning the 2019 national elections, there came a change in the foreign policy of Thailand. In earlier times, Thailand had been pursuing an approach known as bamboo diplomacy. A state adopts bamboo diplomacy where its ultimate aim is the survival of the state and the country takes a turn wherever the wind is blowing effectively. It was different from the newly-appointed strategy – hedging strategy. The concept of hedging strategy is a form of a strategy of alignment adopted by one state towards other states by using a mixture of both cooperation and confrontation; in simpler words, hedging approach is not focused on one single policy but rather of a mix of different ones. At this point, relation with the U.S. worsened, while with China, it became better. Another development under the rule of Prayuth Chan-o-cha’s rule and his foreign policies was

that the status of Thailand emerged as a middle power. Though the government of Prayuth didn't officially declare Thailand as a middle power, there have been a variety of studies that declare the country as a middle power just like Indonesia and Cambodia for they happen to be falling in the middle of superpowers and small powers.

Similarly, in the past couple of years, Thailand has also made an effort to move away from the traditional focus of its foreign policy in China, the U.S., EU and its neighbors, to advance its foothold in the African continent as well. To sum up, the reign of Prayuth Chan-o-cha has been the turning point for Thailand. Where the rule of the military coup in 2014 helped the nation's foreign policy to shift from bamboo diplomacy to hedging strategy, which strengthened its ties with China, strong economic power with a status of being the superpower and helped to emerge the country as a middle power. Moreover, hedging strategy has been in the best interest of the country, as the main focus of the policy has been shifted to economic well-being and less dependency on the Western states.

## 5. Hedging Strategy and the Thai's Diplomatic Relations

The shift from bamboo diplomacy to hedging strategy was the beginning of Thailand's diplomatic relations with major powers, like China and the United State. The shift was crucial, as the bending with the wind strategy had undermined the sovereignty of the nation, by accommodating its policies as per the major powers, which made the country as submissive and weak. However, the hedging strategy has provided the country with an identity of its own as well as an opportunity to become a middle power, focusing on its own protection and national interests and presenting them on a global scale. Though the coup of 2014 deteriorated the relationship between the U.S. and Thailand, the strategy to focus on national interests and the implementation of hedging policy made the country's ties with China strong. General Prayuth sought greater collaboration with China, while not endangering its sovereignty. This led to an increase in military cooperation between the two states, especially naval based cooperation and the north-south rail link. On the other hand, By the year 2019, the ties had become stronger, mainly as a result of the visit of the defense minister to the U.S., which resulted in military hardware purchase, logistic support and basing facilities. In 2019, the two countries issued and signed a Joint Vision Statement 2020 which promotes five major points, sustainable security cooperation, partnership, leadership, enduring presence and regional security. To sum up, the hedging strategy was a crucial approach for Thailand, which is mainly focused on balancing between the states rather than accommodating

or bending with the wind. The balancing strategy worked for Thailand, as it has an economy-based relationship with China while, deeply engaged with military-based relationship with the U.S.

## Reference

- Busbarat, P. (2014). Thailand's foreign policy: The struggle for regional leadership in Southeast Asia. In B. C. G. The (Ed.), *Globalization, development and security in Asia. Vol. 1, Foreign policy and security in an Asian century: Threats, strategies and policy choices* (pp. 133 – 153). Singapore : World Scientific.
- Busbarat, P. (2016). "Bamboo Swirling in the Wind": Thailand's foreign policy imbalance between China and the United States. *Contemporary Southeast Asia*, 38(2), 233-257. Retrieved October 16, 2020, from <http://www.jstor.org/stable/24916631>
- Chachavalpongpun, P. (2010). *Reinventing Thailand: Thaksin and his foreign policy*. Institute of Southeast Asian Studies.
- Chambers, P. & Bunyavejchewin, P. (2019). Thailand's foreign economic policy toward mainland Southeast Asia. *ISEAS Perspective*, 2019(64).
- Ganjanakhundee, S. (2020, April 13). 'Complex Engagement': Thailand's balancing act in foreign policy. *Think China*. Retrieved from <https://www.thinkchina.sg/complex-engagement-thailands-balancing-act-foreign-policy>
- Kongkirati, P. & Kanchoochat, V. (2018) The Prayuth regime: Embedded military and hierarchical capitalism in Thailand. *TRaNS: Trans -Regional and -National Studies of Southeast Asia*, 6(2), 279-305. Retrieved June 8, 2020 from <https://www.cambridge.org/core/journals/trans-trans-regional-and-national-studies-of-southeast-asia/article/prayuth-regime-embedded-military-and-hierarchical-capitalism-in-thailand/E94563EBE18DD73C5ED62F0FE5F9035E/core-reader>
- Manowong, E. (2020). Additional strategy for Thailand's foreign policy to counterbalance influences of the U.S. and China. *National Defence Studies Institute Journal*, 11(1), 13-23.
- Mendiola, A. G. (2019). An examination of foreign policy strategies of middle powers during great power competition: A case study of Thailand's strategic hedging between a dominant USA and ascending China. *AU-eJournal of Interdisciplinary Research*, 4(1), 19-36.
- Suorsa, O. (2016). *Hedging against over-dependence on US security: Thailand and Philippines* (PhD Thesis). Nanyang Technological University.
- Tekasuk, P. (2019). *The balance of power in Thai foreign policy under Prayuth 1.0*. Retrieved June 8, 2020 from <https://medium.com/@preechapak/the-balance-of-power-in-thai-foreign-policy-under-prayuth-1-0-735d93f825dc>

*A Study on the Economic Preparedness of the 20-Year National Strategy and Short-term policies of Thailand's Export during December 2019 - August 2020 amidst Global Impact from the COVID-19*

Nabodee Na Thalang  
nathalang.n@hotmail.com

**Abstract**

The global disruption of COVID-19 pandemic has widely raised concerns among global leadership institutions, especially, WHO. It does not concern only for global health issues, but it also responded to rising problems of economic impact. Although Thailand was ranked within the first-tier group of strongest health policy for the COVID-19 management, the lacunae was found in terms of the economic mismanagement due to complications of the situation that occurred in Thailand's tourism and export economy. This paper examines, in general, the short-term economic effects on Thailand's export which caused by the national lockdown policy during the COVID-19 global widespread. This study aims to understand, in particular, how the 20-Year National Strategic Plan would fairly be one of the root causes of economic mismanagement of Thai government towards COVID-19 economic impact. This study employed the qualitative methodology in order to acquire data. The data will be collected from (1) documents from the governmental websites, World Bank data, Economics journals, newspapers, and other related-academic studies; (2) conference participation of the affected groups of Thailand's leading exporters and public authorities during August, 29 to 31, 2020 at Royal City Hotel (Bangkok) on "Strengthening Capacity of Industrial Competitiveness in the aftermath of the COVID-19." The findings show that Thailand's export economy was affected by the COVID-19 in different sectors, except jewelry exporters. But, some of them are still operable and benefited such as the electronics industries and cardboard exporters. Although the COVID-19 complicates the problems of Health, the deep reason of economic miscalculation lied within the rationale of the National Strategic Principle. Because of the struggling threat perceptions and inability to change, this paper argues that the 20-Year plan contributes to the economic unpreparedness in Thailand's export economy amidst global disorders.

**Keywords:** 20-Year National Strategic Plan, COVID-19 Pandemic, Economic Unpreparedness, Lockdown, Thailand's Export

## 1. Introduction

*“Dr Tedros Adhanom Ghebreyesus, WHO’s Director-General, that COVID-19 can be characterized as a pandemic. This is due to the rapid increase in the number of cases outside China over the past 2 weeks that has affected a growing number of countries.”*

*World Health Organization (Europe), 2020*

The emerging global phenomena of COVID-19 leads to the rising question of how state should manage with the outbreak scenario. The emergence of global pandemic in 2020, however, has a warning sign for epidemiological preparedness since the end of 2019 which occurred in central region of China. The rising number of mortality rate which estimated went beyond the mortality rate of influenza caused panic for governments around the world. But, at that time, the preparation to counter with the following economic difficulties were only just underprepared. Because of traditional beliefs, leading economists only detected the inconsistencies from the studies of market models under uncertainty of global economy, but not yet from the non-traditional threat, in particular, from the disease. It is believed that the economic theory somehow would nowadays dealing with the problems of malfunctioning market, but for the disease, according to historical records, the data show that the epidemiological characteristics of an outbreak lived fairly short period of time, otherwise, it was very regional epidemic, but not becoming global pandemic.

The Spanish flu in 1918 was a very first modern pandemic that dealing with globalization age. However, the study of this lethal pandemic shows that it caused high numbers of death and also economic impact around the globe. But, when time goes by, the technological and human capacity have advanced to make life better. The healthcare system also decreased the mortality rate and prolonged human life from good health services and advanced technology of medication. But, the COVID-19 pandemic has gained our human attention again to re-look at this problem in quite different way. This phenomena of global outbreak plus human response towards deadly disease have introduced new kind of global tactics to cope with uncertainties, for example, the strict lockdown measure and other hygiene procedures. However, if we would compare to the past historical pandemic, the lockdown model had not imposed by any states yet. But, with innovative ideas under globalized economy, the lockdown model seemed to be reasonable method to deal with the rise of global pandemic.

However, the question of this global strategy reflect in different point of view of each individual country. Some of them agreed to use this, but, some did not. The reason depends upon the cost of losing economic opportunities. Imagine that one country has proposed lockdown policy in order to stop the widespread of contagious human traveling, but when the lockdown has been implemented, the economy has been somewhat largely affected. So, the question is “How about Thailand?” Thailand is located in the strategic point as central of ASEAN and being near China. Thai economy also depends on regional export to western hemispheres, China and ASEAN. And it enormously depended on Chinese economy in particular the Chinese tourists. So, how does Thailand deal with the emergence of COVID-19 in terms of political economic perspectives? This question pave the way for this research contribution in order to understand and to analyze this global phenomena and Thailand economy. The news reported that “an army-owned boxing stadium ignored a government shutdown order, and held a match that later contributed to nearly a sixth of all confirmed coronavirus cases in Thailand.<sup>1</sup>” This is the first encounter of the COVID-19 outbreak in Thailand before the strict lockdown policy would be imposed.

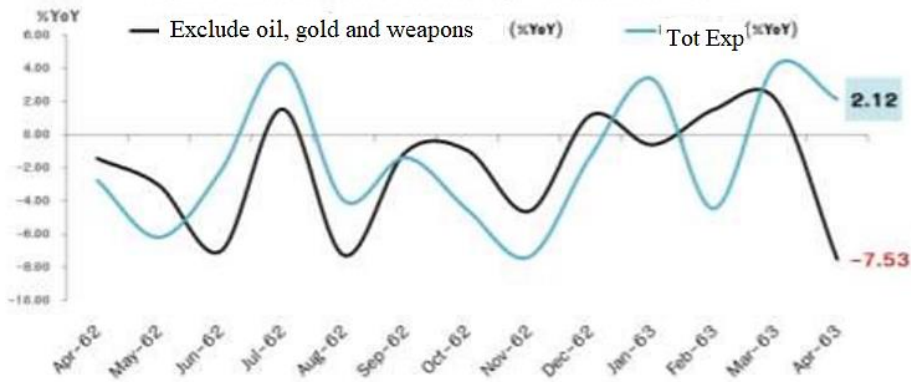
However, Thailand enjoys the economic growth from export-led policy until it faces first financial crisis in 1997. To elaborate on growth, by going back to history, the changing strategy from Import-oriented development to the adoption of Export-led policy also brought about economic prosperity and being income for decades. But, the question is how long this economic strategy would survive in particular the unpredictable world. According to the observation, the 2008 Hamburger Crisis which led down to the global economic recession had contributed costly to damage Thailand’s economy, and it was influenced by then. However, the Export-led strategy still functionally survives; moreover, the tourism sector grows dramatically and help sustaining Thailand’s economy in long-term.

---

<sup>1</sup> See Khaosod English, 2020. Boxing stadium at epicenter of outbreak defied closure order. Retrieved from <https://www.khaosodenglish.com/news/crimecourtsclamy/2020/03/24/boxing-stadium-at-epicenter-of-outbreak-defied-closure-order/>.



Figure 1: The total exports of Thailand expanded since April, 2020 [equals to 2.12 (%YoY) but if excluded oil, gold and weapon, it would be -7.53 (%YoY)]



Source: Adapted from DITP, 2020.

## 2. Literature Review

### 2.1 Documents

#### 2.1.1 Economic Recession

Prayuth government still not able to cope with the global change in terms of Economics management about non-traditional threat. Given the fact, the Prayuth Administration does not recognize the threat, especially the economy-related issue that is being challenge within it as one of unpredicted cause of economic failures which can be perceived in the unknown form of microscopic level. But, apart from other financial-like crises, such as, the 1997 Asian Financial Crisis, and 2008 US Financial Crisis, the Global Pandemic is somehow the difference. Because it changes the way we treat economics in the every aspect of our economic life as usual in everyday by just thinking to live which considered as abnormality; the government also urged citizens to obliged to strict rules to contain the widespread of this lethal virus and this would unintentionally result in the reduction of global consumption behavior in order to fight with the Covid-19. Thailand export is considered as one of major economic mechanism for Thai economy. According to, the 3rd National Economy and Social Development Plan (1977-1981) or NESDP, Polkham (2005) argued that Thailand had firstly developed the plan for export development by promoting export strategy more than import substitution. To reason that, Polkham (2005) claimed that in the 6th plan of NESDP, the government had used export strategy in order to overcome the unemployment and

trade deficit for economic development. But, the significant movement from the government action after the impact of 1997 Asian Financial Crisis, Polkham (2005) argued that Thai government proposed more competitive strategy towards Thai export by investing more on R&D, improvement of bilateral cooperation and rebranding image in order to add more values for Thai export production (Polkham, 2005, pp. 26-28). However, the shock from COVID-19 created economic challenges towards global export inevitably. The Coronavirus pandemic complicates the problems as it called the spill-over effect because of its unique characteristics. For example, as Ludvigson, Ma and Ng (2020) claimed that “Katrina directly impacted only four southern states, while covid-19 is affecting all states. Furthermore, Katrina lasted five days, not five weeks.” Moreover, the Covid-19 impacts to increase the job loss in service sector and disrupts the industrial production (Ludvigson, Ma and Ng, 2020, p.19).

Table 1: The major incidents related to Thailand’s economic growth rate (1997-2020)

Year	IncidentS	GDP Growth rate
1997	Asian Financial Crisis	-2.8
1998	Asian Financial Crisis	-7.6
2007	US Subprime Crisis	+5.4
2008	US Subprime Crisis	+1.7
2011	Thailand’s Great Floods	+0.8
2020	Covid-19	-5.3* (May, 2020)

Source: Adapted from BBC News. Retrieved from <https://www.bbc.com/thai/thailand-52035524?fbclid=IwAR1N-pr6XOm9lq8boDE6yHtOo21r78q5SxfC1uAYwsHbN9iOFydTNZK2Gss>

### 2.1.2 Outbreak, Economics, and Export

Chewawit (2020) stated that COVID-19 would possibly cause to the significant change by creating economic recession in which it is almost look like the Great Depression. He claimed to believe that this COVID-19 is called as Greater Depression (Chewawit, 2020, p. 207). However, Bloom’s papers can be argued that they were the first contribution to explain the phenomena of how epidemics functioned with economic thought (Bloom & Canning, 2006). But, Bloom and his colleagues expanded ideas into their works recently in year 2018 (Bloom, Cadarette, & Sevilla, 2018). The knowledge also moved beyond the understanding of economic impact of infectious disease and outbreak towards the ideas of the impact to export sectors on how major outbreak would make

quantitatively effects to the export economy by the studies from Cassell and her colleagues (Bambery, et al., 2018; Cassell, et al., 2017; Kostova, et al., 2019). These works are considered as a strong group that supported the argument on how outbreak would widely cause economic impact to the export sectors. Findings offer not only export, but also the export-related job of US export economy would directly be affected (Bambery, et al., 2018). Their methodologies are robust and reliable, however, the author only utilize their findings in order to support thesis argument to demonstrate that not only Thailand and China, according to Chantapong & Tonghui, 2020 and Leingchan, 2020, would impact to export and tourism, however, the Cassell’s paper group suggests that the United States are also affected, but from Ebola outbreak in 2014 (Kostova, et al., 2019).

McKibbin and Fernando (2020), this literature reflects the idea of how to predict the scenario of Covid-19 impact in terms of economic loss by proposing relative policy responses. The interesting point is, why do we have to predict? When the disasters occur, the government takes a leading role in order to manage according to the problems in quite short-term manners. Although, this Covid-19 is not seen only as the disaster, but it also takes time until the vaccines have been developed in order to stop the global widespread. The authors, however, do not mention about how the global pandemic impact to the export.

Dangfun Promkhum (2014) from Thammasat University; the thesis named “The Improvement of ASEAN Collaborative Outbreak Management: The Case Studies of the 2003 SARS and The 2014-2015 Ebola Preparation in Thailand.” This thesis, however, only argued about the lack of ASEAN collaborations among ASEAN member countries due to the case of Ebola outbreak in 2014 as her case study for research analysis. Promkhum (2014) also suggests that “ASEAN hasn’t improve itself to overcome and managed the limitation posed by the norm of non-interference (p, 120).” Promkhum (2014) only focused on the collaborative framework for ASEAN Outbreak Management, she aimed to study in order to help ASEAN policy-makers establishing presumably institutional framework that forwardly dealing with sophisticated and complex problems of regional outbreak that occurred within ASEAN territories, however, the realizational establishment of such claimed framework, as I would argue that it is somehow ineffective and not practical due to the COVID-19 has gone beyond ASEAN territories; it then became as global scale pandemic widespread.

## 2.2 Theories

### 2.2.1 *Absolute Advantage*

In the *Wealth of Nations*, Adam Smith contributed to lay down the foundation of classical theory on international trade, free trade, and economics. He believed that one country could prosper by increasing the trade among each other. His thought proposed to the creation of theory of Absolute Advantage which offered the idea of how states gain benefit when they do trade with another state by comparing on how one country produce goods. For example, Thailand produced less labor in the same amount of goods on rice comparing to the United States, but at the same time, the United States produced less labour in the same amount of goods on television. This is what Adam Smith called Absolute Advantage. He also believed in Division of labor principle when one country can produce according to what it has advantage over other countries. Consequently, such country would end up with possession of capacity they are good at producing on some products.

### 2.2.2 *Comparative Advantage*

However, David Ricardo whom later offered the theory of Comparative Advantage. He argues with Adam Smith that the Absolute Advantage is presumably limited because, even though, one country can be absolutely disadvantage. But, it is, however, can produce goods according to what it is comparatively able to produce such goods. For example, Thailand is under absolute condition of producing rice over sugar comparing to the United States which the later one can produce more on both goods. Nevertheless, Thailand according to Ricardo, should produce rice to the United States, although, Thailand is absolutely disadvantage to produce.

### 2.2.3 *Heckscher-Ohlin*

The Modern Theory of International Trade is somehow the main investigating area of this research for contributing to build conceptual framework in order to explain the reasons why Thailand heavily depends on export. But, the Classical Theory on Trade is presumably not suitable in this area. Even though, the concept of comparative advantage offered by David Ricardo seemed to fit in this rationale in terms of describing why Thailand should continue economic business on trade due to the comparative advantage of producing agricultural and industrial goods; but, it is still inadequate to

explain why the economic size of economy matters and relates with the importance of export.

The modern theory named the Heckscher – Ohlin theorem (HOT) provides tools for us to help understanding why Thailand benefits from export sector. One reason is that, according to Blaug (1992), the HOT explains that “a country exports those goods whose production is intensive in the country's relatively abundant factor and imports other goods that use intensively the country's relatively scarce factor.”<sup>2</sup> But, Blaug (1992) argued to pinpoint the weakness of this theory that, if a country's demand to buy goods is inconsistent with the availability of another trading country's abundant supply, hence this theory may fail. However, yet, it helps us, at one point, to argue that Thailand developed strategy to export goods because of the overproduction is the driving force to rely on exports in order to prevent the declination of commodities' value. The reason is that it needs to release commodities into global market, hence it ends up with helping to increase the exports with trading partners. This is because of the export expansion will impact to the increasing of capital income, which later enhance the rising employment rate of domestic economy in relatively accordance with labour population. But, Ramangkur (2008) supportively illustrates the idea of why Thailand needs to export, given reasons that Thailand has a condition of being small on market-size; whatsoever it produces, there will be facing the problem overwhelming production flooded into market so-to-speak. Ramagkur (2008) also claimed that we have ability to produce more than ability to consume.<sup>3</sup>

### 3. Methods

This study employed the qualitative methodology in order to acquire data. The data will be collected from (1) documents from the government official websites, World Bank data, Economics journals, newspapers, and other related-academic studies; (2) conference participation of the affected groups of Thailand's leading exporters and public authorities during August, 29 to 31, 2020 at Royal City Hotel (Bangkok) on “Strengthening Capacity of Industrial Competitiveness in the aftermath of the COVID-19.”

---

<sup>2</sup> See Blaug, 1992. *The Methodology of Economics*, p. 185.

<sup>3</sup> See Ramangkur, 2008. *Economic Crisis: Thinking Point and Alternative Approach*, p. 91.

#### 4. Results and Discussions

This SWOT analysis of the overall strategic plan shows that the rigidity of plan might be assumed as core problems for policy change in order to overcome dynamic challenges. The understanding of this national strategic plan would offer an insight why Thailand cannot cope with the economic crisis after the lockdown policy which imposed by Prime Minister Prayuth Chan-O-Cha.

*Table 2: SWOT analysis of 20-Year National Strategic Plan (or 12th NESDP) on the topic of COVID-19 preparedness*

<p><b>Strengths:</b></p> <ol style="list-style-type: none"> <li>1. Clear outlines for policy implementation</li> <li>2. Multiple scenarios to be an outlook for policy-makers</li> <li>3. An attempt of integrated problems from overall Thailand ministries</li> <li>4. An attempt of merging global agendas (SDGs) with national interests (Thailand 4.0, Wealthy and Sustainability) to create effective policy guidelines in long-term perspective of governance</li> <li>5. Updated knowledge of pre-existing development problems of Thailand socio-economic difficulties</li> <li>6. Predictable with more stabilized policy - No matter government will be, the guidelines will be uphold forwards to 20 years process</li> </ol>	<p><b>Weaknesses:</b></p> <ol style="list-style-type: none"> <li>1. Fragmentation of problem perception and miscalculations of priorities – COVID-19 is a case study that involved miscalculation on both health crisis and economic recession in Thailand</li> <li>2. The long-term policy is presumably too rigid and non-adaptive to dynamic change of global circumstances.</li> <li>3. Routine-based style of bureaucratic administration which might exclude people’s participation process in bottom-up manners</li> <li>4. The rationale of national strategy was traced back since the Cold War which might not suitable for complex-globalized world</li> <li>5. The obligation for every government has demanded to follow this policy guideline will be criticized as undemocratic value.</li> </ol>
<p><b>Opportunities:</b></p> <ol style="list-style-type: none"> <li>1. The possibility of coordinated functions from clusters of related ministries over focused agendas as framework</li> <li>2. Stable taskforce in long-term process to achieve shared goals</li> <li>3. Reduction of time pressure which will open windows of creative opportunities if working under effective administration</li> </ol>	<p><b>Threats:</b></p> <ol style="list-style-type: none"> <li>1. Dynamic fluctuations of global complicated phenomena will cost damages to the rigidity of national strategic plan (Inability to adapt towards change capacity)</li> <li>2. Combined risks from multiple and unknown types of catastrophe including zoonotic origins, and state mismanagement during crisis – COVID-19 is a kind of new threat and impact to several sectors such as economic activity, human security and health security</li> </ol>

Table 3: Export Situation of Thai Export

% YoY Aprl 20/ Jan-Aprl 20		Current Situation of Export Market
Automobile & machine parts	-53.8/	COVID-19 causes global and Thailand partner nation to slowdown. More automobile factories were shutdown. The study found Chinese automobile export is expanding on car and other mechanical parts, but Japanese export is expanding only car.
	-22.0	
Oil products	-31.3/	The global demand of oil products decreased. The OPEC group decided to reduce the production due to lack of oil reservoir since May, 2020. Thus, this cause affected to the reduction in the oil-related chemical and plastics.
	-16.9	
Jewelry including gold products	-49.3/	The luxury products will be perceived unnecessary to consume during hard time of COVID lockdown, but the study said the Jewelry market expanded only in Germany.
	-25.3	
Computer and electronic devices	-2.1/	After dealing with COVID-19, China as large exporter of computer ware affected to Thailand's electronics export as well, but it can be advantage in the US economy.
	+6.2	
Air-condition	-30.2/	A sign of decreasing demand in air-conditioning products, the market was reduced in second quarter, but still advantage in US, Japan and Chinese Taipei markets.
	-4.4	

Source: Adapted from DITP, 2020.

Here are the excerpts from the Conference of the affected groups of Thailand's leading exporters and public authorities during August, 29 to 31, 2020 at Royal City Hotel (Bangkok) on "Strengthening Capacity of Industrial Competitiveness in the aftermath of the COVID-19."

#### 4.1 Electronic Industries

A speaker from Electronics Industry stated that there was a supply shock from China caused to the shortage of raw materials about three months since March until May which occurred highly intense of COVID-19 globally widespread. However, Thai

electronics exporters can withhold for about few months, but, there was a sign of recovery during June. Therefore, the groups of electronics exporters still bounce back, however, the firms could face the declination of global demand. Eventually, a speaker continued to analyze the pros and cons of the short-term impact during the widespread of COVID-19 and Thai economic lockdown as followed.

(1) The demand of related semi-conductor increased due to government promotion of Work from Home policy. Thus, the amount of storage unit such as computers' equipment and electronic devices, speakers, video-camera are somewhat increasing.

(2) The electronics device that did not consider as necessary to be useful during lockdown will be less demand from the market.

(3) The demand of refrigerators and oven are in decline on both domestic and external demands, but not that much. Some analysts of electronic firms claimed that the demand would not go for -10 to -15% drops since the Great Flood of Thailand and the global Subprime Crisis.

(4) The prediction of economic recovery of the Electronics exporters, if the second wave does not exist yet, the slope of recovered graph will rising like U-shape, but not as sharp as V-shape.

#### 4.2 Thai Jewelry Trade and Export Association

The problems that this group of industry fall to lack of product orders in which lead to reduction of currency flow and the producers would end up with lots of debt. The entrepreneurial yields since February, 2020 shortened continuously to -41.88%, but gaining recover to expand 33.12% during June – end of July, 2020. The producers faced the rejection of soft loans from financial banks in which the key speaker suggested that the government should provide help for these industrial producers.

#### 4.3 Particle Board Industries

A key speaker of the Particle Board groups suggested that the industries is a large group that export particle board to IKEA amount 60-70 %. They are the biggest groups in Asian. However, the COVID-19 also impact to decrease the productivity and demand from



supplier. Thus, the groups decided to make strategic look at domestic market by inducing more on local consumption, and to increase the standard of Thai production.

## 5. Conclusions

The findings show that Thailand’s export economy was affected by the COVID-19 in different sectors, but not all of them, such as the jewelry exporters. But, some of them are still operable and benefited such as the electronics industries and cardboard exporters. Although, the COVID-19 complicates the problems of Health, but the deep reason of economic miscalculation lied within the rationale of the 20-Year National Strategic Principle. Because of the struggling threat perceptions and inability to change. The routine-based solving problems of Thai bureaucracy perceived the problem as one-by-one issues. Considering that they still perceived outbreak as public health problem since the beginning of COVID-19 widespread in Thailand from the Lumpini Boxing Centre. Thailand suffered from tourism restriction and harsh national policy on state lockdown. In 2020, Thai exports were mostly affected related to the declining GDP comparing to the 1997 Asian Financial Crisis, and 2008 Subprime Crisis, Thai export in 2020 is the worst. Moreover, the 20-Year National Strategic Plan did not response to the characteristics of this global pandemic in which complicated the problem. Even though, the likelihood of global health can be managed from the attempt to develop vaccination. According to Hecksher-Ohlin theory as mentioned above, Thailand has depended on export, but the COVID-19 is the new challenge for such dependency in which Thai government have to re-examine the validity of 20-Year National Strategy by proposed new version in which they can make solution and preparedness with more integrated approach. They should think outside the box. In this case, the COVID-19 does not solely become health issue, but it is also the root cause of economic challenge and Thailand’s export was affected from it. This research somehow can be developed for future research in quantitative manners as well.

## References

- Bamberg, Z., Cassell, C. H., Bunnell, R. E., Roy, K., Ahmed, Z., Payne, R. L., & Meltzer, M. I. (2018). Impact of a hypothetical infectious disease outbreak on US exports and export-related jobs. *Health Security*, 16(1), 1-7. doi:10.1089/hs.2017.0052
- Blaug, M. (1992). *The methodology of economics*. Cambridge: Cambridge University Press.
- Bloom, D. E., & Canning, D. (2006). *Epidemics and economics*. Harvard Initiative for Global Health: PGDA Working Papers 0906. Retrieved from [https://cdn1.sph.harvard.edu/wp-content/uploads/sites/1288/2013/10/BLOOM\\_CANNINGWP9.2006.pdf](https://cdn1.sph.harvard.edu/wp-content/uploads/sites/1288/2013/10/BLOOM_CANNINGWP9.2006.pdf)
- Bloom, D. E., Cadarette, D., & Sevilla, J. (2018, June). Epidemic and economics: New and resurgent infectious diseases can have far-reaching economic repercussions. *Finance and Development*, 55(2), 46-49. Retrieved from ipsnews.net: <https://www.imf.org/external/pubs/ft/fandd/2018/06/economic-risks-and-impacts-of-epidemics/bloom.htm>
- Cassell, C. H., Bamberg, Z., Roy, K., Meltzer, M. I., Ahmed, Z., Payne, R. L., & Bunnell, R. E. (2017). Relevance of global health security to the US export economy. *Health Security*, 15(6), 563-568. doi:10.1089/hs.2017.0051
- Chantapong, S., & Tonghui, T. (2020, March 18). *Impact of Covid-19 crisis and global economy: This time is different*. Retrieved June 14, 2020 from Bank of Thailand: [https://www.bot.or.th/Thai/ResearchAndPublications/articles/Pages/Article\\_18Mar2020.aspx](https://www.bot.or.th/Thai/ResearchAndPublications/articles/Pages/Article_18Mar2020.aspx)
- Chewawiwat, N. (2020). *Covid-19: Pandemic of the century*. Bangkok: Matchonbook.
- Kostova, D., Cassell, C. H., Redd, J. T., Williams, D. E., Singh, T., Martel, L. D., & Bunnell, R. E. (2019). Long-distance effects of epidemics: Assessing the link between the 2014 West Africa Ebola outbreak and U.S. exports and employment. *Health Economics*, 28(11), 1248-1261. doi:10.1002/hec.3938
- Leingchan, R. (2020). *Coronavirus outbreak: Impact on Thai economy*. Krungsri Research.
- McKibbin, W., & Fernando, R. (2020). The Economic impact of Covid-19. In R. Baldwin, & B. W. di Mauro (Eds.), *Economics in the time of Covid-19* (pp. 45-51). London: CEPR Press.

Polkham, S. (2005). *An analysis of economic policies on the influence Thai exports*. Bangkok: Department of Export Promotion. Retrieved from [https://ditp.go.th/contents\\_attach/78525/78525.pdf](https://ditp.go.th/contents_attach/78525/78525.pdf)

Promkhum, D. (2014). *The improvement of ASEAN collaborative outbreak management: The case studies of the 2003 SARS and the 2014-2015 Ebola preparation in Thailand* (Master Thesis). Thammasat University .

Ramangkur, V. (2008). The importance of export. In *Economic crisis: Thinking point and alternative approach* (pp. 91-96). Bangkok: Matichon Press.

## *Assessing E-Filing Success: The Moderating Roles of Tax Complexity, Prior Experience, and Perceived Risk*

Trisha Ann Gabrielle Del Rosario Albay  
trishadrabay@gmail.com

### **Abstract**

The purpose of this study is to validate an integrative model of e-filing continuance usage. The model has its theoretical basis in the IS Success Model and Expectancy-Confirmation Model (ECM). The integrative model is extended by including three moderators: tax complexity, prior experience with other e-government services, and perceived risk. Data were collected via an online survey from a sample of 300 e-filing users in the Philippines. Structural equation modeling was used to analyze the baseline model, while multiple regression was used to analyze the moderating effects. Results suggested that system quality and service quality positively influence user satisfaction. In turn, satisfaction positively influences continuance behavior. Findings also reveal that tax complexity negatively moderates the relationship between system quality and satisfaction, and perceived risk negatively moderates the relationship between satisfaction and continuance behavior. Other theoretical and practical implications for academicians and policymakers in the context of a developing country are further discussed.

## 1. Introduction

E-government is generally defined as the government’s application of information and communication technologies (ICTs) in providing information and services to citizens, businesses, and other government agencies (Layne, & Lee, 2001; Silcock, 2001). Using web-based applications, and more recently, mobile applications (Hung et al., 2013), government-to-citizen interactions have become more efficient and transparent. An impressive e-government service is electronic tax filing or e-filing. Taxpayers who have computer and internet access can file and pay their taxes electronically, which is timesaving and economical compared to the traditional manual filing (Liang, & Lu, 2013). Furthermore, unlike manual filing which is prone to errors in detail and calculation (Wang, 2003), e-filing allows taxpayers to edit the information before submission and to pay electronically. Likewise, e-filing is beneficial for governments. For tax collection agencies, e-filing is far more convenient than manual filing since data is automatically transferred into their computer system (Chang et al., 2005).

Since the commercialization of the internet in the 1990s, the literature on e-government has rapidly expanded (Reddick, 2009). Specifically, researchers have focused on identifying factors that affect the acceptance of different e-government services. However, given their benefits to both the government and its constituents, it is essential to study not only adoption but also continuance usage. While adoption is a significant first step toward the success of an information system (IS), its benefits can only be reaped with its repeated use rather than first use (Bhattacharjee, 2001). Furthermore, several studies have focused on citizens’ continuance intention, but intention may not always accurately predict behaviors. It is essential to examine continuance behavior because researchers’ goal must be to predict factors that affect actual behavior and not only intention (Bhattacharjee et al., 2008). Moreover, researchers who study IS continuance usage borrowed constructs from technology adoption theories (Akram et al., 2019; Venkatesh et al., 2011). However, these theories and models may not adequately explain continuance usage behavior since they were developed to explain pre-adoption and not post-adoption behaviors (Veeramootoo et al., 2018).

To address these gaps in the literature, this study integrates two prominent models examining post-adoption behaviors – the updated IS Success Model (DeLone, & McLean, 2003) and the extended Expectation-Confirmation Model (ECM) (Bhattacharjee et al., 2008). This study also extends the integrative model by adding tax complexity,

prior experience with other e-government services, and perceived risk as moderating variables. The integrative model aims to examine continuance behavior toward e-filing in the context of a developing country such as the Philippines. This study seeks to answer the core question: *What are the key antecedents of e-filing continuance behavior?* With which three sub-questions follow: *How does tax complexity moderate the relationships between the IS quality dimensions and satisfaction? How does prior experience with other e-government services and perceived risk moderate the relationship between satisfaction and continuance behavior?*

## 2. Review of Literature

In the last couple of decades, continuance usage has been given greater importance after realizing that the success of an IS ultimately depends on its repeated use rather than initial use (Bhattacharjee et al., 2008). Various theories have been employed, sometimes in combinations with one another, to study e-government usage behaviors. This study's proposed integrative conceptual model builds on the constructs of both the IS Success Model and the ECM. It is also extended by including tax complexity, prior experience with other e-government services, and perceived risks as moderators, given their importance in influencing e-filing continuance usage behaviors. The conceptual model is presented in Figure 1. The following sections explain the theoretical foundation of the conceptual model and the development of the nine hypotheses that emanate from it.

### 2.1 Theoretical Foundations

#### 2.1.1 IS Success Model

A widely cited model useful in explaining IS post-adoption behavior is the IS Success Model developed by DeLone and McLean (2003). Originally developed in 1997, DeLone and McLean's extended model presented interrelated constructs that assess the success of IS. The model postulated that information quality, system quality, and service quality increase users' (intention to) use and satisfaction. In turn, enhanced usage and satisfaction increase net benefits. While the IS success model was used to assess e-commerce success, many researchers have adopted, extended, and applied this model to other IS platforms such as e-learning, financial technology, and e-government. For instance, Teo et al. (2008) studied the continuance intention of e-government by Singaporean citizens. Because his goal was to explore continuance

intention, he only adopted five out of six variables from the updated IS Success Model, omitting the independent variable ‘net benefits’. Furthermore, he integrated the online trust literature with the model by adding ‘trust in government,’ ‘trust in technology,’ and ‘trust in e-government websites.’ Subsequent studies adopted and extended Teo et al.’s (2008) integrative model. Building upon this methodology, this study adopts four constructs from the updated IS Success Model (information quality, system quality, service quality, and satisfaction). Because the ultimate goal of this research is to predict continuance behavior, ‘intention to use’ and ‘net benefits’ were omitted and replaced with ‘continuance behavior’ from the extended ECM.

### 2.1.2 *Expectation-Confirmation Model (ECM)*

On the other hand, the ECM is considered one of the earliest works on IS continuance. It was rooted in the expectation-disconfirmation theory (EDT) developed by Oliver in the marketing literature, which attempted to explain the antecedents of customer satisfaction in product repurchase and service continuance (Oliver, 1980). Drawing from this theory, Bhattacharjee (2001) proposed a model examining IS users’ motivations to continue using an IS after their initial acceptance. The model suggests that user satisfaction and perceived usefulness are strong predictors of continuance intention. User satisfaction, in turn, is influenced by confirmation and perceived usefulness. Realizing that intention may not always accurately predict behaviors, Bhattacharjee et al. (2008) extended this model by linking continuance intention to behavior and elaborating the contingent factors (IS self-efficacy and facilitation conditions) that shape both IS continuance intention and behavior. Since its inception, several studies have adopted, extended, and empirically tested the ECM in the context of e-learning (Cheng, 2014; M.-C. Lee, 2010; Tan, & Shao, 2015), mobile applications (Oghuma et al., 2016; Tam et al., 2018; Yuan et al., 2016), and e-commerce (Y. Lee, & Kwon, 2011; Shang, & Wu, 2017). This study adopts two constructs from this model, namely ‘satisfaction’ and ‘continuance behavior.’

### 2.1.3 *Moderating Variables*

This study extends the integrative model by adding three moderators: tax complexity, prior experience, and perceived risk. Tax complexity was inspired by the task complexity construct in the User Participation Model by McKeen et al. (1994), prior experience was adapted from the Theory of Innovation Adoption by Rogers (1995), perceived risk was based on Bauer’s (1960) work on consumer behavior as risk-taking. Researchers extend

existing models for several reasons. First, original models might not adequately explain complex human behaviors, especially when applied in varying contexts. Second, as technology evolves, new factors affecting behavior must be investigated. Third, some variables may not directly or indirectly affect behavior but may strengthen or weaken the relationship between the independent and dependent variables.

## 2.2 Hypotheses Development

### 2.2.1 Information Quality

Information quality captures the characteristics of the system's content and includes issues related to information relevance, timeliness, accuracy, completeness, and consistency (DeLone, & McLean, 1992; Seddon, 1997). In the context of e-filing, information quality refers to how good the information in the eBIRForms is in aiding taxpayers in filing and paying their taxes, with as little external help as possible (J. V. Chen et al., 2015). As taxpayers want to guarantee that they are filing their taxes correctly and within the deadline, information must be complete, accurate, clear, and up-to-date (C.-W. Chen, 2010).

Information quality plays a vital role in user satisfaction (DeLone, & McLean, 1992). When the information provided by the system is deemed helpful by the taxpayers, their satisfaction in using the system increases. On the contrary, taxpayers are unlikely to be satisfied if the information is unhelpful. Several studies have proven the relationship between the two (C.-W. Chen, 2010; J. V. Chen et al., 2015; Floropoulos et al., 2010). Based on the preceding theoretical and empirical discussion, the following hypothesis is proposed:

*H1: Information quality positively influences user satisfaction.*

### 2.2.2 System Quality

System quality refers to users' perception of the IS's technical performance (Chang et al., 2005), which can be assessed with its adaptability, availability, reliability, response time, and usability (DeLone, & McLean, 1992; Seddon, 1997). It pertains to how well the users can use the system with as much ease and as minimal problems encountered as possible (J. V. Chen et al., 2015). As tax-filing is already a complex task by itself, the system must not be complicated to use to guarantee that taxpayers choose e-filing



over manual filing. Chen (2010) also claims taxpayers try to delay filing their taxes until a few weeks before the deadline. This is why the system must ensure its fast responsiveness despite the large quantities of users at the same time.

Higher system quality may result in higher user satisfaction on e-filing systems (C.-W. Chen, 2010; Rana et al., 2015; Teo et al., 2008). When an IS has a good system quality, users can find their way through the website or application with ease, and they are more likely to achieve their objectives. Therefore, their satisfaction level increases. Based on the preceding theoretical and empirical discussion, the following hypothesis is proposed:

*H2: System quality positively influences user satisfaction.*

### 2.2.3 Service Quality

Service quality captures the characteristics of the service provider's overall support that can be assessed by its assurance, empathy, and responsiveness (DeLone, & McLean, 2003). E-government systems were created to provide some form of service to its citizens. It is therefore critical to evaluate its service quality (J. V. Chen et al., 2015). In the context of e-filing, these services may include updating account information, answering inquiries, providing feedback, and handling applications (C.-W. Chen, 2010; Teo et al., 2008). Since the main function of e-government is to streamline services and make citizens' lives easier, government offices must show a willingness to assist taxpayers and resolve their problems constructively.

Service quality is found to affect user satisfaction. Higher service quality can guide users in successfully filing taxes electronically and leave them satisfied. On the other hand, users may be unsatisfied and resort to using manual tax filing if they cannot resolve their problems through the website or application or feel that the system's staff is unwilling to provide sincere help. This relationship has been validated in several studies on e-filing (C.-W. Chen, 2010; Floropoulos et al., 2010; Rana et al., 2015; Stefanovic et al., 2016). Based on the preceding theoretical and empirical discussion, the following hypothesis is proposed:

*H3: Service quality positively influences user satisfaction.*

#### 2.2.4 User Satisfaction

User satisfaction is defined as the pleasurable or positive emotional state derived from a subjective evaluation of the expectation-performance discrepancy (Bhattacharjee, 2001; Seddon, 1997). When the performance of an IS exceeds the user’s expectation, it results in satisfaction. In turn, satisfaction can translate into return users. Satisfaction was incorporated in both the IS Success Model and ECM. The ECM posits that satisfaction influences users’ intentions and behavior to continue using a system (Bhattacharjee, 2001; Bhattacharjee et al., 2008). Similarly, the IS success model suggests that higher user satisfaction will lead to higher intention to use (DeLone, & McLean, 2003).

Several e-filing studies based on the ECM and the IS success have empirically tested the effect of user satisfaction on users’ continuance intention. However, there is only a limited number of studies that test the effect on continuance behavior. The proposed model in this study empirically tests the effect of user satisfaction on continuance behavior and not only intention. Based on the preceding theoretical and empirical discussion, the following hypotheses are proposed:

*H4: User satisfaction positively influences user continuance behavior.*

#### 2.2.5 Continuance Behavior

Continuance behavior is the actual repeated usage of an IS by users. Several studies on continuance usage have examined users’ intention to continue using an IS. While intention can be a good predictor of future behavior, it may not always be accurate nor consistent. In the original ECM, Bhattacharjee (2001) only studied continuance intention. However, in the updated ECM, continuance behavior was introduced as the final dependent variable. Bhattacharjee et al. (2008) argued that it is important to examine continuance behavior and not only continuance intention because researchers’ goal must be to predict factors that affect actual behavior and not just intention.

#### 2.2.6 Tax Complexity

Complexity, particularly of a task, arises from the ambiguity, uncertainty, and lack of structure surrounding business practice (McKeen et al., 1994). Task complexity has been widely studied in management information systems. McKeen et al. (1994) developed a

user participation model and found that task complexity and system complexity have moderating effects on user participation - user satisfaction relationship. That is, as the levels of task complexity and system complexity increase, the effect of user participation on user satisfaction weakens.

McKeen et al.'s (1994) model makes an important contribution to the body of research on information system success by differentiating task complexity from system complexity. A task can be less complex, but the IS can be complex due to how it was developed or the user's lack of training on the technology. On the contrary, the IS can be less complex, but the task can be perceived as complex, depending on the user's understanding of the subject. Building upon this, this study incorporates tax complexity in continuance usage. In the context of tax filing, tax complexity pertains to the perceived sophistication of the tax system (Saad, 2014). This study differentiates the complexity of the tax system, and the complexity of an IS. While IS complexity refers to the perceived level of difficulty in operating a software (Liang, & Lu, 2013), tax complexity refers to the various dimensions of the tax systems – particularly the computation, forms, legislation, procedures, etc. (AICPA, 1992; Carnes, & Cuccia, 1996; Cox, & Eger III, 2006; Saad, 2014). Several studies found how tax complexity influenced taxpayers' decisions, particularly their tax compliance. However, if none, only a few explored tax complexity in IS adoption and continuance usage, particularly how it moderates relationships. This study proposes including tax complexity in assessing the continuance usage of e-filing.

Some tax systems are inherently complex. Even if the e-filing system provides relevant, timely, accurate, complete, and consistent information, taxpayers might still experience difficulties in doing complex computations or keeping track of the rapidly changing rules and regulations. The computation and rule complexities that taxpayers experience might influence how they perceive the quality of information. They might feel that the information provided in the system is not helpful, leading to decreased satisfaction. Based on the preceding theoretical discussion, the following hypothesis is proposed:

*H5: Tax complexity moderates the relationship between information quality and satisfaction.*

Tax complexity might also moderate the relationship between system quality and satisfaction. The e-filing software is might be easy to use and quick to respond to. However, suppose the electronic forms are too long and contain terminologies that

regular citizens find difficult to understand. In that case, taxpayers might feel that the system is not user-friendly, leading to decreased satisfaction. Based on the preceding theoretical discussion, the following hypotheses are proposed:

*H6: Tax complexity moderates the relationship between system quality and satisfaction.*

Similarly, tax complexity might moderate the relationship between service quality and satisfaction. The overall experience of taxpayers in using the e-filing system would reflect the citizens’ perception of the government’s service quality. If they find the procedure complex despite the promise of efficiency, they might think that the government service is not good enough, hence, affecting their satisfaction. This might lead taxpayers to use alternatives such as hiring a tax agent or manual filing. Based on the preceding theoretical discussion, the following hypotheses are proposed:

*H7: Tax complexity moderates the relationship between service quality and satisfaction.*

### *2.2.7 Prior Experience with Other E-Government Services*

Based on Rogers’ (1995) Theory of Innovation Adoption, prior experience has been found to significantly influence consumers’ decision to adopt an innovation (Rogers, 2010). Studies on e-government adoption have found that users’ prior experience with government services affects their decision to use an e-government service (Kumar et al., 2007). Warkentin et al. (2002) found that previous experience with other e-government services strongly affects citizens’ trust in e-government, which in turn affects their adoption decision. Meanwhile, Chen et al. (2015) found that prior experience with offline government services directly affects citizens’ trust in e-government websites, which in turn influences the three IS quality dimensions. Several studies investigating the effects of prior experience with either offline or online government services on adoption have been done. Still, its effects on continuance behavior have yet to be extensively explored.

This study argues that prior experience with other e-government services moderates the relationship between satisfaction and continuance behavior. Even if users are satisfied with the e-filing system, having unfavorable experiences with other e-government services might negatively affect their decision to continue using it. It is important to determine whether prior experience with other e-government services

affects their attitude toward e-filing, despite them having different functions and service providers. Based on the preceding theoretical and empirical discussion, the following hypotheses are proposed:

*H8: Prior experience with other e-government services moderates the relationship between satisfaction and continuance behavior.*

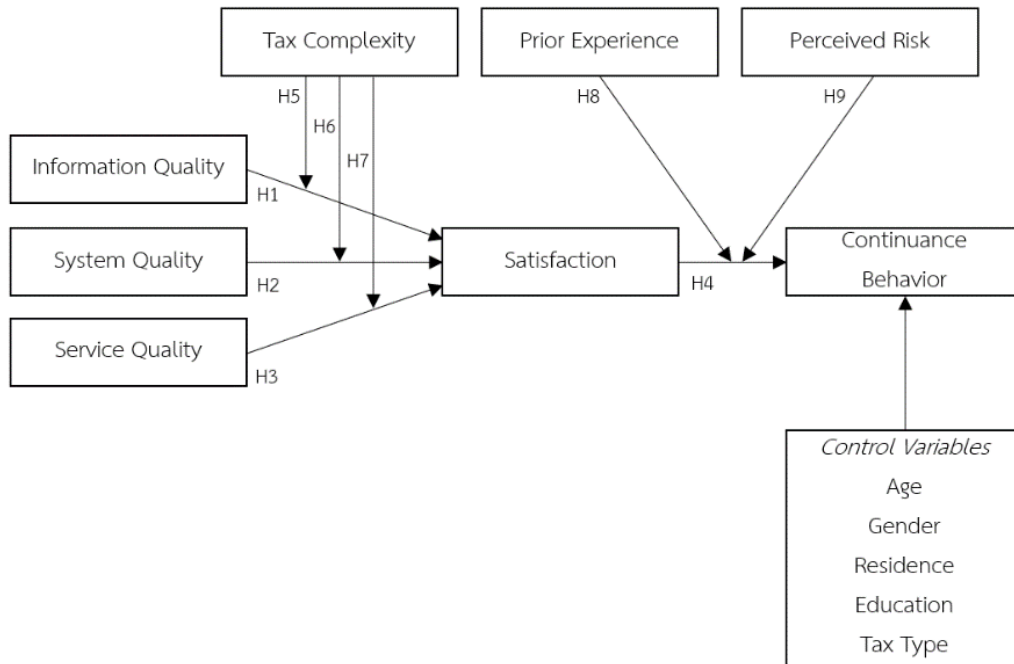
### 2.2.8 Perceived Risk

Bauer originally introduced perceived risk in 1960 to explain consumer behavior. Consumers cannot anticipate the consequences of their purchasing activities, “*some of which at least are likely to be unpleasant*” (Bauer, 1960). After being validated as a strong predictor of consumer behavior, it has been adopted in several other areas including in IS. Risk in e-filing pertains to the citizens’ beliefs that they might encounter privacy and security issues in filing and paying taxes electronically due to internet-based technology’s impersonal and unpredictable nature (Schaupp et al., 2010). Taxpayers might be reluctant to use e-filing since they will be providing confidential information (Akram et al., 2019). Moreover, cyberattacks can happen anytime. The risk might still be present after initial use, particularly in developing countries where cybersecurity is relatively weak.

Previous studies have proven that perceived risk significantly influences user adoption of e-filing (Schaupp, & Carter, 2010; Schaupp et al., 2010) and continuance intention (Akram et al., 2019; Veeramootoo et al., 2018). However, only a few studies have examined its effects on continuance behavior. Perceived risk might not always have a significant direct relationship with behavior. This study argues that compared with high perceived risk, low perceived risk strengthens the relationship between satisfaction and continuance behavior. This means that the effects of satisfaction on continuance behavior may differ for the various levels of risk perceptions. Based on the preceding theoretical and empirical discussion, the following hypotheses are proposed:

*H9: Perceived risk moderates the relationship between satisfaction and continuance behavior.*

Figure 1: Conceptual Model



### 3. Methodology

#### 3.1 Instrument Development

All constructs were operationalized using validated items adapted from previous studies. Some items were slightly rephrased to fit the Philippine context, considering that the items' essence was retained. For instance, Veeramootoo et al. (2018) used “I could use e-filing at any time within the tax collection deadline” to measure system quality. It was paraphrased as “I can download and use the eBIRForms without problems at any time within the tax collection deadline” since the eBIRForms is not a website but a software. Appendix 1 presents the constructs, measurement items, and where they are adapted from.

All constructs were measured using a seven-point Likert scale ranging from strongly disagree (1) to strongly agree (7). The questionnaire was presented in English because of the following reasons: first, to preserve the items' essence since they were originally in English; second, the eBIRForms is available in English only. A pilot test was conducted with respondents consisting of academic professors and Filipino taxpayers. Slight modifications in the choice of words were made according to the respondents' comments and suggestions.

### 3.2 Data Collection

A web-based survey was used to collect primary information. A web-based survey was preferred over a paper-based survey because it enables access to diverse populations in the most cost- and time-efficient way. The link to the self-administered questionnaire was posted primarily on social media. Since this study's core objective is to examine continuance usage rather than first-time usage, the respondents were initially asked whether they have previously used the e-filing system. Only those who answered 'yes' were asked to proceed with the survey. Within two months, a total of 300 responses were collected.

Demographic data shows that most survey respondents were female, ages 21-30, living in Metro Manila, and bachelor's degree holders. More than half of the respondents have used the eBIRForms to file individual income tax returns, while the rest used it to file corporate income tax returns (See Table 1).

*Table 1: Characteristics of Respondents*

Demographics	Category	Number	%
Age	20 or less	4	1.33
	21-30	175	58.33
	31-40	60	20
	41-50	42	14
	51-60	18	6
	Over 60	1	0.33
Gender	Female	217	72.33
	Male	81	27
	Others	2	0.66
Present Address	Metro Manila	189	63
	Outside Metro Manila	111	37
Educational Attainment	Doctoral Degree	8	2.67
	Master's Degree	24	8
	Bachelor's Degree	236	78.67
	Diploma Course	16	5.33
	High School Diploma	16	5.33
Taxpayer Type	Corporate	129	43
	Individual	171	57

## 4. Results and Findings

### 4.1 Measurement Model

This study followed the two-step modeling approach to SEM recommended by Anderson and Gerbing (1988). Before testing the conceptual model, a confirmatory factor analysis (CFA) using SPSS and MPlus was carried out to test the scale's reliability and validity. The factor loadings of each item range from 0.62 to 0.99. Based on the criteria established by Hair et al. (2010), convergent and discriminant validity was achieved, with the AVE for each variable exceeding 0.5 (ranging from 0.71 to 0.89). Reliability was achieved with all composite reliability values greater than 0.7 (ranging from 0.91 to 0.97). Furthermore, internal consistency was achieved with each variable's Cronbach's Alpha greater than 0.9 (ranging from 0.90 to 0.97). See Tables 2 and 3.

An assessment of the measurement model's overall goodness-of-fit exhibited an adequate model fit as the indices were under the recommended levels. As shown in Table 4, all model-fit indices exceeded the recommended criteria suggested by previous research, thus demonstrating that the measurement model exhibited a good fit with the data collected. The chi-square ratio to degrees of freedom ( $\chi^2/df = 2.7$ ) was below the recommended cutoff point of 3 (Bagozzi & Yi, 1988). The other fit indices of the model were within acceptable range with comparative fit index (CFI) = 0.943, Tucker-Lewis Index (TLI) = 0.933, root mean square error of approximation (RMSEA) = 0.077, and standardized root mean square residual (SRMR) = 0.045.

*Table 2: Descriptive Analysis, Validity, and Reliability Result*

Construct	Items	Mean	SD	Standardized Factor Loading	Composite Reliability	AVE	Cronbach's $\alpha$
INQ	INQ1	5.24	1.491	0.912	0.95	0.81	0.952
	INQ2	4.95	1.535	0.890			
	INQ3	5.15	1.489	0.932			
	INQ4	4.76	1.618	0.873			
SYQ	SYQ1	4.80	1.611	0.898	0.92	0.74	0.916
	SYQ2	4.86	1.542	0.916			
	SYQ3	5.00	1.623	0.854			
	SYQ4	4.45	1.718	0.769			



Construct	Items	Mean	SD	Standardized Factor Loading	Composite Reliability	AVE	Cronbach's $\alpha$
SEQ	SEQ1	4.85	1.566	0.946	0.91	0.71	0.900
	SEQ2	4.98	1.493	0.917			
	SEQ3	4.98	1.561	0.886			
	SEQ4	3.80	1.724	0.615			
SAT	SAT1	4.71	1.442	0.941	0.97	0.89	0.971
	SAT2	4.61	1.451	0.964			
	SAT3	4.62	1.415	0.942			
	SAT4	4.76	1.452	0.934			
TC	TC1	3.29	1.478	0.875	0.92	0.74	0.926
	TC2	3.69	1.506	0.921			
	TC3	3.78	1.456	0.819			
	TC4	4.50	1.496	0.822			
PR	PR1	3.67	1.497	0.775	0.93	0.78	0.933
	PR2	4.01	1.512	0.883			
	PR3	3.75	1.567	0.934			
	PR4	3.87	1.589	0.936			
PE	PE1	4.43	1.476	0.870	0.94	0.79	0.945
	PE2	4.55	1.447	0.925			
	PE3	4.41	1.478	0.858			
	PE4	4.34	1.434	0.895			

Table 3: Correlation Matrix

	INQ	SYQ	SEQ	SAT	TC	PR	PE
INQ	1.000						
SYQ	0.752	1.000					
SEQ	0.765	0.806	1.000				
SAT	0.738	0.813	0.896	1.000			
TC	-0.484	-0.625	-0.641	-0.626	1.000		
PR	0.190	0.068	0.057	0.143	-0.024	1.000	
PE	0.323	0.447	0.402	0.494	-0.599	0.143	1.000

Table 4: Fit Indices for Measurement and Structural Models

Fit Index	Recommended Criteria	Measurement Model
Chi-Square / D.F.	<3.0	2.7
CFI	>0.90	0.943
TLI	>0.90	0.933
RMSEA	<0.08	0.077
SRMR	<0.08	0.045

## 4.2 Baseline Model

SEM using MPlus 7 was utilized to test the baseline model. Of the four hypotheses proposed, three were supported. Among the three IS quality dimensions, system quality ( $\beta = 0.242$ ,  $p < 0.001$ ) and service quality ( $\beta = 0.667$ ,  $p < 0.001$ ) were found to have significant effects on satisfaction. Contrarily, the relationship between information quality and satisfaction was found to be statistically insignificant ( $\beta = 0.047$ ,  $p < 0.05$ ). The results also show significant association between satisfaction and continuance behavior ( $\beta = 0.391$ ,  $p < 0.001$ ). Meanwhile, all control variables (age, residence, education, and tax type) except gender were found to have significant effects on continuance behavior. The hypotheses results are presented in Table 5.

## 4.3 Moderating Effects

Since SEM analysis is less conducive to testing moderating effects, the moderating effects of tax complexity, prior experience, and perceived risk were tested separately using regression models, as shown in Table 6. Similar data analysis combining SEM and MR was conducted by Bhattacharjee and Lin (2015) and Akram et al. (2019). Tax complexity was found to have moderating effects on the relationship between system quality and satisfaction ( $\beta = -0.2864$ ,  $p < 0.01$ ). It did not have moderating effects on the relationships of information quality and service quality with satisfaction. Among prior experience and perceived risk, only perceived risk was found to have a moderating effect on the relationship between satisfaction and continuance behavior ( $\beta = -0.0991$ ,  $p < 0.01$ ).

Table 5: Structural Model Results (Direct Effects)

Relationship	Std. Estimate	SE	T-Values	P-Values
INQ → SAT	0.046	0.053	0.859	0.390
SYQ → SAT	0.244	0.059	4.100	0.000***
SEQ → SAT	0.667	0.059	11.266	0.000***
SAT → CB	0.391	0.048	8.184	0.000***
AGE → CB	0.103	0.052	2.000	0.045*
GEN → CB	0.032	0.051	0.623	0.533
RES → CB	0.121	0.050	2.391	0.017*
EDU → CB	-0.139	0.050	-2.776	0.006**
TPT → CB	0.212	0.051	4.181	0.000***

p < 0.05 \*

p < 0.01 \*\*

p < 0.001 \*\*\*

Table 6: Moderation Analysis Results

Predictors	Outcome (SAT)				
	p	se	t	LLCI	ULCI
INQ*TC	0.0979	0.0236	-1.6605	-0.0856	0.0073
SYQ*TC	0.0075**	0.1064	-2.6926	-0.4958	-0.0771
SEQ*TC	0.2922	0.0190	-1.0999	-0.0583	0.0165
Predictors	Outcome (CB)				
	p	se	t	LLCI	ULCI
SAT*PE	0.2717	0.0355	1.1012	-0.0307	0.1089
SAT*PR	0.0032**	0.0334	-2.9687	-0.1648	-0.0334

p < 0.05 \*

p < 0.01 \*\*

p < 0.001 \*\*\*

## 5. Discussion, Implications, Limitations, and Recommendation

### 5.1 Discussion

Hypothesis 1 that proposed a positive relationship between information quality and user satisfaction was rejected by the study findings. This result is consistent with previous research (Teo et al., 2008; Veeramootoo et al., 2018). As citizens repeatedly use the tax filing software, they become more knowledgeable about using an IS. As a result, information quality becomes less important than system quality and service quality (Veeramootoo et al., 2018). Furthermore, the information provided by the eBIRForms is limited to guidelines and instructions for filling out forms. However, supplemental information can be easily accessed through the tax bureau’s website and social media account.

Findings provided support for Hypothesis 2, proposing a relationship between system quality and user satisfaction. This finding is in line with the findings of Teo et al. (2008), Wang and Liao (2008), Rana et al. (2015), and Chen (2010). Despite being familiar with navigating the software, users expect more useful functions that can ease the task. Furthermore, for web-based IS, users focus specifically on ease of access and loading speed. The unpredictable internet traffic affects user satisfaction during each use. Because several taxpayers delay filing returns until a few days before the deadline (C.-W. Chen, 2010), complaints about the inaccessibility of the eBIRForms when it is near the tax filing deadline have been raised by several users online.

Results suggested that service quality significantly influenced satisfaction, which is coherent with the findings of Wang and Liao (2008), Floropoulos et al. (2010), Rana et al. (2015), and Stefanovic et al. (2016). This supports the long-established argument in the marketing literature that service quality is a significant antecedent of customer satisfaction. Service quality encapsulates the goals of both information quality and system quality – to ensure that e-filing is more efficient than the traditional method. Moreover, users have individual issues about tax filing. Therefore, responding to service requests appropriately and promptly is a significant component for users to complete their tasks.

Satisfaction was found to be a significant determinant for continuance behavior, providing support for Hypothesis 4. Several studies have proven that satisfaction is an important antecedent to continuance intention. In turn, it is continuance intention that

influences continuance behavior. However, this study found that satisfaction itself can influence behavior and not only intention. This corroborates with Bhattacharjee and Lin's (2015) finding after extending the original ECM and linking satisfaction directly to continuance behavior.

Findings rejected Hypotheses 5 and 7, disproving the moderating effects of tax complexity on the relationships between (1) information quality and satisfaction, and (2) service quality and satisfaction. The tax system's complexity did not influence taxpayers' perception of the information in the e-filing system and the government's service quality, hence affecting their satisfaction. However, Hypothesis 6, postulating the moderating effect of tax complexity on the relationship between satisfaction and continuance behavior, was accepted. This validates this study's argument that the complexity of the tax system is different from IS complexity, but users might mistake it as a shortcoming of the e-filing system. The complexity of tax filing as a task is another issue that has to be addressed separately. If not, it will be difficult to improve user satisfaction and continuously use e-filing despite enhancing the UI/UX of the system.

Prior experience with other e-government services had no moderating effect on the relationship between satisfaction and continuance behavior, rejecting Hypothesis 6. Since different government bodies deliver different e-government services, satisfaction or dissatisfaction toward one service was not reflected in other services. On the other hand, perceived risk was found to have a moderating effect on the same relationship, validating Hypothesis 7. The unpredictable nature of the internet causes concerns among users despite previously using e-filing. This is particularly applicable to countries with weak cybersecurity like the Philippines.

## 5.2 Theoretical Implications

This study is significant in three ways. From a theoretical perspective, it contributes to the literature on IS continuance usage by integrating two prominent post-acceptance models in IS – the IS Success Model and Expectation-Confirmation Model (ECM). This study responds to the call of several researchers to use more relevant theories and models in studying IS continuance intention and behavior instead of borrowing constructs from the technology acceptance and adoption literature. Furthermore, it makes an important theoretical contribution by introducing moderators that can affect strengthen or weaker the relationships - namely tax complexity, prior experience, and perceived risk. As suggested by researchers, existing models must be extended by

adding new external variables to explain emerging phenomena, especially since information technology changes constantly.

From a contextual perspective, this study contributes to a better understanding of e-filing usage in the context of a developing country. The Philippines, for instance, still has low technology adoption and usage rates. Furthermore, cybersecurity is weak compared to its neighbors. While studies conducted in other countries proved that perceived risk did not influence continuance usage, this study showed that there are antecedents that might be more applicable to developing countries.

Lastly, from a practical standpoint, this study can provide significant insights for governments, particularly tax collection agencies, on enhancing their services, both electronic and non-electronic, to promote continued use by the citizens. While enhancing the user interface and user experience of tax filing is an important goal, it is equally important to focus on surrounding issues such as simplifying the tax system and improving cybersecurity. If these surrounding issues are fixed, citizens' satisfaction over e-government services will increase, resulting in enhanced usage.

### 5.3 Limitations and Recommendations for Future Studies

First, the model has its theoretical foundation in the ECM and IS Success Model. Although the study includes variables that are relevant to e-filing continuance usage, it omits some important constructs that could potentially explain user behavior. Future studies could consider extending the study by including concepts about trust, self-efficacy, habit, etc. Second, the tax complexity construct is limited to studies on e-filing. Researchers can extend the study by changing tax complexity to a concept that is appropriate for the IS (e.g., the effects of lesson complexity on e-learning).

## Appendix 1: Measurement Items

Constructs	Measurement Items	Adapted From
Information Quality (INQ)	<p>The eBIRForms provides accurate information.</p> <p>The eBIRForms provides sufficient information.</p> <p>The eBIRForms provides reliable information.</p> <p>The eBIRForms provides clear information.</p>	Teo et al. (2008)
System Quality (SYQ)	<p>The eBIRForms is user-friendly.</p> <p>The eBIRForms is easy to navigate.</p> <p>When I prepare and file my tax return, the operation of the eBIRForms is reliable.</p> <p>I can download and use the eBIRForms without problems at any time within the tax collection deadline.</p>	<p>Chang et al. (2005)</p> <p>Veeramootoo et al. (2018)</p>
Service Quality (SEQ)	<p>The eBIRForms provides an improved quality of taxation services.</p> <p>The eBIRForms simplifies and standardizes the taxation process.</p> <p>The eBIRForms ensures the reduction of time for completion of tax filing.</p> <p>The BIR staff is never too busy to respond to my inquiries/requests.</p>	<p>Chen (2010)</p> <p>Veeramootoo et al. (2018)</p>
Satisfaction (SAT)	<p>The eBIRForms has met my expectations in filing my returns.</p> <p>The eBIRForms adequately meets my needs of interacting with the BIR.</p> <p>The eBIRForms is efficient in fulfilling my needs of interacting with the BIR.</p> <p>Overall, I am satisfied with the eBIRForms.</p>	<p>Teo et al. (2008)</p> <p>Veeramootoo et al. (2018)</p>
Tax Complexity (TC)	<p>The terms used in tax return forms are easy for people like me to understand.</p> <p>Tax laws, rules, and regulations are easy for people like me to understand.</p> <p>I have no difficulties keeping up with the changing tax rules and regulations.</p> <p>I have no difficulties computing my taxable income and allowances.</p>	<p>Saad (2009)</p> <p>Saad (2014)</p>

Constructs	Measurement Items	Adapted From
Prior Experience (PE)	<p>When I used a different e-government service, the service process was easy to follow.</p> <p>When I used a different e-government service, the whole transaction was performed in a reasonable amount of time.</p> <p>When I used a different e-government service, I was able to perform and finish my task without issue.</p> <p>When I used a different e-government service, the staff answered my questions promptly.</p>	Chen et al. (2015)
Perceived Risk (PR)	<p>I will feel uneasy psychologically if I use the internet to file my tax.</p> <p>Using the e-filing system may cause my personal information to be stolen.</p> <p>I think it would be unsafe to use the eBIRForms because of privacy and security concerns.</p> <p>I believe that there could be negative consequences by using the e-filing system.</p>	<p>Akram et al. (2019)</p> <p>Carter and Belanger (2005)</p> <p>Schaupp et al. (2010)</p>
Continuance Behavior (CB)	I frequently use the eBIRForms to file my taxes (many times per year).	Bhattacharjee (2008)



## References

- AICPA. (1992). *Blueprint for tax simplification*. Washington, D.C.: American Institute of Certified Public Accountants.
- Akram, M. S., Malik, A., Shareef, M. A., & Goraya, M. A. S. (2019). Exploring the interrelationships between technological predictors and behavioral mediators in online tax filing: The moderating role of perceived risk. *Government Information Quarterly*, *36*(2), 237-251.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, *103*(3), 411.
- Bagozzi, R. P., & Yi, Y. (1988). On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, *16*(1), 74-94.
- Bauer, R.A. (1960) Consumer behavior as risk taking. In R. S. Hancock, (Ed.), *Dynamic Marketing for a Changing World* (pp. 389-398). Proceedings of the 43rd. Conference of the American Marketing Association, *Chicago, IL*.
- Bhattacharjee, A. (2001). Understanding information systems continuance: An expectation-confirmation model. *MIS Quarterly*, *25*(3), 351-370.
- Bhattacharjee, A., Perols, J., & Sanford, C. (2008). Information technology continuance: A theoretic extension and empirical test. *Journal of Computer Information Systems*, *49*(1), 17-26.
- Bhattacharjee, A., & Lin, C.-P. (2015). A unified model of IT continuance: three complementary perspectives and crossover effects. *European Journal of Information Systems*, *24*(4), 364-373.
- Carnes, G. A., & Cuccia, A. D. (1996). An analysis of the effect of tax complexity and its perceived justification on equity judgments. *The Journal of the American Taxation Association*, *18*(2), 40.
- Chang, I.-C., Li, Y.-C., Hung, W.-F., & Hwang, H.-G. (2005). An empirical study on the impact of quality antecedents on tax payers' acceptance of Internet tax-filing systems. *Government Information quarterly*, *22*(3), 389-410.
- Chen, C.-W. (2010). Impact of quality antecedents on taxpayer satisfaction with online tax-filing systems—An empirical study. *Information & Management*, *47*(5-6), 308-315.

- Chen, J. V., Jubilado, R. J. M., Capistrano, E. P. S., & Yen, D. C. (2015). Factors affecting online tax filing—An application of the IS Success Model and trust theory. *Computers in Human Behavior, 43*, 251-262.
- Cheng, Y.-M. (2014). What drives nurses' blended e-learning continuance intention? *Educational Technology & Society, 17*(4), 203-215.
- Cox, S. P., & Eger III, R. J. (2006). Procedural complexity of tax administration: The road fund case. *Journal of Public Budgeting, Accounting & Financial Management, 18*(3), 259.
- DeLone, W. H., & McLean, E. R. (1992). Information systems success: The quest for the dependent variable. *Information Systems Research, 3*(1), 60-95.
- DeLone, W. H., & McLean, E. R. (2003). The DeLone and McLean model of information systems success: a ten-year update. *Journal of Management Information Systems, 19*(4), 9-30.
- Floropoulos, J., Spathis, C., Halvatzis, D., & Tspouridou, M. (2010). Measuring the success of the Greek taxation information system. *International Journal of Information Management, 30*(1), 47-56.
- Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). *Multivariate data analysis: A global perspective* (7th ed.). Upper Saddle River, NJ: Pearson.
- Hung, S.-Y., Chang, C.-M., & Kuo, S.-R. (2013). User acceptance of mobile e-government services: An empirical study. *Government Information Quarterly, 30*(1), 33-44.
- Kumar, V., Mukerji, B., Butt, I., & Persaud, A. (2007). Factors for successful e-government adoption: A conceptual framework. *Electronic Journal of e-Government, 5*(1), 63-76.
- Layne, K., & Lee, J. (2001). Developing fully functional E-government: A four stage model. *Government Information Quarterly, 18*(2), 122-136.
- Lee, M.-C. (2010). Explaining and predicting users' continuance intention toward e-learning: An extension of the expectation–confirmation model. *Computers & Education, 54*(2), 506-516.
- Lee, Y., & Kwon, O. (2011). Intimacy, familiarity and continuance intention: An extended expectation–confirmation model in web-based services. *Electronic Commerce Research and Applications, 10*(3), 342-357.

- Liang, S. w., & Lu, H. p. (2013). Adoption of e-government services: an empirical study of the online tax filing system in Taiwan. *Online Information Review*, 37(3), 424-442.
- McKeen, J. D., Guimaraes, T., & Wetherbe, J. C. (1994). The relationship between user participation and user satisfaction: an investigation of four contingency factors. *MIS Quarterly*, 18(4), 427-451.
- Oghuma, A. P., Libaque-Saenz, C. F., Wong, S. F., & Chang, Y. (2016). An expectation-confirmation model of continuance intention to use mobile instant messaging. *Telematics and Informatics*, 33(1), 34-47.
- Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4), 460-469.
- Rana, N. P., Dwivedi, Y. K., Williams, M. D., & Weerakkody, V. (2015). Investigating success of an e-government initiative: Validation of an integrated IS success model. *Information Systems Frontiers*, 17(1), 127-142.
- Reddick, C. G. (2009). *Handbook of research on strategies for local e-government adoption and implementation: Comparative studies*. IGI Global.
- Rogers, E. M. (2010). *Diffusion of innovations*. Simon and Schuster.
- Saad, N. (2014). Tax knowledge, tax complexity and tax compliance: Taxpayers' view. *Procedia-Social and Behavioral Sciences*, 109, 1069-1075.
- Schaupp, L. C., & Carter, L. (2010). The impact of trust, risk and optimism bias on e-file adoption. *Information Systems Frontiers*, 12(3), 299-309.
- Schaupp, L. C., Carter, L., & McBride, M. E. (2010). E-file adoption: A study of US taxpayers' intentions. *Computers in Human Behavior*, 26(4), 636-644.
- Seddon, P. B. (1997). A respecification and extension of the DeLone and McLean model of IS success. *Information Systems Research*, 8(3), 240-253.
- Shang, D., & Wu, W. (2017). Understanding mobile shopping consumers' continuance intention. *Industrial Management & Data Systems*.
- Silcock, R. (2001). What is e-government. *Parliamentary Affairs*, 54(1), 88-101.
- Stefanovic, D., Marjanovic, U., Delić, M., Culibrk, D., & Lalic, B. (2016). Assessing the success of e-government systems: An employee perspective. *Information & Management*, 53(6), 717-726.

- Tam, C., Santos, D., & Oliveira, T. (2018). Exploring the influential factors of continuance intention to use mobile Apps: Extending the expectation confirmation model. *Information Systems Frontiers*, 22(1), 243–257.
- Tan, M., & Shao, P. (2015). An ECM-ISC based Study on Learners' Continuance Intention toward E-learning. *International Journal of Emerging Technologies in Learning*, 10(4), 22-27.
- Teo, T. S., Srivastava, S. C., & Jiang, L. (2008). Trust and electronic government success: An empirical study. *Journal of Management Information Systems*, 25(3), 99-132.
- Veeramootoo, N., Nunkoo, R., & Dwivedi, Y. K. (2018). What determines success of an e-government service? Validation of an integrative model of e-filing continuance usage. *Government Information Quarterly*, 35(2), 161-174.
- Venkatesh, V., Thong, J. Y., Chan, F. K., Hu, P. J. H., & Brown, S. A. (2011). Extending the two-stage information systems continuance model: Incorporating UTAUT predictors and the role of context. *Information Systems Journal*, 21(6), 527-555.
- Wang, Y.-S. (2003). The adoption of electronic tax filing systems: an empirical study. *Government Information Quarterly*, 20(4), 333-352.
- Wang, Y.-S., & Liao, Y.-W. (2008). Assessing eGovernment systems success: A validation of the DeLone and McLean model of information systems success. *Government Information Quarterly*, 25(4), 717-733.
- Warkentin, M., Gefen, D., Pavlou, P. A., & Rose, G. M. (2002). Encouraging citizen adoption of e-government by building trust. *Electronic Markets*, 12(3), 157-162.
- Yuan, S., Liu, Y., Yao, R., & Liu, J. (2016). An investigation of users' continuance intention towards mobile banking in China. *Information Development*, 32(1), 20-34.

## *Changing the Roles of South Asian Women in Politics*

Nansinee Harnsamut  
nansinee.h@gmail.com

### **Abstract**

South Asian women are prone to hurdles and challenges, as to be a leader in any given specialist field. To acquire accessible rights, women are supposedly needed to take initiatives as an activist. These notions are seen to be stronger in the context of South Asian countries, whereby, countless numbers of women are dominated in a male-dominated society. Despite such, women in South Asian region are rising up to becoming leaders, not only political leaders, but also, business leaders. Seeing such developments, this study focuses on identifying success factors that leads to the empowerment of women in South Asian countries.

In an attempt to achieve the research aim, this study utilizes a qualitative research design, acquiring information via secondary sources of credible platforms. The secondary sources design revolves, firstly, around the history of patriarchal society in South Asian region, identifying the context of emerging women power in western and Asian world, and the transformation in gender relations in South Asia.

With respect to the findings, this paper suggests key recommendations in maintaining an unbiased environment in the South Asian countries, and key policy recommendations revolving around education policies, family-friendly policies, inclusion policies, and workplace and employment policies.

**Keywords:** Activist, Empowerment, Feminism, Gender Inequality, Institutionalization, Modernization, Patriarchal, Politics, Muslim World, Western World, Women's Power, World Social Structure, South Asia.

## 1. Introduction: Background of the Problem

The role of women in a South Asian society is caught up between the problem of morality and tradition (Akl, 2011). There are many obstacles South Asian women face in their everyday life, especially when it comes to their rightful participation in politics. With women empowerment on the rise in the region, South Asian women are breaking barriers and are continuing to exercise their power, regardless of the backlash they face (Nazneen, Taylor Francis Online, 2019). In the late 19th century, several influential women stood up to the social and political injustices in, which led to a noteworthy transformation of political involvement of the South Asian region. Now, the South Asian region is the second largest with more women heads and participation in government than any other region of the world. There is a long list of women in South Asia, who have completed transformed the course of women empowerment through their resilience, determination, and commitment. Take Sirimavo Bandaranaike as an example. She became the first woman to head the government in Sri Lanka in the late 20th century, which marked the beginning of Sri Lankan women in politics. Similarly, there was a boost of women empowerment in Pakistan, when Benazir Bhutto became the first PM and leader of the country, who was a woman. She served two terms as the prime minister and was campaigning for her third term before being assassinated (Szczepanski, 2019). These women leaders, and many more, have achieved great things despite the odds against them. Their success gives confidence to billions of women in South Asia to create opportunities for themselves, to turn around the declining trend of female participation in the region.

In a broader understanding of women’s role and awareness in South Asian politics, we need to understand how early they are introduced to the mechanisms of politics through their conservative households and societies. In a lot of South Asian countries, such as Pakistan and India, which have a male-dominant culture, women are not allowed to exercise the same rights as men, they don’t have access to the same level of education, healthcare and a place in the society. Thus, the research paper aims to shed light on the subject of gender inequality, and the major influential factors behind the accomplishment of women in the South Asian region, focusing on the major cause of success amongst the women of the region despite the patriarchal society and strict norms.

## 2. History of Patriarchal Society in South Asia Region

### 2.1 Status of Women in each Different Countries in South Asia

The South Asian women have the history of oppression by the male members of their family and society. They have been treated as lesser human than their male counterpart. The society always compromised on the rights of one gender i.e. women. Starting from the basic rights of health and education till the state-given rights of safety and voting, women have been deprived of all. Since the start, when world was depended on the power of body then men earned higher place than women because of biological difference in body. These factors used to moderate the behavior of men toward the women. A woman used to spend her whole life to prove her existence, whereas fighting for the rights was a next level story that many could never think of. They used to spend lives in accordance with the standards of patriarchal society. There was dire need of change in the world. It required gender equality not only for the betterment of women but for the world as well.

The history of South Asia countries highlights the number of obstacles for women to even live up to the basic human level. Those includes biological factors such as menstruation, virginity, gender of her child etc. Besides that, Social rites of honor killing, limited available profession options, struggling health care facilities, and dowry also played the part. After that, state also contributed to the hurdles by not securing the right of safety, property and voting for women. Lastly, the economic dependence of women on men happened to be the crucial stimulator of oppression in basic form i.e. Domestic violence. All above-mentioned factors give birth to the cognitive problems like depression, despair, and low selfsteem, which let others to oppress women even more. Some external forces and few internal problems contributed to the destruction of women in previous times.

India, Bangladesh and Pakistan, the countries has made a place in the list of growing economies of time. However, the history of these states shows the heights of patriarchy. Women during their menstruation were not allowed to take part in house chores, could not go to worship places, and were isolated from the rest of house. The reason behind was the myth that consider women unhygienic (leading them to mental disturbance) and associating them with evil spirits (Garg, and Anand, 2015) . Mothers were not able to pass the proper knowledge about the menstruation to their adolescent daughter

because they themselves were not aware of that. For the centuries women had not have access to the proper concepts. They spent lives compromising their health.

Thomson Reuters Foundation ranked Pakistan as the third dangerous country in the world for women (Hadi 2017). India has laws against the honor killing even then there are number of cases for honor killing in different provinces of India. They have allowed doing inter-cast marriage if the couple consists of adults.

## 2.2 What Have Been Their Obstacle in the Historical Time

From 2004 to 2006, among all the registered cases of burning in Bangladesh 68% were females and the major cause was the dowry (Das, Khondokar. et al. 2013). The patriarchal beliefs consider women as economic burden so the husbands wanted compensation from the fathers of brides for marrying their daughters in most of the south Asian countries (Rahman 2018). Women at that time used to accept violence as the part of culture as while growing up they saw their mothers tolerating domestic violence. Besides, the gender of children was the major factor effecting stability of marriage (Agrwal et al 2014). The men required sons to prove the masculinity and to pass the genes in next generation at that time (Das Gupta et al. 2003). The myth prevailed at the time that women are solely responsible for the gender of child (whereas, science proves the opposite of it.).

Moreover, the patriarchal society has never given a fair chance to the women to grow. Initially women were not allowed to study as her father believed that what would the use of her education. Only boys were sent to school, as they will earn later. Tanha (2015) reported that in Parwan province of Afghanistan women are not allowed to take medical help during pregnancy. Their husbands were afraid their wives might be exposed to male staff and it would hurt their “Ghairat” (Honor). Many women in south Asia have been struggling for the property rights until twenty first century (Bina Agarwal, 1994). Property right equality could have improved the condition of women in society. Until the date, women are paid less for even the same role in economy. The masculine society continues the oppression of women until today in form of pay disparity. Males and females working in same organization for same job description are paid differently. As women started to come out of the home then the security concerns were rising as well. This world has never proved itself safe for the women and then patriarchy adds to it. It started from the domestic violence and led to the workplace harassment, street crimes, teasing and rapes. The rates of rapes have been increasing continuously.



South Asian countries took centuries to understand the basic right of women then state rights were the next level thing. The voting rights were not given to the women in south Asian countries. Lately after the mid of twentieth century, they recognized the right of voting for women. Until today, many have not understood the importance of women’s vote so they do not let their women to cast vote. This condition of the south Asian countries has led to the period of cognitive problems for women. There is increasing number of depression patient and suicidal attempts in south Asian women. The causes are deeply rooted in the patriarchal society.

### 3. Emerging of Women Power in Western World VS. Asian World

#### 3.1 Feminism and Modernisation

The role and power of women in both western region and Asian region has slowly increased over the course of the past few decades. They have been more involved in the economic and political development of their respective countries and have created ample new social and cultural boundaries, reaching out new heights of empowerment. This has been achieved through the constant efforts of the feminism movement, leading to new heights of modernization. (Chiang, 2002). Quite often, the concept of feminism is interlinked with that of modernization, as this progressive call for women’s rights was previously ignored by the male-dominant societies found around the world. In short, modernization is the stable process of a revolutionary change within the society. Typically categorized as a progressive transition, modernization is built around the theory of modernism in literature.

The process that illuminated modernization for women can be divided into three different spheres, which are liberal modernization theory, socialist approaches, and female sphere position, each catering to a different aspect of modernization with a distinct view of the causes and consequences. These spheres have led to a systematic development of the feminist movement, ensuring that the women are on equal standing to the male gender. Despite having feminism movements globally, it was seen that the emergence of power has had a different course for women in the west and in the east. Feminism has grown differently in the western world, as it has gone through three distinct waves. Started in the late 19th century, the first wave of feminism was formed by the middle- and upper-class white women. When women were not given the equal opportunity of education, jobs, and lifestyle, they rose up against the gender-biased stereotypes, leading to a revolutionary call answered by all women. This was

accompanied by the second wave of feminism, which was an attempt to combat the cultural and social inequalities that had been deep-rooted in the mind of the societies, giving women little to no rights. (Lee, 2017) By this time, the western women had started seeking solidarity, and women of color started to participate in the feminist movements, aiming to bridge the gap between racism and lack of women's rights. The third and final wave was the most effective one, as it was a collective stance against the gender bias. Through this wave of movements, women addressed their rights in the financial, social, and cultural aspects, addressing the inequalities that were still at par. With feminist campaigns becoming more popular in the west, the influence of women began growing in media and politics, leading to productive rights being awarded to women.

With the social movements fighting for women's rights becoming increasingly popular, the same ideology was slowly incorporated in the Eastern world. Women in Asia began protesting for their rights and freedom as well. These women have become a symbol of hope for all those in the Asian continent who wish to stand as tall as their male counterparts and want to achieve the same opportunities and level of freedom.

### **3.2 Culture and Family System**

Perhaps one of the most significant elements of differentiation between the western feminist movement and the liberalization movement within Asia is the complete divergence of opinions regarding the family system. As showcased by various surveys, people in Asia are much more optimistic towards the family system which has been showcased towards being the traditional structure of families within households where the woman is supported and expected to take care of children and certain tasks within the household rather than emphasize upon participation within economic activities (Bong, 2016). This creates a unique element of dominance for men and an element of financial or social dependence upon the male leading to a hierarchical approach within the society itself.

### **3.3 The Difference in Religious Integration**

Moreover, a significant difference for the liberalization and family-system movement between Asia and the West has been the role of religion within the formation of liberalization itself. Asia hosts a number of Muslim countries such as Pakistan, Iran, and Turkey while also holding the traditionalist nations such as India that have a religious form of cast system as their prominent social hierarchical infrastructure (Pande, 2010).

This creates a fundamental divergence from the liberalization movement of the west where religion had a limited role as much of the association of greater values for women was regarded within the context of cultural and political aspects.

#### 4. Transformation in Gender Relations in South Asia

##### 4.1 Pathway of Employment

Maguirre et al. (2016) defined women empowerment as the process through which the power of self-realization is nurtured and promoted amongst women. The concept of women empowerment is quite broad as it could be further distributed into social (neutral and impartial social status for women), political (presence of effective legal framework achieved via struggles and constant movement via support of legal and regulatory structure) and economic (improved QoL that is managed and owned by the women) empowerment of women. This could be measured by assessing the percentage of women present within the national parliament, their current economic status, their skillset, their earning capacity, and lastly and most importantly access to information. However, scholars like Jha & Kurian (2017) have argued that women activists and feminists that are engaged in gender and development field have established their own set of labels as well as myths with respect to empowerment of women these include; portraying or labelling women to be more close to nature and treating the product capability of women to be essential for a country’s economic growth, this has been done with the aim of diverging resources and focus towards women.

##### 4.2 Gains in South Asian Women’s Power

South Asian women have quite interestingly adopted multiple strategies in order access and attain power, which has allowed them to enter the political realm (Rehman et al. 2020). Women have not just inserted their agendas with the contemporary discourses, but they have also led their own movements (for instance the Women’s suffrage movement in India; the movement fought for right to political In lenfranchisement of Indian women) (Mukherjee, 2018), forged alliances (for instance the APWA movement where wives of Pakistani government official formed an alliance with APWA in order to educate and mobilise women against issues like domestic abuse, rape and forced marriages) (Khan, 2018), thereby women in South Asian developed their own set of strategies as well as organisations in order to attain power. Fakir et al. (2016) stated that

autonomous women organisations actually serves as the vehicle of self-expression for women in the region. Women have played an active role in multiple social movements; one such movement was led by Sufia Kamal founder of the Mahila Parishad. Sufia in the late seventies mobilised Bangladeshi women to end dowry, and proposed the enactment of an Anti-Dowry bill (Hosssain, 2017). Constant pressure from women and social uprising against dowry resulting in approval of the bill by the parliament in 1980, this could simply be deemed as a historic and hallmark moment of women in South Asia as through pressurising the government and exercising their power they succeeded in abolishing and outdated practice, which made women along with their families vulnerable (Manchanda, 2017). Thus, it could rightfully be stated that women have and will continue to remain essential players in social movement dedicated towards issues that influences them, their rights and more importantly their families as well as the members of the community. Women have been part of campaigns that are for the welfare of the whole community, for instance the anti-liquor movement in Karnataka. During this movement, around 30 women’s as well as social welfare organisation launched the movement for banning liquors (Bhattacharya, 2017). Women in South Asia has successfully broken down the structural as well as the systemic constraints, and they have quite consistently broaden their access to the power corridors a great example of this are leaders like Sheikh Hasina, Indra Gandhi and Benazir Bhutto. Therefore, through their interventions and struggle women have not just transmuted their own lives, but they have also expanded the space for other women as well.

### 4.3 Leading with Women: South Asian Context

Surprisingly South Asia is only second to Scandinavia when it comes to women leaders or heads of state as compared to another region in the world. This makes South Asia a stimulating case study with respect to formal power of state and the strategies adopted by women to attain leadership positions in a region that is bounded by gender inequality and discrimination (Thompson, 2019). Till today more than a dozen Asian women have led their states, amongst which there are some that have governed Muslim nations as well. Leading from the front is Sirimavo Bandaranaike; World’s first female Prime Minister. Sirimavo actually replaced her husband who was murdered by a Buddhist monk (Fernando, & Singh 2018). Sirimavo completely reshaped the Sri Lankan politics being a feminist; she constantly fought for women’s rights in the country. Sirimavo started working for the welfare of women from an early age, even before she became the Prime Minister she was a member of various activist groups that worked

for welfare of women in rural areas and raise women’s standard of living. During her tenure she constantly fought for political rights for women and right to education.

Another South Asian that made her mark in the global political areas is Indra Gandhi, India’s novel women leader. Indra Gandhi was not just a resolute and persistent leader, but she was also the symbol for women empowerment in a male dominated Indian society (Dhar, 2018). Gandhi’s activism for equal rights of women began in early days of her political career, in 1956 she established the Women Section of the Congress Party in order to mobilise women for the Indian Cause (Basu, 2016). She regularly visited remote villages, and conversed with women inquiring about their and their child’s health, and access to healthcare facilities etc. She constantly pushed for ending poverty in the country, and also fought for women rights on several. It was during Indra Gandhi tenure when the Principle of Equal Pay for women and men was included in the Constitution of India (Magsi, & Wajidi 2016).

Benazir Bhutto; in 1988 became the Prime Minister and the first women leader of a Muslim nation. Benazir could be deemed as a feminist, and an ideal political activist that constantly advocated for the right of women, and worked towards empowering women in the Islamic Republic of Pakistan (Khan et al. 2017). In 1979 Benazir formed a women’s division which by the end of 1989 converted into a fully functioning Women’s Development Ministry. She also introduced a job quota for women; Benazir direct 5% quota for women within the public sector, along with that she also dedicated funds for the establishment of First Women Bank in Pakistan in the year 1989 (Imran et al. 2020). Benazir was a true feminists, she realised that women were underrepresented in various department like the high courts, therefore she appointed female judges exercising her executive power not only this but she also established police stations for women (Ahmed, & Bajwa 2017). Thus, these initiatives taken by Benazir to empower women actually played a crucial role in uplifting women in Pakistan, while at the same time it also stimulated as sense of security and achievement amongst women.

#### 4.4 Institutionalisation

During the past few decades the constant struggle of women in South Asian has led towards development and integration of certain institutional mechanisms that aides and fosters the advancement of women within the region. These institutional mechanisms takes multiple forms, however, the ultimate objective of these mechanisms is to mandate gender quality and empower women in all fields of life, so

that they can walk alongside their male counterparts . Recently various countries within the South Asian regions such as India, Pakistan, Sri Lanka and Bangladesh has undertaken multiple institutional reforms for mandating gender equality and empowerment of women, which in turn has led towards re-organisation of the national mechanisms.

Similar to other countries, various countries within the South Asian region have introduced constitutional reforms that have abolished old, unjust and obsolete national mechanisms that have restricted women empowerment and gender equality for decades. A wide range of new mechanisms have been institutionalized with the objective of promoting and nurturing equal opportunities and rights for not just women but also other excluded groups of the society(Ahmed et al. 2019). The government of Pakistan after decades has abolished old mechanisms to address the issues of discriminatory law against women. In order to tackle the issue of sexual harassment the government of passed “The Protection Against Harassment of Women at Workplace Act, 2010”; this bill empowers women who were previously forced to bare violence to report such acts either to the female protection officer or they could even report it to district protection committees via helpline (Khan, & Ahmed 2016). Moreover, there were certain practices (depriving women of the right of inheriting property, or forcing them to marriage) which were not just strictly against human dignity but are also a serious violation of the human rights.

The government of India has also introduced number of institutional mechanisms in order to protect women, promote gender equality and empower them to become more self-sufficient. In line with these objectives the Indian government has introduced legislations like “National Commission for Women Act (1990)”; the commission is responsible for representing the rights of Indian women, along with that it is also responsible for raising voice against issues like discrimination, domestic abuse, rape, and inequality faced by women in India (Ahmed, 2016). Another legislation introduced by the government of India is “Protection of Women from Domestic Violence Act (2005)” the act was enacted by the Parliament of India in order to protect women from domestic violence . However, the Act was not just limited to protection of wives, but it also included protection of other women living within the households such as mother, sisters, and widows as well. In order to address the growing sexual harassment issues inside corporate offices, the government of Indian introduced “Sexual Harassment of Women at Work Place Act (2013)”. Two major factors that have contributed towards

enforcement of these legislations is the emergence of feminist’s movement and activism (Sarpotdar, 2020).

Bangladesh ranks quite high with respect to presentation of status of women, protection of women rights, and empowerment. The women empowerment status is clearly evident the national constitution that provides equal right to women. According to Article 10 of the constitution of Bangladesh, women are allowed to participate in all spheres of life, whereas Article 19 of the constitution guarantees abolition of all of social as well as economic discrimination, while at the same time ensures that equal opportunities are provided to women in all domains (Kabir et al. 2018). According to Rathirane (2017) Sri Lanka could be deemed as the most progressive states in the South Asian region with respect to women rights and empowerment. The country has been recognised globally for its protract civil war, and also for election of first female Prime Minister Ms. Sirimavo Bandaranaike. Compared to other South Asian countries like Pakistan, India and Bangladesh women in Sri Lanka have relished much higher level of independence and freedom. A major reason behind this is the Sri Lankan constitution which did not just recognized the rights of women, but also ensures that women are protect from all forms of inequality. Article 12 of the constitution prohibits all forms of discrimination against women whether it be on the basis of caste, colour, or religious belief (Nazeemudeen, 2019).

#### 4.5 World Social Structure

Globally the social structures are changing as more and more women enter the workforce, attain senior leadership positions in organisations and political parties. There are number of countries in North America and Europe that are currently being led by women leaders like Cristina Fernandez de Kirchner, Angela Merkel and Helle Thorning-Schmidt (Wolfe, & Werhane 2017). The government of USA has introduced Sex Discrimination Law; the law prohibits any form of discrimination against an individual based on their gender, race, religion or disability in various settings like educational institutions, corporate offices and public offices as well (Schatkin, 2020). Furthermore, countries like Pakistan that previously neglected such issues have also actively enacted laws related to gender discrimination, this in turn has led towards boosting participation of women in the workforce from 26% to 45%, which is quite remarkable, keeping under consideration the fact that Pakistan has and continues to remain a male dominated society (Akram, 2018). Moreover, leaders like Sheikh Hasina through her policies and actions have played a crucial rule in changing the social structure; under her regime

girls are offered free education till matriculation and they are offered special scholarships, along with that woman entrepreneurs have access to dedicated funds at low interest rates (Uddin, 2017). All of this has led towards making women more independent and self-sufficient, thereby empowering them in a highly patriarchal society, which is quite an achievement.

## 5. Conclusion and Recommendations

The role of South Asian women has dwindled back and forth between morality and tradition. As a result, they have been facing multiple life challenges, especially when it comes to political participation. In regions, particularly in Pakistan and India, there exists a male-dominant culture; hence, values and shaped and shared accordingly. There has been an increase in women empowerment, which proved to be the major motivator for women in the South Asian region to break stereotypes and traditional customs to exercise their rights and power. Also, there were several influential women who raised their voices against political and social injustices in the late of the 19th century, which led to a visible transformation of the role of South Asian women in politics. Currently, the region is known as the second largest with a greater number of women in government. The literature has mentioned several women names from the South Asian region, who have been popular for their powerful characteristics, including resilience, commitment and determination. For instance, Sirimavo Bandaranaike, a woman from Sri Lanka, became the first woman head of the government in the late 20th century, and this was the beginning of women power in the Sri Lankan government. As a result, the women of South Asia explored new horizons to participate in politics, eventually negating the pre-defined roles of women.

### 5.1 The Success of Women Leaders in South Asia

Through analysis of different sources and extensive research, it has been found that South Asian women have adopted multiple strategies to attain access and power allowing them to make their mark in politics. Gradually, women have not only inserted their agendas with the contemporary discourses but also establish their own movements, forged alliances and strategies. Moreover, independent women empowerment organizations have been the major source of self-expression of women in the region. Social movements, too, have helped women to attain power in the political realm. For instance, a social movement, in the late 70s, motivated women to



fight against dowry in Bangladesh, Constant pressure resulted in the approval of the bill in the parliament, making it a historic and winning moment back then.

## 5.2 Women Empowerment

The process of women empowerment – how the women of South Asia empowered to get in power and attain politics. There were several influential forces that created a disruption in male-dominant societies and beat the patriarchal practices that were directed at underestimating women at all levels. The rise of the liberalization movement and feminism are the major sources of women empowerment. Moreover, leaders like Benazir Bhutto, Sheikh Hasina and Chandrika Kumaranatunga emerged as a strong advocate of women leaders in politics. During the political regime of Sheikh Hasina in Bangladesh, women empowerment was not confined to speeches and debates but the actual implementation of women-oriented policies in the government, like access to education and financial parity. Benazir Bhutto was also labelled as a feminist, who entered the politics and revolutionized the concept of women leaders. She introduced job quota for women and also established the First Women Bank in Pakistan. Another prominent woman leader was from India – Indra Gandhi, the longest-serving prime minister. She mobilized the access to healthcare, education and basic rights for women along with various other activities. Moreover, the constant struggles of South Asian women led to the creation of institutional mechanisms that aides and fosters the advancement of women within the region. These mechanisms take several forms, but the ultimate motive of them is to foster gender equality for both men and women at all levels. In addition to that, creation of constitutional reforms has led to the abolishment of old, unjust and obsolete national mechanisms that have limited women empowerment for centuries. A variety of new mechanisms have also been formed with the motive of promoting equal opportunities for women, contributing to women empowerment. The government in major countries of South Asia – India, Bangladesh and Pakistan have introduced several acts aimed at eradicating social issues concerning women, such as forced marriages, sexual harassment, domestic violence and property inheritance. Another variable is the world social structure, which has also played an active role in empowering women. Social structures around the globe are changing. As with change, the social status of women is also transforming for better; with each passing day, more women are entering the workforce and gaining leadership position both in organizations and political parties in countries like the United States of America and the United Kingdom. Similarly, the revolutionary transformation of social structure is also strengthening its grip in the South Asian region for the good of women.

As of structural change, women are entering into the political realm. The notable names of women leaders that have been discussed in the entire report are considered the major sources and forces of change in social structure, enacting laws to alleviate and eradicate gender bias and discrimination thereby, empowering women at all stages of life.

## References

- Agrawal, S., Unisa, S. and Agrawal, P., 2014. Women's Perception of a Sad Married Life and Higher Marital Instability: How Does Children's Gender Matter? A Perspective from Rural Haryana, India. *Journal of human behavior in the social environment*, 24(3), pp.377-389.
- Ahmad, N., Bano, A., & Rehman, A. (2019). Women's Political Empowerment through Local Government in the Patriarchal Society of Pakistan. *Liberal Arts and Social Sciences International Journal (LASSIJ)*, 3(1), 1-8.
- Ahmed, M., & Bajwa, I. (2017). Political Participation and Women in Developing Political Systems: Comparative Study of Benazir Bhutto and Yingluck Shinawatra. *Grassroots*, 50(2).
- Ahmed, S. (2016). Socio-economic empowerment of rural women: An overview. *International Journal of Social Impact*, 1(3), 33.
- Akl, A., 2011. South Asian women caught between tradition and modernity. VOA News. [online]. Available at: <https://www.voanews.com/east-asia-pacific/south-asian-women-caught-between-tradition-and-modernity> [Accessed 29 April 2020].
- Akram, N. (2018). Women's empowerment in Pakistan: its dimensions and determinants. *Social Indicators Research*, 140(2), 755-775.
- Basu, A. (2016). Women, dynasties and democracy in India. *Democratic dynasties: state, party and family in contemporary Indian politics*, 136-172.
- Bhattacharjee, K., & Pal, S. (2016). Protection of Women from 'Domestic Violence' Act 2005: Statistics Reveal What Society Conceals.
- Bhattacharya, N. (2017). Food sovereignty and agro-ecology in Karnataka: Interplay of discourses, identities, and practices. *Development in Practice*, 27(4), 544-554.
- Bong, S., 2016. Women's and Feminist Activism in Southeast Asia. 11-22.
- Chiang, L., 2002. Asian women in transitions: how modernization affects their lives. *Western Social Science Association*, 11(3), pp. 424-432.
- Das Gupta, M., Zhenghua, J., Bohua, L., Zhenming, X., Chung, W. and Hwa-Ok, B., 2003. Why is son preference so persistent in East and South Asia? A cross-country study of China, India and the Republic of Korea. *The Journal of Development Studies*, 40(2), pp.153-187.

- Das, K.K., Khondokar, M.S., Quamruzzaman, M., Ahmed, S.S. and Peck, M., 2013. Assault by burning in Dhaka, Bangladesh. *Burns*, 39(1), pp.177-183.
- Fakir, A. M., Anjum, A., Bushra, F., & Nawar, N. (2016). The endogeneity of domestic violence: Understanding women empowerment through autonomy. *World development perspectives*, 2, 34-42.
- Garg, S. and Anand, T., 2015. Menstruation related myths in India: strategies for combating it. *Journal of family medicine and primary care*, 4(2), p.184
- Gugerty, M. K., Biscaye, P., & Leigh Anderson, C. (2019). Delivering development? Evidence on self-help groups as development intermediaries in South Asia and Africa. *Development Policy Review*, 37(1), 129-151.
- Hadi, A., 2017. Patriarchy and gender-based violence in Pakistan. *European Journal of Social Science Education and Research*, 4(4), pp.297-304.
- Hossain, M. (2017). Bangladesh Mahila Parishad: 47 years of excellence. Retrieved From: <https://en.prothomalo.com/bangladesh/Bangladesh-Mahila-Parishad-47-years-of-excellence>
- Imran, M., Afzaal, M., Akhtar, S., & Ahmad, S. (2020). Gender equality and the quota provisions: a sustainable development in Women's participation in Politics in Pakistan. *Dilemas Contemporáneos: Educación, Política y Valores*, 7(2).
- Jha, S., & Kurian, A. (Eds.). (2017). *New Feminisms in South Asian Social Media, Film, and Literature: Disrupting the Discourse*. Routledge.
- Kabir, S. M. S., Aziz, M. A., & Shathi, A. S. J. (2018). Women Empowerment and Governance in Bangladesh. *ANTYAJAA: Indian Journal of Women and Social Change*, 3(1), 24-35.
- Khan, A. (2018). *The women's movement in Pakistan: activism, Islam and democracy*. Bloomsbury Publishing.
- Khan, A., 2018. Women in politics: Gaining grounds for progressive outcomes in Pakistan. IDS working paper.
- Khan, B., Khan, A., & Ashfaq, S. (2017). Government-opposition Relations during First Term of Benazir Bhutto as Prime Minister. *Liberal Arts and Social Sciences International Journal (LASSIJ)*, 1(2), 24-33.
- Khan, M., & Ahmed, A. (2016). The protection against harassment of women at the workplace act 2010: A legislative review. *LUMS LJ*, 3, 91.

- Lee, R., 2017. Electoral reform and women's empowerment. Democracy and the status of women, 32(1), pp. 47-59
- Magsi, H. A., & Wajidi, F. A. (2016). SAARC Female Prime Ministers Policies For Women Empowerment In Their Region. Pakistan Journal of Gender Studies, 13.
- Maguirre, M. V., Ruelas, G. C., & TORRE, C. G. D. L. (2016). Women empowerment through social innovation in indigenous social enterprises. RAM. Revista de Administração Mackenzie, 17(6), 164-190.
- Manchanda, R. (Ed.). (2017). Women and Politics of Peace: South Asia Narratives on Militarization, Power, and Justice. SAGE Publishing India.
- Mukherjee, S. (Ed.). (2018). Indian suffragettes: Female identities and transnational networks. Oxford University Press.
- Nazeemudeen, Z. M. (2019). Women Can Make a Difference in Economic Marginalization and Women's Right to Equality in Post-conflict Context of Sri Lanka: Revival of Challenges and a Perspective beyond the UNRSC 1325. Peace, Reconciliation and Social Justice Leadership in the 21st Century (Building Leadership Bridges, 8, 99-115.
- Nazneen, S., Hossain, N. and Chopra, D., 2019. Introduction: contentious women's empowerment in South Asia. Contemporary South Asia. 27 (4), pp. 3 – 9
- Pande, R., 2010. Gender issues in South Asia, with special reference to India, Challenges in the new Millenium, 9, 37-49.
- Rathiranee, Y. (2017). Microfinance interventions and empowerment of women entrepreneurs in Sri Lanka. International Journal of Social Science and Technology, 2(1), 51-66.
- Rehman, H., Moazzam, D. A., & Ansari, N. (2020). Role of microfinance institutions in women empowerment: A case study of Akhuwat, Pakistan. South Asian Studies, 30(1).
- Sarpotdar, A. (2020). Examining Local Committees under the Sexual Harassment of Women at Workplace Act. Economic & Political Weekly, 55(20), 51.
- Schatkin, A. J. (2020). Should Title VII of the United States Code Prohibiting Sex Discrimination Be Based on Sexual Orientation: An Argument. Academicus International Scientific Journal, 11(22), 123-126.
- Szczepanski, K., 2019. Female heads of state in Asia. ThoughtCo. [online]. Available at: <https://www.thoughtco.com/female-heads-of-state-in-asia-195688> [Accessed 29 April 2020].

- Tanha, A., 2015. Refworld | Afghanistan: "Honour" Rules Deny Care To Mothers And Babies. [online] Refworld. Available at: <<https://www.refworld.org/docid/564b572f4.html>> [Accessed 10 September 2020].
- Thompson, M. P. (2019, July). The rise and the downfall of dynastic female leaders in Asia. In Asian Studies Association Conference, Denver, CO. Find this resource.
- Uddin, S. (2017). Human Rights Education for Bengali Women: Agency and empowerment (Doctoral dissertation, Columbia University).
- Wolfe, R. W., & Werhane, P. H. (2017). Global Women Leaders: Breaking Boundaries. Edward Elgar Publishing.

## *Deconstructing the Marvel Cinematic Universe: The Security/Popular Architecture of American Identity and Threat Perception*

Pakapong Damrongrat  
jopakapong@gmail.com

### **Abstract**

The film has become increasingly popular and more accessible in the age of globalization. Superhero genre especially from the Marvel Cinematic Universe (MCU) can be considered as the manifestation of global politics as it has shaped and represented how we think and visualize global politics and their security architectures. Moreover, in the field of international relations (IR), though some theories especially mainstream have been applied to the film studies, the MCU especially the latter series have never been untouched. This paper mainly uses theory of post-structuralism and the concept of architecture as event space introduced by Michael Shapiro in order to illustrate how films can portray the American identity, with the emphasis of identity of victim and savior, and how threats are perceived in the US foreign policy discourse, from terrorism, disaster, pandemic, national security, and human security. This paper selects four films i.e., *The Avengers*, *Avengers : Age of Ultron*, *Avengers : Infinity War*, and *Avengers Endgame* as case studies. In addition, the paper also examine how the concept of architecture of security such as buildings and locations throughout the series have played significant roles in emphasizing hidden meanings and agendas in global politics. Finally, the paper also discover the challenge on existing hegemonic discourses, such as the discourse of men as ‘protector’ and the discourse of Africa as ‘backward and uncivilized’.

**Keywords:** architecture of security, film studies, identity, Marvel, poststructuralism, United States, threat perception

Since the world population has witnessed the emergence of globalization, and cultures are one of the factors that drive the process of globalization, it is not only the traditional cultures, such as religions, beliefs, and so on, but also our everyday or ‘popular’ cultures that we have consumed including food, drinks, sports, video games, and films that we consume which is known as ‘Popular Culture’. Nowadays, one of popular cultures that can reach the audience around the globe is the film. However, though it was originally created for entertainment purpose, the film has contained and embodied some hidden meanings, messages, and agendas awaiting for audiences to notice and discover both for entertainment which is known as ‘an Easter egg’, film also have political, economic, and security purposes which ordinary audience might not realize or notice. Instead, it requires in-depth analysis or even researching in order to identify the hidden and embedded manuscripts. Among other disciplines, the field of international relations (IR) recently engages with the roles of popular culture in world politics. That said, popular culture especially film not only entertains audiences but also is a major source for academic purpose.

Take Iron Man 3, one of the most successful superhero films from Marvel Studio, as an example, its first antagonists that appear in the film is The Mandarin, portrayed by Ben Kingsley. The Mandarin always dresses in Chinese clothes with dragon statue behind the back, and Chinese background is used during broadcast, etc. Apparently, his looks and postures were identified as Chinese which in fact, the Mandarin was just an American citizen named Trevor Slattery. The Mandarin and all the Chinese look are all set up to cover the real antagonist in the film. Despite the fact that the Mandarin was set up, however in the opinion of audiences around the world, they have already constituted Chinese identity as a bad guy as a result of architecture, i.e., cloths and background that portray Chinese as antagonist which is false according to the story.

Iron Man 3 was released in 2013 while Xi Jinping, current Chinese president, came to the power in 2012 as general secretary of the Communist Party and in 2013 as China’s president. Xi Jinping often addresses his vision of ‘Chinese Dream ’which later becomes his political slogan. The United States predicts that Xi Jinping and his vision would make China rise militarily and economically and finally become American threat that in fact, they have already been in the present day. Xi first mentioned ‘Chinese Dream in 2012 which is before the release of Iron Man 3 in 2013. From Iron Man 3’s point of view, it shows that this film is relevant to the international relations especially in the sense of threat perception since both Iron Man 3 and the entire MCU are categorized in action and superhero genres. Iron Man 3 has challenged the hegemonic discourse of American-



Chinese, classifying American as ‘good ’ and Chinese as ‘bad ’ which at the end of the film, it shows that Americans are not always ‘good ’ as American citizen itself, Aldrich Killian is the real antagonist.

In Marvel Cinematic Universe (MCU) such as Iron Man 3 that its architecture plays an important role in shaping perception of the threat and identity in global politics. Therefore, it is impossible to neglect the interrelationship between film, foreign policy and security representation. Given the popularity and public perception of Marvel superheroes as almost everyone as absorbed the popular cultures and perceived who the US is, what the threats are and how we know about the architecture of security. This leads me to the puzzle of the paper, How does the Marvel Cinematic Universe (MCU) shape and transform the security/popular architecture of American global threat perceptions and identities?

This paper aims to bring in film analysis and use critical approaches in order to analyze and understand the social construction and representation of architecture, threat, and identity of the US in global politics. I aim to apply the theory of post-structuralism along with the concept of architecture as event space introduced by Michael J. Shapiro which believes that the architectures in the films are as important as the real person. Moreover, I decided to scope the study only from 2008 until 2019 when the third phase of the MCU ended. However, it is impossible to cover all the film from three phases because the current MCU is consist a total of 23 films. Hence, I decided to select only one film from each phase. Moreover, I believe that a film from each phase should be the same title (e.g., Iron Man 1, 2, 3) in order to identify clearer progress, evolution, and changes of American identity and threat perception. Therefore, I decided to use the title of Avengers since this title is the conclusion of each phase, furthermore, the Avengers are the only film that consisted of every Marvel characters both main and secondary characters. The film that I select is The Avengers (2012) in the first phase, Avengers: Age of Ultron (2015) in the second phase, Avengers: Infinity War (2018) and Avengers: Endgame (2019) in the third phase.

Started with The Avengers, from my interpretation, the film is related to the event of the 9/11 attack. Nevertheless, in order to fully understand the relationship between the film and reality, I would like to briefly explain the emerging of Mujahideen. Beginning with the Soviet-Afghan War, started in 1979. Afghanistan was dominated and influenced by the Soviet Union which created anxiety to the United States. Therefore, the United States launched a covert operation known as ‘Operation Cyclone ’ which provide

support to anti-Soviet and anti-communist, trained and armed the insurgents known as the Mujahideen (Renfro, 2015). The Soviet-Afghan War ended with the withdrawal of Soviet troops in 1989 but the post-war Afghanistan government was, however, overthrow by the Taliban.

In the 9/11 attack, the one who claimed responsible was Bin Laden who was once a Mujahideen during the war and received training from the United States. The role of the United States in the Soviet-Afghan war by strengthened the Mujahideen and Bin Laden, surprisingly related to the story and issues in *The Avenger*. In the film, the main antagonist is Loki whom I believe similar to the terrorists as both use a similar method, manipulation. However, the main reason for the Alien’s invasion in New York at the end of the film was S.H.I.E.L.D.’s experiment on the Tesseract under the supervision of the United States’ government. It showed that S.H.I.E.L.D. is the one who brought Loki and causes the war in New York. To this end, it can be concluded that both in the film, Loki and in reality, Bin Laden is the United States’s own creation which finally turned against the United States itself. Moreover, the film also generated and strengthened the perception of ‘threat’ as a threat of terrorism to the American people and the global community, leading to international support in finding Bin Laden and overthrowing the Taliban regime in the Afghanistan war.

The film has portrayed the United States' identity, similar to the identity that was portrayed by the 9/11 attacks. It portrayed America as a victim of the attack and a savior at the same time. Since the United States is the one who was attacked and also the main actor in defeating the army of aliens and the terrorists.

Continue with *Avengers: Age of Ultron*. The main antagonist of this sequel was Ultron, an artificial intelligence created by the Avengers itself in order to fulfill the goal of creating a peaceful world. However, Ultron was excessively intelligent and realized that the Avengers’ extinction is mandatory for achieving the goal. From my interpretation, Ultron is also similar to Bin Laden as both of them shared similar origins, a creation of the Avengers and the United States, and goals, destroy the Avengers and the United States.

Nevertheless, in the middle of the film, Ultron’s goal was shifted as he realized that the Avengers’ extinction is not sufficient. Ultron believes that the human race is weak and self-center, and required evolution. Therefore, his goal was shifted from Avengers extinction to human extinction and the method he aims to use is to lift an entire city

in the sky and drop down like a meteor. In my opinion, Ultron’s new goal change what he represented from terrorism to disaster. Moreover, the goal of human extinction is the shift of American security interest and its threat perception from terrorism to disaster which capable in eradicate the entire human race.

The shift of security focus and threat perception both in the film and reality are again related to each other. Since the War on Terror, the United States started the global war on terrorism, especially hunting Al Qaeda’s leader, Bin Laden. It took ten years, from the attack in 2001, to finally killed Bin Laden in 2011. Not only the time that enormously cost the United States but also massive money and manpower. Bin Laden's chase has cost the United States approximately 3\$ trillion (Fernholz & Tankersley, 2011). Furthermore, the Iraq War also acts as a catalyst for the shift.

The Iraq War began in 2003 led by the United States and its allies to overthrow Saddam Hussein's government. The United States invaded with the claim that Iraq's close ties with terrorist groups would create another attack on American soil and the Weapons of Mass Destruction (WMD) posses by Saddam Hussein might fall into the hand of terrorists (Gompert, Binnendijk & Lin, 2014). Nevertheless, the WMD has never been found in Iraq, and the United States cannot provide any evidence to show that Saddam has close relationship with the terrorist groups. The false claims have dramatically undermined American popularity and legitimacy among the international community.

In addition, during the War on Terror, there was a disaster, the hurricane Katrina, which cost the United States approximately \$100 billion, and 1,800 lives in late 2005 (The Editors of Encyclopaedia Britannica, 2020). The hurricane directly hit the city of New Orleans and leave almost an entire city underwater. Hurricane Katrina was considered as the costliest disaster in American history (Ewing, Kruse, & Sutter, 2009). The hurricane cost nearly \$120 billion in 2005, while the United States was mainly focusing on the threat of terrorism. This hurricane has taught the United States that it should allocate time, resources, and focuses equally.

To conclude the changes in perception of threat, there are three main reasons that play as the catalysts to the shifted. First is the cost of the Bin Laden hunt. Second is the invasion and false claim of the Iraq War. Lastly, which I believe is the most crucial, hurricane Katrina. These reasons have emphasized the shift in American interest from national security to human security, including the changes of threat perception from terrorism to disaster.

Furthermore, the hurricane also repeatedly emphasizes the identity of the United States from its previous sequel. American identity was again portrayed as a victim of the attack and savior of Earth and mankind. Sacrificing themselves for others, for example, Iron Man and Thor know that they might not survive from destroying the meteor.

Continue with Avengers: Infinity War and Avengers : Endgame. The reason that I group these two films together is because they shared the same antagonist, Thanos. At the beginning of the film, audiences have realized that Thanos ' goal is to eliminate half of the universe's population due to the scarcity of resources but unlimited people. During these two films, there is two hegemonic discourse that has been challenged. The first one is the discourse of Africa. There is a scene that Captain America escorted Vision to the country of Wakanda, a hidden country on Earth, where he seeks assistance from the world's most advanced technology that Wakanda possesses to remove one of the infinity stone without killing Vision. From my perspective, as Wakanda is a country in Africa, and the discourse of Africa are poor, backward, and impossible to possess more advanced technology than the western countries but by portraying that an African country, Wakanda, have possessed the most advanced technology on Earth is challenging the hegemonic discourse of Africa that African countries are not always poor and backward as most of the people saw. The second one is the discourse of men. During the final fight between Avengers and Thanos ' army. The Avengers take turns holding the gauntlet that contains the infinity stone, including Spider Man. However, Spider Man was scared and afraid of the overwhelming attack by Thanos ' army for the possession of the gauntlet. In my opinion, this scene, which shows the weak side of Spider Man, has challenged the hegemonic discourse of 'Men ' Since men were usually associated with the notion of strength and were saw as a protector, Spider Man or Peter Parker, who was also a man, was scared and afraid of the attacked. The challenge of the hegemonic discourse of 'men ' was also emphasized by its next scene when every female character in the MCU led by Captain Marvel protected Spider Man and took the gauntlet. From the hegemonic discourse ' Women', it is usually associated with weakness and required protection of men. However, this scene has shown that women can also be related to the notion of strength and can play the role of protector like men.

Moreover, Bruce Banner or Hulk have compared Thanos to plague. In my opinion, there is only one thing that can be fitted with this perception of threat which is the Covid-19. The Covid-19 was an outbreak in China since the end of 2019 at the wild animal market

of the city of Wuhan. The Covid-19 are spreading globally, which the World Health Organization announced the spread as a pandemic. Until the present, the Covid-19 is not 100% curable. At the end of May 2020, according to the WHO report, there are approximately 6 million confirmed cases for Covid-19. Among the 6 million cases, however, almost one out of three global cases were confirmed in the United States, with approximately 1.8 million cases and rapidly increasing (World Health Organization, 2020).

At first, the United States and its leader have thought that they can handle the Covid-19, similar to what happens in the film. Iron Man, after defeated Ebony Maw and rescued Doctor Strange decided to go to the planet Titan and confront Thanos to stop him and the Guardian of the Galaxy when they are on the mission to retrieve the reality stone from the planet Knowhere, they believe that they can outsmart Thanos and kill him. However, they finally been tricked and were defeated. Accordingly, the result of the confrontation with Thanos was catastrophic same with the reality of Covid-19 in the United States that the government, especially its leader are overconfident and the people ended up being infected for almost two million which still incurable. Covid-19 has brought great suffering and grief to the world population like Thanos did, especially to the United States, which currently has the most confirmed cases.

There are several reasons why I have matched Thanos with the Covid-19. Firstly, as Bruce Banner or Hulk compared Thanos to plague, perfectly matched with the Covid-19 that been considered as plague and pandemic. Secondly, as Thanos' goal was to wipe out half of the population, he admitted that his goal could be called genocide. However, he intended to do it randomly, as he said, "random, dispassionate, fair to rich and poor alike". Same with the Covid-19 that randomly infected regardless of race, gender, wealth. Moreover, Thanos and the Covid-19 also emphasize and strengthen the identity that the United States has portrayed since the first Avengers film, which is the identity of the victim and savior/hero. Avengers : Infinity War has shown the failure to protect half of the universe's population, including their team. This failure has strengthened the identity of the victim. While Avengers: Endgame has shown the success of the Avengers in defeating Thanos and bringing everyone back. The success has strengthened the identity of the savior/hero.

Thanos and the Covid-19 did not change how the Americans perceived threat but emphasize the concept of the pandemic. Both Thanos and Covid-19 are randomly killed and infected people. They are no longer only a threat to the Avengers or the

Americans but a threat to the universe and world population. As a result, it emphasized the interest in human security and shifted the threat perception from disaster to pandemic.

To conclude the changes of threat perception from the first to last film. In terrorism, The Avengers as its antagonist, Loki, act like one. Terrorism as a threat has continued to the second film, Avengers : Age of Ultron but suddenly was shifted to disaster due to several reasons, cost of combating terrorists, erosion of American legitimacy from the Iraq War, and lastly, hurricane Katrina which similar to the method that the film antagonist, Ultron, intended to do so. The perception of threat has been shifted from terrorism which is the focus on national security to disaster, human security. For the final film, its antagonist was surprisingly similar to the current global situation, the Covid-19 which kills/infected population regardless of race and wealth. The focus is still on the issue of human security but the perception of threat was shifted from disaster to pandemic.

For the portrayal of American identity throughout the sequel. The film has shown that the Avengers including the American people are the victim of the attack but eventually, they are the only ones that able to act as a savior and save the world. The identity has been portrayed as a victim and savior. Not only the first or the second film that portraying this identity but the entire sequel that repeatedly emphasizes it.

In addition, this paper aims to apply both post-structuralism and the concept of architecture as event space, introduced by Michael Shapiro. The concept of architecture as event space or architecture of security is the concept that seen architecture especially buildings which can emphasize, affect or even transform the notion of existing security, for example, the emphasis of ‘wall’, in the movie Omar that Shapiro used as an example, the wall emphasizes the existence of Israel’s authority over Palestine. In other words, reveal hidden messages or meanings that have been embodied within the architecture. Therefore, this part of the paper will explore different buildings and locations throughout the sequel. This exploration would show how architecture plays the role of security and how hidden meanings and agendas unfold.

There is plenty of place and location, including planets throughout the film, which were increasing along with the sequel. It is impossible to analyze every single place. Nevertheless, there were some architectures and locations worth analyzed. In The Avengers, the NASA Space Radiation Facility at the beginning of the story, Germany where Loki reveals himself for the first time in public, and New York City where an army

of aliens invaded. For Avengers : Age of Ultron, a sunk ship named ‘ Churchill ’ at the African Coast, and the New Avengers Facility in New York. However, for better understanding, I would like to categorize this architecture into two groups, the first is buildings and objects, and the second is real and fictional countries.

The first group, buildings, and objects, it consists with three places and locations, the NASA Space Radiation Facility, New York City and a sunk ship named ‘ Churchill ’ at the African Coast. As everyone knows that NASA is the American government agency that was established to study and research aeronautics and space. In the film, S.H.I.E.L.D. director, Nick Fury arrived at the NASA Facility, where the scientists conducted a secret experiment on the Tesseract. The film and cameras intentionally show the banner of NASA, including its logo to the audiences. In my opinion, it can be interpreted that the United States and its agency have possessed confidential information and technologies that can be used for both humanitarian or violence. The NASA Facility in the film also can be matched with the existing place which is the ‘ Area 51 ’ airforce base in Nevada where there were various of conspiracy theories claimed that the United States has secretly experimented on aliens.

For New York City. Although the city is not buildings but New York is consists with various significant locations including buildings and objects. Using the background of New York city, the film has tried to create the similar senses and emotions that the American people feel for the 9/11 attack. During the alien attack in the first film, even though the police came, they are incapable of fighting against alien ’ s weapons and technologies. They realized that they are hopeless. However, while the Avengers are fighting with the aliens, police officers, firefighters, and soldiers are the true hero that rescued the civilians who were hiding in many places which were shown and emphasized by the sculpture of police officers, firefighters, and soldiers rescuing civilians at the beginning of Avengers : Age of Ultron which in my opinion, strengthens the United States' identity as a true hero and savior. In addition, at the beginning of the franchise, every character is individualistic but after the victory over Loki and alien as a team, along with the changes from Stark Tower to Avengers Tower. The changes of Tower’ s name have repeatedly strengthened and emphasized the emerging of unity among them.

For the last one of the group, a sunk ship named ‘ Churchill ’ at the African Coast. As the name ‘ Churchill ’ is the name of British Prime Minister, Winston Churchill including the status of the ship that already sunk. Also with the location at the African Coast. From my perspective, this sunk ship has represented the legacy of the colonial power

especially the British. It can be interpreted as the end of British colonialism in modern history.

The second group, country of Germany. Germany is where Loki appear for the first time in public. Loki gathered everyone and forced them to kneel before, Loki also expressed his thought and belief that human’s identity was made to be ruled. Loki, as a non-human-being also shares a similar belief with a man who existed a decade ago in Germany. That man was Adolf Hitler, who also believe that he is superior than others, especially Jews, while Loki believes he is superior than the human race. From my perspective, Loki was portrayed as Hitler in the modern world as both have shared similar beliefs and actions.

Finally, as the analysis above has shown that the concept of Architecture as event space which emphasized architecture especially buildings can be applied and revealed the hidden meanings and agendas which have been embodied with various places and locations e.g., Avengers Tower. In addition, the concept also showed that some hidden messages were not only hidden within the buildings but also to the background of country i.e., Germany

In conclusion, the film Avengers in every phase of the MCU has shown the changes in identity between the sequel and, most importantly, changes in the threat perception for the American. To summarize the findings, the 9/11 terrorists attack on American soil became the turning point in American security interests. The United States put all its effort into combating terrorists around the globe and hunting the leader of Al Qaeda, Bin Laden who is the American own creation since the 1979 Soviet-Afghan War. Finally, Bin Laden was killed by the American soldiers on May 2, 2011, in Pakistan. However, since the 9/11 attack in 2001, the United States has used ten years to finally kill Bin Laden and cost approximately 3\$ trillion. Moreover, the Iraq War which undermined the legitimacy and popularity of the United States on a global level from its false claim of Weapons of Mass Destruction (WMDs). Furthermore, hurricane Katrina that hit the United States in 2005 also cost a tremendous amount of money, including American people lives. The cost of hunting Bin Laden, the decrease in legitimacy from the Iraq War and the disaster that hitting the United States has raised awareness of other aspects of non-traditional security besides terrorism which is human security.



To this end, it is shown that perception of threat in the film has been created and changes according to reality. The shift of threat has been changed from terrorism which focusing on national security to disaster and pandemics which focusing on human security. Furthermore, the American identity of the victim and savior didn't change in any film. It also has been emphasized in every sequel. In my opinion, the identity of a victim that never changed is because, in the first two films, the Avengers is the one who created the threat even though for a good purpose but it all turn against themselves and even the world. For the third and fourth film, Thanos appeared and instantly became a threat to the entire universe, and when Thanos finally fulfill his goal, half of the population disappeared, the Avengers and everyone in the universe is the victim of Thanos' action. For the identity of the savior, at the end of every film, the Avengers managed to defeat the antagonists despite how difficult it is.

## References

- Coronavirus Disease (COVID-19) Situation Reports*. (n.d.). Retrieved from <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>
- Ewing, B. T., Kruse, J. B., & Sutter, D. (2009). An overview of Hurricane Katrina and economic loss. *Journal of Business Valuation and Economic Loss Analysis*, 4(2). doi: 10.2202/1932-9156.1075
- Fernholz, T., & Tankersley, J. (2011, May 7). *The cost of Bin Laden: \$3 trillion over 15 years*. Retrieved from <https://www.theatlantic.com/business/archive/2011/05/the-cost-of-bin-laden-3-trillion-over-15-years/238517/>
- Gompert, D., Binnendijk, H., & Lin, B. (2014). The U.S. invasion of Iraq, 2003. In *Blinders, blunders, and wars: What America and China can learn* (pp. 161-174). RAND Corporation. Retrieved August 23, 2020 from <http://www.jstor.org/stable/10.7249/j.ctt1287m9t.21>
- Hurricane Katrina*. (n.d.). Retrieved from <https://www.britannica.com/event/Hurricane-Katrina>
- Osama bin Laden*. (n.d.). Retrieved from <https://www.britannica.com/biography/Osama-bin-Laden>
- Renfro, Z. (2015, October). *The war in Afghanistan and the fight for greater freedom*. Retrieved from [https://www.researchgate.net/publication/283291324\\_The\\_War\\_in\\_Afghanistan\\_and\\_the\\_Fight\\_for\\_Greater\\_Freedom?enrichId=rgreq-9aa4625f09b9e22448255ee4af51a3b3-XXX&enrichSource=Y292ZXJQYWdlOzI4MzI5MTMyNDtBUzoyODk1NDAwNDk3ODQ4MzRAMTQ0NjA0MzEzNTcyNw==&el=1\\_x\\_2&\\_esc=publicationCoverPdf](https://www.researchgate.net/publication/283291324_The_War_in_Afghanistan_and_the_Fight_for_Greater_Freedom?enrichId=rgreq-9aa4625f09b9e22448255ee4af51a3b3-XXX&enrichSource=Y292ZXJQYWdlOzI4MzI5MTMyNDtBUzoyODk1NDAwNDk3ODQ4MzRAMTQ0NjA0MzEzNTcyNw==&el=1_x_2&_esc=publicationCoverPdf)
- Shapiro, M. J. (2019). Architecture as event space: Violence, securitisation, and resistance. *European Journal of International Security*, 4(3), 366–385. doi: 10.1017/eis.2019.13

## *Indonesia's Two-level Game at the WTO: A Political Economy Approach to the International Poultry Trade*

Muhammad Maulana Iberahim

iberahims@live.com

### **Abstract**

This paper scrutinizes the trade dispute between Indonesia and Brazil over the importation of chicken – which was adjudicated by the WTO, favoring Brazil, at the expense of Indonesia – through a political economy lens. The fact that research on Indonesia's agricultural liberalization in the WTO from the perspective of a developing country has been underdeveloped necessitates contemporary research in the current global trade regime. However, many Indonesian political economy literatures have paid disproportionate attention to recent economic orientation since the political motives to achieve self-sufficiency under the agenda of agrarian reforms have burgeoned. Besides, most studies have an overemphasis on state-centric analysis and failed to capture domestic political dynamics of which grass-root role in international trade and relations has integral structural ascendancy. Therefore, this study adopts the two-level game theory by Robert Putnam to analyze the nexus between international and domestic pressure. Combining economic nationalism into the two-level game as the analytical framework has been able to capture deeper analysis beyond neoliberal globalism and Marxist tradition of class struggle. The paper argues that domestic actors played significant roles in influencing the government's decision-making process as the authority had virtually encountered a two-board game. The interactions among domestic actors, who are represented by interest groups and subdivided into business associations and labor unions, have induced a protracted conflict of interest, both centrifugal and centripetal forces over the issues of agricultural liberalization, which are deemed as the great debate of laissez-faire a la Austrian school vis-à-vis mercantilist 'beggar thy neighbor' and Listian economic nationalism. However, the Indonesian government continues to find conceivable lawful alternatives to defend its national interest under the WTO global trade regime as a response to the late stage of capitalism.

**Keywords:** two-level game, business association, trade union, self-sufficiency, economic nationalism, WTO

## 1. Introduction

Political economic salience on the issue of agricultural liberalization in recent decades has drawn a wide range of attention. The Global Financial Crisis (GFC) has marked a further polarization between neoliberalism and protectionism. Late capitalism that causes inequality and disruption in the global south's food supply chain, including Indonesia, has induced the rise of new nationalism and consolidated left- and right-wing movements to oppose the free market. Therefore, these nationalist movements pose a threat to the continuance of the global liberal trade order advocated by the World Trade Organization (WTO).

On the contrary, Cohee (2008) has the opposite view in which the global trade regime has threatened internal political acceptance due to its compliance mechanism. Thus, the global trade regime's unfair underlying structure allows developing countries to undertake autarkic goals in achieving food self-sufficiency (Hawkes & Plahe, 2013). In the context of agrarian reform from the global south perspective, the Indonesian government's interference remains visible through the implementation of legal instruments to favor domestic consumers and producers. Despite its good intention, such protectionist measures have resulted in trade disputes vis-à-vis other countries, which challenged Indonesia's measures through the WTO's legal mechanism.

The fact that other countries have fiercely challenged Indonesia's agricultural protectionist policies draws a necessity in the contemporary agricultural political economic scholarship. Therefore, this article will focus on the trade dispute concerning the agricultural issue between Indonesia and Brazil over the chicken import restriction to scrutinize the dynamics of the Indonesian political economy.

While Brazil had filed a complaint and undergone legal mechanism through the WTO dispute settlement body (DSB) due to the import restriction imposed against Brazilian chicken meats and products, Indonesia continued to defend the national interest by utilizing alternative legal mechanism to challenge Brazil's claims under global rules-based trade regime. As for the result, the panel favored the Brazilian government at the expense of Indonesia so that Indonesia has to open market access for Brazil and lift the trade-restrictive measures.

A few studies have explored the trade dispute between Indonesia and Brazil over chicken products due to the imposed trade-restrictive measures from different perspectives. For example, Rigod and Tovar (2019) have analyzed Indonesia’s import restriction by employing a legal-economic perspective. Although they acknowledge the political-economic motives found behind the self-sufficiency objective, they are unable to illuminate the socio-historical background that constitutes Indonesia’s economic nationalism. Similarly, Rumokoy (2020) dissertation about Indonesia’s agricultural trade law is examined through an international law perspective in which the global trade regime under the WTO laws has been able to put pressure toward its member states to comply with the existing regulations. However, state-centric analysis within the positivist paradigm has a limitation, overlooking the analysis outside the institutional boundary. This insufficiency leads to empirical blind spots that cross the debate of *laissez-faire a la* Austrian school vis-à-vis mercantilist ‘beggar thy neighbor’ and Friedrich List’s national political economy.

Nevertheless, the aforementioned studies are limited to the legal perspective and have failed to capture domestic political dynamics of which grass-roots roles have a significant role in determining the national economic policymaking. Therefore, it is noteworthy to unpack the nexus between business and government, including the dynamics of domestic actors, particularly in the poultry sector. Despite the reorganization of oligarchs in the post-Suharto political-economic milieu (Hadiz & Robison, 2013), the regime transition toward more democratic institution has enabled middle-class and interest group to have the latent capacity to influence the political decision (Chalmers & Hadiz, 2005; Faisal, 2013), whereas clientelism and cronyism existed under the protection of Suharto are not necessarily absent in post-Suharto politics. In addition to the growing influence of domestic political actors, the OECD (2012) reports that farmers have been actively lobbying the government to deliver favorable policies for domestic producers.

Inquiring domestic actors' role in determining national economic policymaking, this paper argues that Indonesia’s protectionist measures against Brazilian chicken meat and products, which resulted in trade-restrictive effects – has been implemented through a series of legal mechanisms, including an import-licensing regime. These trade-restrictive measures were not merely instigated due to non-economic motives but also sparked by political motives. However, the Indonesian government appeared to be facing difficulties as it had to encounter a two-board game – negotiation and pressure from the international and domestic level. On the one hand, Indonesia had to deal with

government-business relations. On the other hand, Indonesia had to take into account its obligation under the WTO agreements.

## 2. Two-level Game and the WTO

The interplay between international and domestic has been intertwined. While it remains yet to be clear which level most likely to have a more substantial influence over another, the former still has its significance in state-to-state interaction and negotiation. On the other hand, the growing body of non-state domestic actors in responding to international negotiation has put forward the latter's necessity into the equation. The theoretical premise of the two-level game, understood as a puzzle of linkage between international and domestic affairs (Putnam, 1988), would have been fruitless if one had analyzed the interconnection in a monocausal manner. However, the two-level game avoids a solitude analysis in which the identification of domestic cause will affect international changes or vice versa or what Putnam referred to as second image (domestic to international) or second image reverse (international to domestic).

In the global trade regime discourse, particularly on the issue of compliance act under international liberal and rules-based order, the two-level game has been meticulously useful in analyzing the reluctance, difficulties, challenges as to why countries would have (or could have) violated some agreements or encountered the complexities in the negotiation process. The employment of the two-level game framework in the WTO political economy is useful due to the number of actors involved, including the state, international institution, and domestic actors that comprise interest groups and stakeholders (Ostry, 2004). Therefore, international negotiation could not simply disregard the importance of domestic politics among parties, social classes, interest groups (economic and non-economic groups), legislators, public opinion, and elections.

## 3. Economic Nationalism and Politico-Business Relations in Indonesia

Economic nationalism is nothing new. It can be traced back to Friedrich List, whose seminal work of *National System of Political Economy* (1841) has inspired many nationalist-minded policymakers who do not entirely refuse capitalism and exchange of trade but also advocate necessary domestic protection and the fertile industry as a strategy to catch-up with the global economy. Though List's theory remains useful in identifying economic nationalism, Helleiner and Pickel (2005) suggest that economic

nationalism goes beyond protectionist measures. Furthermore, economic nationalism does not necessarily contradict liberal policies and refuse free market, where the literatures tend to depict economic nationalism and neoliberalism as antithesis (Harmes, 2012).

Whereas the paradox of economic nationalism has muddled economic preferences, Helleiner (2002) suggests that instead of focusing on individual policy endorsement, economic nationalism should have been understood from its nationalist content. Analogously, De Bolle and Zettelmeyer (2019) concluded that economic nationalism intersects populism and political nationalism. They agree that economic nationalism should be assessed from policy preferences rather than the actual policies due to structural factors determining the latter. Thus, economic nationalism is outlined as the attempt to “further domestic economic interest (producers, consumers, and/or workers) at the expense of foreign interest...” (De Bolle & Zettelmeyer, 2019).

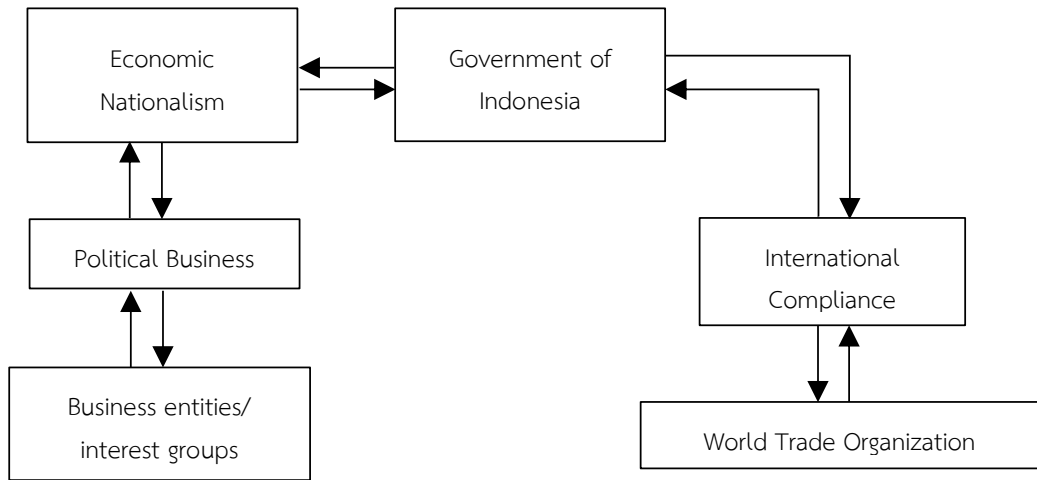
In addressing economic policy preference and outcomes, Indonesia is committed to nationalist motives, which can be outlined from the early economic revival stage after independence (Thee, 2011). The post-colonial embeddedness in Indonesia’s economic philosophy further justifies economic nationalism in its top-down approach. The underlying principle of economic nationalism is underpinned in Article 33 of the constitution. Historical analysis shows that Indonesia’s economic development relies on the state, reinstating a more prominent role in the government in economic policymaking (Chalmers & Hadiz, 2005). Evidence has shown that economic nationalism works ‘hand-in-glove’ with corruption, rent-seeking, and ‘bread and butter,’ whereby government and business relations in relations is *quid pro quo* – one source of another’s income. (e.g., Chalmers & Hadiz, 2005; Eklöf, 2002; Hendrick-Wong, 2018; McLeod, 2000).

#### 4. Research Methodology

International political economy literatures tend to focus on the state’s predominant role in the international trade system, in which states are treated as a unitary actor. Although this paradigm is still useful, if at all, in analyzing the two-level game, it remains to be insufficient to fully capture domestic political dynamics that involves different actors. While the grass-root role in the context of international trade and relations has integral structural ascendancy, the structural determinant reinstates the prevalence of the state’s role in the two-board game.

In this regard, the Indonesian government had faced two levels of negotiations. On the one hand, Indonesia has obligations and is committed to the WTO agreement. On the other hand, Indonesia has to encounter politico-business relations. Consequently, it posits a situation in which Indonesia found its hand-tied between two-level due to a degree of persistence against international commitment.

*Figure 1: Indonesia’s Two-level Game, Dilemma between International Compliance and Economic Nationalism*



*Source: Adopted from two-level game theory by Putnam (1988)*

By combining economic nationalism to the analytical framework, it is expected that the result of the discussion will go beyond the debate of liberal and mercantilist policies. In this context, economic nationalism departs from the nationalist motives, which is akin to populist politics to achieve self-sufficiency. Furthermore, using qualitative research and deriving primary data from interviews with different stakeholders (government officials, businesses, business associations, and labor unions), this research aims at a structured analysis by triangulating the data from various sources.

### 5. Political Economy of Agriculture in Achieving Self-sufficiency

According to the WTO Country Profile in 2017 regarding agricultural commerce, Indonesia’s total exports and imports comprise 29% export and 15% import. Despite agricultural products in Indonesia are virtually adequate to feed the population, which consists of 270 million people, inefficiencies in the distribution system across the



archipelago persist in being an issue that results in increased price in remote places and the poor (Di Nunzio, 2013). Indonesia’s self-sufficiency legal instruments are/were challenged by other nations and disputed through the WTO due to its trade-restrictive effects. Aside from Brazil’s trade dispute concerning chicken, Indonesia was also challenged by the US and New Zealand regarding horticultural products. However, inefficiencies in food distribution system will lead to food insecurity and hamper self-sufficiency.

Food security defined by the Food and Agricultural Organization (FAO), is categorized as food availability, access, utilization, and stability – Indonesia combines self-sufficiency and food security through the national food law in 2012, by which Indonesia prioritizes domestic production to supply food’s demand. The fact that the food security concept proposed by the FAO does not take into account who the producers are, Indonesia’s commitment to undertaking self-sufficiency is then political. Many economic-oriented technocrats, who often advocate free trade, perceive that self-sufficiency is a utopian dream, in which self-production and self-reliance could have resulted in price volatility due to many efficiencies embedded within. As the Japan International Cooperation Agency (JICA, 2013) put it, the rhetorical concept of self-sufficiency is an illusory, impractical, and inefficient goal. Moreover, Indonesia’s self-sufficiency measures are vulnerable to inflation because self-reliance will result in supply and price fluctuation. Notwithstanding the commitment to achieving food security in the long-term, Indonesia’s objective is to prioritize domestic production by 90%.

Many believe that increasing self-sufficiency is the best way to achieve food security (Limenta & Chandra, 2017). In achieving the efficacy, Indonesia has enacted various legal instruments to support the realization of political-economic sovereignty in terms of food self-sufficiency to autarkically govern itself without relying on foreign actors. Moreover, Article 33 in the constitution reinstates national-statism economic ideology in regulating natural resources by articulating unity and hierarchy as its central component (Chalmers & Hadiz, 2005). The underlying principles in the constitution entail at least two meanings: economic democracy and just income distribution – principles of which are contested by different perspectives attributed in contending political spectrum.

Other legal instruments that support the autarkic goal is through the enactment of Trade Law 7/2014, which stipulates neomercantilism and anti-consumer stance (Patunru & Rahardja, 2015). However, trade protectionism measures were not merely

resulted from national law. Aside from the constitution and national laws, ministerial regulations also have legal capacity to achieve self-sufficiency. As Rumokoy (2020) suggested, Indonesian legal instrument has a different hierarchy system and normative level. National trade law has given the Ministry of Trade greater control over import and export regulations on quotas and bans. Therefore, the Ministry of Trade (MoT) and the Ministry of Agriculture (MoA) regulations were also disputed because of import restriction and trade-restrictive effect.

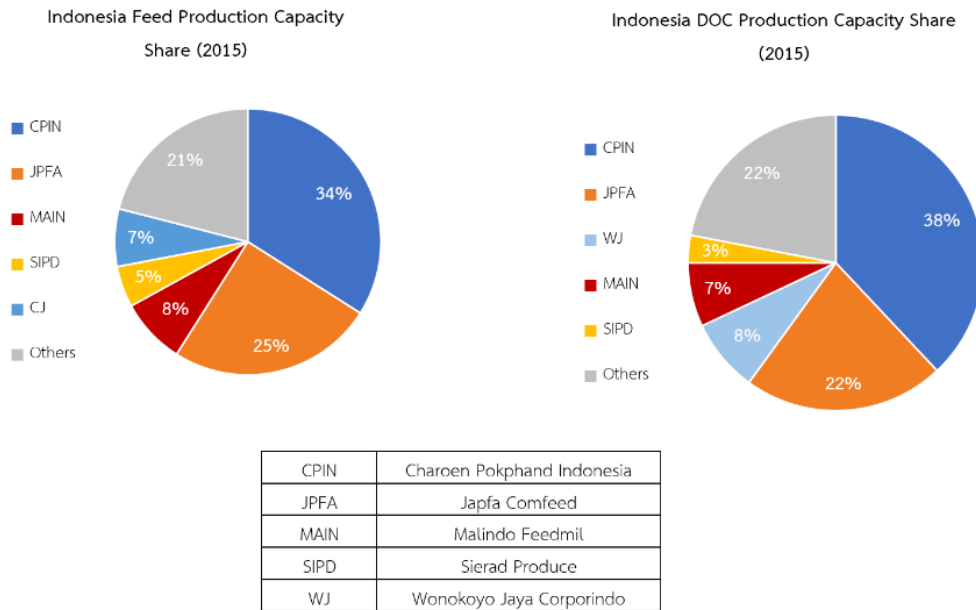
## 6. The Dynamics of the Indonesian Poultry Industry: Market Structure and Actors

Several companies statistically dominate the Indonesian poultry industry; meanwhile, the production is concentrated in several areas, particularly in Java. Charoen Pokhpand, a Thai conglomerate group, has one of the largest market shares, which grasps more than 66% of the national market for processed chicken (Alonzo, 2016) and 34% feed production capacity and day-old-chicken (DOC) production capacity. The second biggest market share is owned by Japfa, an Indonesian-owned poultry firm that comprised around 20-25% share of feed and DOC production capacity. The rest of the companies whose market shares constitute significant numbers are also foreign-owned (excluding approximately 20% of local small and independent poultry farmers)<sup>4</sup>.

---

<sup>4</sup> Small and independent farmers (*peternak rakyat*) is a farming operated in broiler industry whose business scale is small, capital is tight, market access is restrained, and operation is not dependent on integrated firm (See Nugroho, 2020)

Figure 1: Feed and DOC Production Shares in Indonesia (2015)



Source: Seekingalpha.com, cited in Center for Indonesian Policy Studies, Ferlito & Respatiadi, 2018

Indonesia’s poultry consumption has increased significantly as poultry meat becomes more affordable. It is noted that poultry consumption per capita was at 4.0 kg in 1994, has reached 8kg in 2014, and is forecasted to reach 12kg per capita in 2023. Ferlito and Respatiadi (2018) have put forward the argument regarding the correlation between poultry consumption per capita and GDP per capita. The reason why it has grown slower is that chicken considered to be an inferior good, as compared to other protein sources, like beef or pork. Although the Indonesian population composes a large market size whose demand prefers affordable meat, Indonesia’s poultry production is still lower than China, the US, Brazil, the EU, and India.

Structurally, domestic actors as interest groups posit political power in which the representation of these groups is subdivided into business interest associations and labor unions. Thus, unpacking the Indonesian poultry market structure is necessary to analyze ownership patterns as they pose power that is derived from both structural and instrumental (Paster, 2018). One way to achieve that political power can be sourced from the instrument by enclosed or open lobbying and donation. However, consumers are also structurally dependent on the firms, analogously making business liable to consumer preference and government regulation.

For example, the Association of the Indonesian Poultry Producers (GAPPI) and the Poultry Breeder Companies Association (GPPU) represent the breeding sector's interest. Furthermore, broiler farmer, whose ownership is dominated by small farmers and is represented by the politically active association, such as the Association of the National Chicken Farmer Organizations (GOPAN) and Indonesian Poultry Farmers Association (PINSAR) (USAID, 2013). Regarding the dynamics between actors, PINSAR suggests that big firms have enjoyed greater political patronage sourced from one legal instrument that essentially legalizes them to cultivate chicken products, which would undermine small and independent farmers – unless the government could maintain supply and demand equilibrium.<sup>5</sup>

In addition to political patronage given to the big firms by the state, in 2016, the Indonesian business competition watchdog (KPPU) filed a lawsuit against 12 poultry firms as they have exercised cartel-like monopoly in controlling the price, undermining a fair competition between integrated firms<sup>6</sup> and small and independent farmers. However, the verdict has been revoked after 11 firms appealed the charge levied to each company. The court argued that the 12 poultry firms had only followed the government's instruction. As a result, the MoA signed an agreement with KPPU, PINSAR, and GPPU to further involve small and independent farmers in the loop. It thus resonates an ironic situation in which a good intention of controlling the price could have adverse impacts on small and independent farmers.

## 7. Jokowi's Economic Nationalism Manifestation on Food Sovereignty

Unlike Yudhoyono's regime, whose administration was surrounded by elites and technocrats (Mietzner, 2012), Joko 'Jokowi' Widodo is known for his populist politics portrayed as the *New Hope* for Indonesian politics by many media during his early campaign period. In addressing the predatory policies that disadvantaged domestic producers due to excessive imports and subsidies, Jokowi positioned himself as a nationalist figure with an alluring façade who promised to reduce dependency on elites and cronies (Aspinall, 2016; Mietzner, 2012).

---

<sup>5</sup> Author's Interview, B1, August 2020

<sup>6</sup> Integrated poultry firm is understood as a firm that has undergone an integrating process in which major line of broiler businesses are merged to reduce costs and increase production capacity in each stage of production. Integrated poultry firms also control the vertical supply chain, whereby upstream and downstream production stages are controlled. (National Chicken Council, 2012)

*“Political will is key to achieving food self-sufficiency, community-based agribusiness, and value-added agricultural exports, addressing challenges of trade liberalization, and attaining a welfare nation ultimately.”*

*Jokowi in the presidential debate in 2014.*

The manifestation of economic nationalism in Jokowi’s political campaign can be identified from his Nawacita Goal<sup>7</sup> or Nine Priority Programs, which embedded autarky, self-sufficiency, and sovereignty. It was Nawacita that made Jokowi and Jusuf Kalla elected in the 2014 presidential election. Of nine goals written in Nawacita, two of which are touching upon the autarkic economic agenda. These are “to improve people’s productivity and competitiveness in the international market so that Indonesia can go forward and rise alongside other Asian nations.” and “To realize economic sovereignty by mobilizing domestic strategic sectors.” During Jokowi’s first term, many series of import ban was introduced to protect domestic producers.

With regard to agricultural issues, particularly the political objectives in attaining self-sufficiency, it remains to be an intellectual debate whether self-sufficiency is a default setting of every politician during a political campaign.<sup>8</sup> Many analysts have agreed upon the issue in which the election or political years have generally driven politicians to become more nationalists, claiming that they would represent people’s interest the most – which is also a common practice in a representative democratic milieu. Despite the idiosyncratic analysis covering top-down economic nationalism, conversely, economic nationalism also departs from the bottom-up.

Jokowi’s autarkic agenda in Nawacita has deep roots in the *Philosophische Grondslag* of Indonesia, i.e., Pancasila and Sukarno’s Trisakti Principle (Sulistyo, 2016). Interpretation of Jokowi’s Nawacita in the context of economic nationalism cannot be separated into the imagination of an ideal nation based upon Sukarno’s principles that cover political sovereignty, economic autarky, and cultural identity. Thus, it became the underpinning of Jokowi’s manifestation on how an ideal national identity should be.

---

<sup>7</sup> Nawacita is adopted from Sanskrit. *Nawa*: nine and *cita*: goal/program.

<sup>8</sup> Author’s Interview, A2, August 2020

While national populism *a la* Jokowi has contributed to Indonesian political dynamics and discourse, a rational and benevolent version of nationalism has always been part of human history. Material element in the realization of nationalism ideology is essential to differentiate wealth and causes of wealth. In this regard, the economy should hinge on national interest. Therefore, Jokowi’s developmentalist put people first as an intermediary factor, which connects the interest of individualism and an imagined nation. Consequently, Jokowi has been able to combine national interest with distributional politics that appeal to domestic producers and consumers, paving the way for populism as a political instrument in maximizing wealth and national power.

### 8. Neoteric Political Economy of Food Self-sufficiency

Achieving self-sufficiency [food security] by protecting ‘essential’ goods<sup>9</sup> (staple foods) is the central government’s responsibility. Indonesia has enacted a series of legal instruments, including national food law, as a means to achieve such goals (Di Nunzio, 2013). Therefore, the MoA and the MoT have the authority to control the market, restrict export/import, and manage supply/demand.

*“There’s an uneven level playing field between small and big players. The small farmer has limited market access; the broker has done predatory pricing; larger firms dominate other segments... so it is necessary to harmonize and consolidate the market forces under the MoA, which acts as a ‘father’ of agricultural [poultry] sector.”*

*(Interview C1, September 2020)*

Indeed, the MoA has no direct control over the market prices; instead, it could control supply and demand, which will eventually affect market prices indirectly. The MoA has repeatedly requested firms to reduce DoC production in response to market oversupply (Nugroho, 2020). Under the MoA’s 2015-19 strategic plan, it proposed self-sufficiency by providing a partnership concept and provided a guideline to harmonize all actors to be a positive game. The MoA asserted that this partnership concept is not a pro-free market.

---

<sup>9</sup> Essential goods (*barang pokok penting*, *bapokting*) refers to the appendix in Trade Law 2014

The augmentation of self-sufficiency under national populist narratives as a means to achieve autarky might be politically appealing in the short run; the opportunity cost is, however, higher than achieving food security instead. Therefore, the MoT concedes that the most economically wise measure is to eventually lift restriction while also continues to defend Indonesia’s international interest.

*“We [the government of Indonesia] will continue to find every possible way to protect Indonesian agriculture in the world trade forum [the WTO] including the rights of poultry farmers... in a way that complies with the global trade regime and according to the WTO rules... as it is Indonesia’s national interest.”*

*(Interview C2, October 2020)*

The role of bureaucratic polity is then essential to defend national interest within the framework of economic nationalism. Thus, both the line-ministries are not only administratively authoritative and but also instrumentally principal in determining structural and political objectives and, eventually, efficacy. In turn, the importance of line-ministries’ role is centralized at the meeting under the coordinating ministry for economic affairs that would consider political-economic factors. This renders the government’s action in intervening in the market or what economists referred to as market failure correction.

## 9. Achieving Economic Nationalism from Bottom

An Austrian school economist, who was also involved in the Indonesian poultry industry, argues that regardless of what ideological notion business players are, their nature is capitalism.<sup>10</sup> Business owners will eventually endorse and reckon on the most economically wise policy for them. Therefore, it reverberates that economic nationalism for poultry firms, particularly those of integrated firms, has played a little influence in striving national populist narratives echoed by the state.

Although Indonesian poultry firms are dominated by foreign players – several of whom are wholly foreign-owned enterprises and others are established based on joint-ventures – these firms have benefitted from the patronage of economic nationalism

---

<sup>10</sup> Author’s Interview, A1, August 2020

given by the Indonesian government, which aims at domestic protection under the narratives of national interest. Business interests have more political options since their structural existence is dependent on the state (top) and consumers (bottom). The role of integrated firms, which is the most industrialized sector in agriculture, has achieved high-paced growth, modernized the technology, and applied know-how to the industry. It thus allows efficient production capacity, leading to a more affordable protein source – an instrumental factor that is envisaged to achieve economic nationalism through the capitalist system.

On the other hand, independent farmers' role in achieving economic nationalism has decreased, indicating the space to exert more influence is now even more limited. This due to the fact that numbers of independent farmers have fallen from 100,000 in 2008 to 6,000 today. And market share from 70% in 20078 to 18% in 2016. However, these groups' political resources, which are not associated with poultry companies, are limited and only reliant on the state. Simultaneously, the bottom has little incentive because it consists of a small market and consumers. One way, if not the only one, to secure its business' resiliency is by resonating nationalism and populist politics.

However, the interaction among domestic actors has induced a protracted conflict of interest, both centrifugal and centripetal forces, over agricultural liberalization. PINSAR argues that there are a growing conflict of interest between the small and independent poultry farmers vis-à-vis integrated firms<sup>11</sup>, where the latter tends to monopolize the market by setting the production price lower than the cost of goods manufactured (COGM) governed by the MoT (Bangsa, 2020), while the former suffers from predatory pricing or 'cash burn' strategy, which is aimed at winning the market. In September 2020, there was a protest against a big firm, such as CP Indonesia, because of its unfair competition in monopolizing the market.

Furthermore, there is an asymmetrical relationship between union and business because its hierarchical structure that paves the way for a dependency of the former to the latter than vice versa. As the labor union that represents small and independent poultry farmers, it is more challenging to manage the organization into a voluntary movement than a business association due to insufficient resources for bringing a collectively shared agenda. Thus, PINSAR is more ideologically grounded, that is,

---

<sup>11</sup> Author's Interview, B1, August 2020



populist, rather than resourceful association. Although both also concern market interests, the preexisting market structure, which is dominated by foreign firms, creates a condition in which labor unions are more appealed to nationalist narratives – even though economic nationalism would eventually benefit integrated firms.

## 10. WTO and Indonesia’s Two-level Negotiation

Brazil had challenged Indonesia’s import restriction against its chicken meat and products through a legal mechanism in the global rules-based trade order. Brazil initiated a consultation in the dispute settlement process. However, the consultation was failed to resolve the dispute. Indonesia was alleged to be inconsistent with Article XXII of the General Agreement on Tariff and Trade 1994, Article 11 of the Sanitary and Phytosanitary Measures (SPS) Agreement, Article 6 of Import Licensing Procedures, Article 14 of Technical Barriers to Trade (TBT Agreement), Article 19 of the Agreement on Agriculture (AoA), Article 8 of the Agreement on Pre-shipment Inspection.

During the process of adjudication, Indonesia defended its trade-restrictive measures by citing the general exception in Article XX of the GATT, which exempts some obligations in the WTO agreement in the name of greater public interest, including public health. However, the panel appointed to settle the dispute partly sided with Indonesia in several defenses, particularly those of halal-related certification due to the consumer structure whom the majority are Muslim.

According to the WT/DS484/R (2017), there were seven measures carefully scrutinized to assess the quality of measures by way of weighing and balancing the importance of the objective, the contribution of the measures to that objective, the level of trade-restrictiveness of the measures, and possible alternative measures that are less trade-restrictive. By this framework, according to WT/DS484/R (2017), the WTO has concluded to win Brazil against Indonesia so that Indonesia has to lift its import restriction.

Indonesia was found to be inconsistent with the WTO agreement due to: (1) positive list that regulated which animal could be imported; (2) domestic production prioritization and import restriction that depends on the government’s definition of ‘sufficient food supply’ [not based on market mechanism]; (3) the MoT’s greater authority to impose import ban in a force majeure event, as mandated in Trade Law; (4) certain intended uses, which only allowed the imported chicken to be sold in several

places; (5) the decline of Brazil’s health proposal; (6) non-automatic import licensing regime; (7) halal slaughtering requirement is extremely bureaucratic.

While the WTO's judicial decision is legally bound, Indonesia conserves its embedded liberalism in the world trade forum and domestically governs autarkic measures. However, the measures imposed would have resulted in a violation of international compliance is depending on the degree to which domestic forces could pressure. In light of the domestic pressures derived from the business associations and labor unions, which represent big and small players, it has incrementally drawn influence on the central government’s decision.

Therefore, the MoT’s role in multilateral trade negotiation is critical so that Indonesia could give the first-person understanding in regard to laws and other legal instruments imposed to achieve its national interest and other political goals, particularly those related to agricultural issues. Since Indonesia’s agricultural policies are the most contentious issues, Indonesia needed to clarify the measures within the trade policy review body and answer the questions from other member states – as information circulated might have derived from third parties, such as OECD, FAO, and other consultant reports.

The fact that foreign players would not stop attempting to enter the Indonesian market burdens the central government to prevent importation because once the license is granted, foreign players would dominate and hegemonize the domestic industry. However, the MoA and the MoT, as governmental bodies who are technically responsible for agricultural issues, have a contrasting ideological foundation, where both parallelly received pressures from different actors. The constant pressures leave each ministry’s hand-tied, thereby dissecting the the MoA to be more protectionist for its internal pressure, while the MoT becomes more open due to external forces. Therefore, such perplexed and entangled pressures coming from different actors are politically imperative. As a result, the government has to maintain a Janus-faced in two level negotiations.

### 11. Contending Perspective of Agriculture Liberalization: Sitting on the Fence

Indonesia’s loss at the WTO is perceived as a lesson learned for all involving actors, including the government, think-tank, businesses, and workers. An insider from one of the poultry firms suggests that the Indonesian government's elimination of import

restriction has prompted poultry firms to ‘restrategize the strategy’ to compete with Brazilian products since the imported chicken would be the contender for these big companies. Thus, poultry firms started diversifying their products as part of the innovation strategy to incrementally expand their market share by shifting to a market-oriented approach.<sup>12</sup>

Furthermore, integrated poultry firms were more likely to enjoy protectionism granted by the states, although several companies operated in the Indonesian poultry market are foreign-owned. One of the reasons firms enjoyed market protection is that Brazil *per se* is the world’s second-largest broiler producer and chicken meat exporter (Aranda et al., 2019). However, they have been enjoying the narratives of national populism to protect, meaning that it is a free market in disguise.

In contrast to the firms’ view, the Center for Indonesian Policy Studies (CIPS), a food-related think tank, offers a different perspective with regard to agricultural liberalization. The CIPS advocates a more technocratic and consumer-oriented standpoint in handling agrarian issues, including import and export licenses. Specifically, it takes into account the market and economic considerations that would have been increased if the bureaucratic polity had continued non-automatic import license (CIPS Indonesia, 2020). Moreover, the CIPS argues that non-automatic import license argues would harm farmers, who also require imported goods in the production process.

Nevertheless, the farmer union has explicitly advocated the rejection of neoliberalism, including the capitalist global trade system and the WTO. SPI persistently contends that liberalizing agriculture would have sacrificed the vulnerable group, paving the way for creating a hierarchy in which the economically powerful group (capital owner and foreign companies) exploited the local farmers. Instead of demonstrating a trickle-down economic effect, the free market would eventually benefit the rich, while the domestic worker could not enjoy a level playing field. However, what labor union has opposed to neoliberalism resonates with the orthodox Marxist analysis, whereby the capitalist system yields to market supremacy. At the same time, the domestic workers become laborers on their own land. Furthermore, the union argues that the free market is not omniscient and omnipotent and could not address the structural gap. Instead, it paves the way for socio-economic polarization, sprawling social integration and nationalism.

---

<sup>12</sup> Author’s Interview, B2, October 2020

## 12. WTO System: Critique and What’s Next?

Insofar as its liberalization, agricultural issues in the WTO still linger to be the most contentious issues as it directly deals with many pressure groups that enjoy protectionism. Although Indonesia has raised concerns regarding food security, rural development, and environmental protection in WTO rounds, instead, the AoA has institutionalized unfair agricultural trade between developed and developing countries (Rumokoy, 2020). Furthermore, the AoA seeks to reduce the non-tariff barriers to market access, domestic support, and export competition, resulting in distorted trade. However, such non-trade concerns prolong the deadlock of the Doha Round. In turn, Indonesia’s agricultural position in the international trade and level of economic development amplify what late capitalism has suggested.

In achieving food self-sufficiency, the WTO agreed that it is a legitimate policy objective, but under a condition in which the country does not violate the agreements. The MoT official argues that the WTO system is asymmetrical and imbalanced, thus marginalizing country like Indonesia, whose farmers are not entirely ready with open trade policy (Rumokoy, 2020). Furthermore, Indonesia also faces difficulties in exporting chicken due to its inefficiency and high production cost caused by imported feed at higher prices. Therefore, Indonesia is known for its defensive stance in international agricultural trade. With regard to conformity, the DSB is obliged to surveil Indonesia’s ruling implementation. Indeed, it is impractical to immediately comply with the ruling. Indonesia has to reallocate the resources and amend a legal instrument that needs to undergo a political process, constraint, and reality. However, Indonesia has no choice but to comply because the prevailing party could request retaliation, making it more difficult for Indonesia to conduct multilateral trade negotiations. However, compliance is also tricky for Indonesia because it would have undermined food sovereignty and farmer welfare. Therefore, to address systemic and structural issues, Indonesia continues to defend its national interest by proposing an AoA reform to be more favorable toward developing countries through a rules-based approach, which is negotiated and judicial law-making. Despite the special and differential treatment (SDT) granted by the WTO for developing countries, it only serves as a tool to postpone compliance with the WTO law.

### 13. The Aftermath of the Dispute

The MoT suggests that Indonesia’s loss at the WTO is a lesson for Indonesia. The government will contemplate and scrutinize each policy's unintended consequences that could have resulted in a trade dispute. In addressing the dilemma of politically sensitive import policies, strategic public communication is key to containing public outrage. Public masses still perceive the idea of import policies, particularly those of food-related affairs, as a predatory course of action because it would allow the foreign companies and interest to control the market and feed the Indonesian people while undermining domestic producers and locally produced staple foods. Public communication is also necessary to contain people’s enagement due to imported products that might have injured domestic producers. At this point, the rhetorical notion of nationalism and populism will remain to be a political tool for leaders to appeal to their constituency.

On the other hand, Indonesia needs to avoid unnecessary backlash from other countries. While the WTO is structurally accountable for ensuring its member states to conform to the agreements, asymmetrical relations among nations reinforce the global trade regime's hierarchy. The non-compliance act, in turn, will lead to political-economic ramifications and retaliation if Indonesia preserved its national interest at the expense of international relations. Due to two-level pressures, Indonesia has yet to achieve a balanced approach.

### 14. Conclusion

The trade dispute between Indonesia and Brazil has exhibited an intellectual exercise where the use of the two-level game is theoretically useful in analyzing why Indonesia had difficulties in complying with the WTO agreements. This is because Indonesia received a wide array of centrifugal and centripetal forces pressuring the government so that it left the hand-tied. In Indonesian political dynamics, economic nationalism as an ideology has been embedded since the early day of its independence, reinstating the state-centrism in economic affairs in the name of national interest. In recent times, however, nationalist and populist narratives have been used as a political language and tool to grasp a wider constituency to further justify patrimonial top-down economic in agricultural reform, particularly in achieving self-sufficiency.

At the bottom, business interests and labor unions as political actors have exerted their influence on the government's decision-making. The former's capability in utilizing its specific business interest in the supply chain stage enables firms to have more political options, whereas the latter's approach is more confrontational. The latter has been vocal in engaging in national populism narratives as it has limited political options and is dependent on the state. Nonetheless, the government's mercantilist policies, in turn, actually benefitted integrated firms. The political patronage given to larger firms allows them to dominate the national market by way of setting predatory pricing due to the absence of stronger foreign competitors.

The unfair global trade system under the WTO further underpins Indonesia's economic nationalism in the world trade negotiation despite its amendments on national laws. In fact, up until now, no chicken meat and products from Brazil have been imported to Indonesia. Uneven economic development as a result of late capitalism and vulnerable small farmers to liberal trade policy have justified mercantilist policy preference in accordance with the national interest. Therefore, there is no fifty-fifty negotiation. In this case, domestic actors seemed to have more of the latent capacity to influence the government's decision-making process. Whereas the WTO and other countries forces remain to be structurally influential. Thus, Indonesia has to maintain its Janus face.

## References

- Alonzo, A. (2016). *Foreign firms dominate Indonesian broiler production*. Retrieved from <https://www.wattagnet.com/articles/27954-foreign-firms-dominate-indonesian-broiler-production?v=preview>
- Aranda, M. A., Sgavioli, S., Domingues, C. H. d. F., Santos, E. T., Nääs, I. A., Moura, J. B. d., & Garcia, R. G. (2019). Analysis of barriers to Brazilian chicken meat imports. *Brazilian Journal of Poultry Science*, 21(2), 1-6.
- Aspinall, E. (2016). The new nationalism in Indonesia. *Asia & the Pacific Policy Studies*, 3(1), 72-82.
- Bangsa, R. P. (2020). Peternak Ayam Minta Pemerintah Ambil Sikap Masalah Livebir. *GATRA*. Retrieved from <https://www.gatra.com/detail/news/497182?t=2>
- Chalmers, I., & Hadiz, V. R. (2005). *The politics of economic development in Indonesia: Contending perspectives*. London: Routledge.
- CIPS Indonesia. (2020). Perlu Dievaluasi, Perizinan Impor Pangan Rentan Pelanggaran [Press release]. Retrieved from <https://id.cips-indonesia.org/post/siaran-pers-perlu-dievaluasi-perizinan-impor-pangan-rentan-pelanggaran>
- Cohee, J. R. (2008). The WTO and domestic political disquiet: Has legalization of the global trade regime gone too far? *Indiana Journal of Global Legal Studies*, 15(1), 351-351. doi:10.2979/gls.2008.15.1.351
- De Bolle, M., & Zettelmeyer, J. (2019). *Measuring the rise of economic nationalism* (Peterson Institute for International Economics Working Paper 19-15). Retrieved from <https://iepecdg.com.br/wp-content/uploads/2019/08/wp19-15.pdf>.
- Di Nunzio, J. (2013). *Hungry neighbours? Indonesia's food strategy and water security future*. Retrieved from <https://www.futuredirections.org.au/publication/hungry-neighbours-indonesia-s-food-strategy-and-water-security-future/>
- Eklöf, S. (2002). Politics, business, and democratization in Indonesia. In E. T. Gomez (Ed.), *Political business in east Asia* (pp. 216-249). New York: Routledge.
- Faisal, M. (2013). Democratisation, business activism, and the new dynamics of corruption and clientism in Indonesia. *International Journal of Industrial and Systems Engineering*, 7(3), 680-689.
- Ferlito, C., & Respatiadi, H. (2018). *Policy reforms on poultry industry in Indonesia*. Retrieved from <https://repository.cips-indonesia.org/media/271878-policy-reform-on-poultry-industry-in-ind-52817e14.pdf>

- Hadiz, V. R., & Robison, R. (2013). The political economy of oligarchy and the reorganization of power in Indonesia. *Indonesia*, 96, 35-57.
- Harmes, A. (2012). The rise of neoliberal nationalism. *Review of International Political Economy*, 19(1), 59-86.
- Hawkes, S., & Plahe, J. K. (2013). Worlds apart: The WTO's agreement on agriculture and the right to food in developing countries. *International Political Science Review*, 34(1), 21-38. doi:10.1177/0192512112445238
- Helleiner, E. (2002). Economic nationalism as a challenge to economic liberalism? Lessons from the 19th century. *International Studies Quarterly*, 46(3), 307-329. doi:10.1111/1468-2478.00235
- Helleiner, E., & Pickel, A. (2005). *Economic nationalism in a globalizing world*. London: Cornell University Press.
- Hendrick-Wong, Y. (2018, December 4). Indonesia's richest 2019: Jokowi needs to boost growth in his second term. *Forbes*. Retrieved from <https://www.forbes.com/sites/yuwahedrickwong/2019/12/04/indonesias-richest-2019-jokowi-needs-to-boost-growth-in-his-second-term/#1011683fd8c4>
- JICA. (2013). *Agricultural transformation & food security 2040 – Indonesia country report*. Retrieved from <https://openjicareport.jica.go.jp/pdf/12145561.pdf>
- Limenta, M. E., & Chandra, S. (2017). Indonesia food security policy. *Indonesia Law Review*, 7(2), 245-265.
- List, F. (1909). *The national system of political economy*. London: Longmans, Green and Co.
- McLeod, R. H. (2000). Government-business relations in Soeharto's Indonesia. In P. Drysdale (Ed.), *Reform and recovery in east asia: The role of the state and economic enterprise*. London: Routledge.
- Mietzner, M. (2012). Indonesia: Yudhoyono's legacy between stability and stagnation. *Southeast Asian Affairs*, 2012(1), 119-134.
- National Chicken Council. (2012). *Vertical integration*. Retrieved from <https://www.nationalchickencouncil.org/industry-issues/vertical-integration/>
- Nugroho, B. A. (2020). *Indonesia's broilers business facing oversupply difficulties*. Paper presented at the IOP Conference Series: Earth and Environmental Series.
- Ostry, S. (2004). External transparency: the policy process at the national level of the two-level game. In M. Moore (Ed.), *Doha and beyond: the future of the multilateral trading system* (pp. 94-114). Cambridge University Press.



- Paster, T. (2018). How do business interest groups respond to political challenges? A study of the politics of German employers. *New Political Economy*, 23(6), 674-689. doi:10.1080/13563467.2018.1384453
- Patunru, A. A., & Rahardja, S. (2015). *Trade protectionism in Indonesia: Bad times and bad policy*. Retrieved from <https://www.lowyinstitute.org/publications/trade-protectionism-indonesia-bad-times-and-bad-policy>
- Putnam, R. D. (1988). Diplomacy and domestic politics: The logic of two-level games. *International Organization*, 42(3), 427-460.
- Rigod, B., & Tovar, P. (2019). Indonesia-chicken: Tensions between international trade and domestic food policies? *World Trade Review*, 18(2), 219-243. doi:10.1017/S1474745619000028
- Rumokoy, P. O. (2020). *Agricultural trade law in the Republic of Indonesia: Challenges from international law*. (Doctor of Philosophy Dissertation). University of Washington, Washington.
- Sulistyo, E. (2016, November 23). Nasionalisme, Trisakti dan Globalisasi. *SindoNews*. Retrieved from <https://www.ksp.go.id/nasionalisme-trisakti-dan-globalisasi.html>
- Thee, K. W. (2011). Understanding Indonesia: The role of economic nationalism. *Journal of Indonesian Social Sciences and Humanities*, 3, 55-79.
- USAID. (2013). *Indonesia's poultry value chain*. Nathan Associates Inc.
- WTO. (2017). *Indonesia – measures concerning the importation of chicken meat and products: Report of the panel* (WT/DS484/R). Retrieved from [https://www.wto.org/english/tratop\\_e/dispu\\_e/484r\\_e.pdf](https://www.wto.org/english/tratop_e/dispu_e/484r_e.pdf)

## *Microenterprise Access to Finance the Case Study of Handicraft Industry in Samneua District, Houaphan Province, Lao PDR*

Anoulack Keomany  
Anoulackkmn@gmail.com

### **Abstract**

Microenterprises in Lao PDR is playing the main mechanism tools for developing and deducting the poverty, especially in the local and remote areas in Lao PDR. The Lao Government is aiming to solve and improve the business environment for promoting more drives and broad-based private investments' sector, especially the smaller scale as the microenterprise. In terms of access to finance, most microenterprises in the whole country are unable to get the funds. This study aims to analyze the issues of accessibilities of sources funding for microenterprise in the handicraft industry. To examine the impact of the government's policies, legal and regulatory supporting the microenterprise on accessing sources, especially the formal credit. As a result, the researcher found that the Lao government provided good policies, regulations, and special loans with the lowest interest rate as the SMEs Promotion Fund. The microenterprises in Samneua District still have problems and are unable to access the SMEs Promotion Fund. Due to microenterprise lack of lessons, experience, technical skills. Skills and levels of knowledge still low and without innovation. Moreover, almost all microenterprises still have a shortage of technology in production, limited business administration knowledge, and legal. In addition, most microenterprise operations are family-oriented, with high productivity but low quality that cannot compete with the outside market.

**Keywords:** Microenterprise, SMEs, access to finance, source of funds, Handicraft, Lao PDR.

## 1. Introduction and Problem Statement

The Government of Lao PDR (GoL) introduced the "*New Economic Mechanism*" in 1986 and move towards a market-oriented economy through the adoption of policies that included the approval of private firms foundation (Saignasith, 1997). For the market-oriented economy (Southiseng, Ty, Walsh, & Anurit, 2008), the vital role of the private firms sector have been established. In addition, the private sector is highly expected to be the main engine of Lao economic growth. GoL developed the five-year plan as the guideline to develop and construct the nation, it is called the National Socio-Economic Development Plan (NSEDP). Currently, GoL is implementing the 8th NSEDP 2016-2020. According to the 8th NSEP, the promotion of the MSME sector also was mentioned in this five-year plan. GoL will promote the supply chain between the Large enterprises and MSMEs to increase the volume, raise productivity, and create job opportunities (Westgaard & Winkel, 2011). It's building relationships between the central and local level especially the comprehensive tourism enterprise, agro-processing industry, and other sectors (Rasiah, Nolintha, & Songvilay, 2013).

Microenterprises in Lao PDR is playing the main mechanism tools for developing and deducting the poverty especially in the local and remote areas in Lao PDR. GoL is aiming to solve and improve the business environment for promoting more drives and broad-based private investments' sector especially the smaller scale as the microenterprise. The microenterprise in Lao PDR can divide into three categories: 1.) production of goods, 2.) Trader (retail and wholesale) and 3.) Service (Kyophilavong, 2011).

Micro, Small, and Medium-sized Enterprises (MSMEs) are the main target for development. GoL is viewed on the MSMEs as an essential goal of changing from mainly relying on the agricultural-based economy to an economics and services-based economy. The development of MSMEs is expected to have a significant impact to improve the country's infrastructures and economy, along with other developing countries. MSMEs also play an essential role in a NSEDP. They boost and sustain growth, as they are responsible for the collected revenue, and reduce the unemployment rate. Due to the significance of the MSMEs, GoL should assist the private sector to improve economic sustainability.

GoL developed and adopted policies and regulations to support the MSMEs by published the SMEs Promotion Law, developed the five-year plan for SMEs, updated the Prime Minster decree on MSMEs classification and other related documents. In the

structural organization under the Ministry of Industry and Commerce (MoIC), MoIC has SME Promotion Development Office (SMEPDO). This office is a responsibility for the role for coordination and support, development, and improvement of the MSMEs' productivities. SMEPDO is the main office that provides and edits the SMEs Law and regulations especially the import-export regulation, procedures for the startup the new business, provides database and links other business providers for market information.

limited knowledge about the government's policies, legal and regulatory on access to the financial institutions, missing information from the government and lack of cooperation between the banking and microenterprise, longtime proceeding and requiring too many official documents on getting credit from the bank. These are the main difficulty to get more additional funds for MSMEs. Thus, to tackle these issues, the Lao Government should adopt related policies and regulations to meet the needs of the MSMEs sectors. The interest rate should be revise, reduction of internal procedures, and promoting more opportunities for accessing the fund. These are among the process discussed in the context of this research. This paper will study the microenterprise's access to financial sources that will use the case study of the handicraft industry in Samneua District, Houaphan Province, Lao PDR.

## 2. Literature Review

Previously, some studies focusing on SMSs' issues on access to finance in Lao DPR. In terms of the International organization, The Organization for Economic Cooperation and Development (OECD) claimed that difficulties for SMEs to access the financial source, SMEs are limited on getting the variety of loans and services, complicated and strict role on the application for loan condition from the financial institution, and shortage of information on the get credit from the financial institution (OECD, 2019). The difficulty of access to finance for SMEs among the Southeast Asian region also was conducted the study by the Asia-Pacific Economic Cooperation (APEC). The studies result also similar to other studies such as the OEKO. APEC stated that disqualification of SMEs when apply to get credit from the commercial and public Banks were rejected due to SMEs cannot meet the criteria of the banks(Hall, 2008).

In 2007 various business units were conducted surveys by the Laos-Germany Co-operations on the Human Resources Development. This survey covered 480 SMEs included large enterprises. The International Standard Industry Classification was used in this survey to classifications of businesses in Lao PDR especially in terms of the

number of employees in all enterprises. The studied use of several provinces as the case study included Luangnamtha Province, Luangprabang Province, Vientiane Capital, Savannakhet Province, and Champasack Province. The results of this studied displayed that almost all enterprises were faced similar difficulties in the shortage of skilled labor, insufficient raw materials, and markets, high-cost productivity, limited skills in management, and insufficiency of sources of funds (Sayvaya & Kyophilavong, 2015).

The MSMEs in Lao PDR, there are a few studies that have been conducted. For the microenterprise in Lao PDR, some evidences have been conducted and studied for the Lao and other scholars. It is argued that MSMEs are played an important role to reduce the unemployment rate and generate income for Lao people, especially in both urban and rural areas. Ounphandala and Suruka (2010) claimed that MSMEs were the largest enterprise in Lao PDR, which were covered about 96% of 26,200 enterprises and only 1% were held by a large enterprise. From the result of Ounphandala and Suruka cited that the commerce sector was the largest percentage that covered 55% of the enterprise unit that created a large job opportunity (Onphanhdala & Suruga, 2010).

Kyophilavong (2015) stated that Lao SEM was the early stage of development that faced a lot of problems, access to finance is the most difficult for Lao MSMEs. Furthermore, to understand the Lao SMSs' issues he also focused on Lao SMSs' characteristics on access to finance. According to Kyophilavong's studied the study result have been shown that only a small percent of Lao MSMEs that they adopted into new production methods and improved their businesses compared to the total number of Lao MSMEs. Only 19 proportion of total Lao SMEs were a little performed well. The result also confirmed that MSMEs have limited access to finance have poor performance compared to MSMEs which have good condition access to finance. However, only a few numbers of MSMEs that achieve access to finance, from his study from 198 enterprise, only 20 proportion of MSMEs can access finance (Sayvaya & Kyophilavong, 2015).

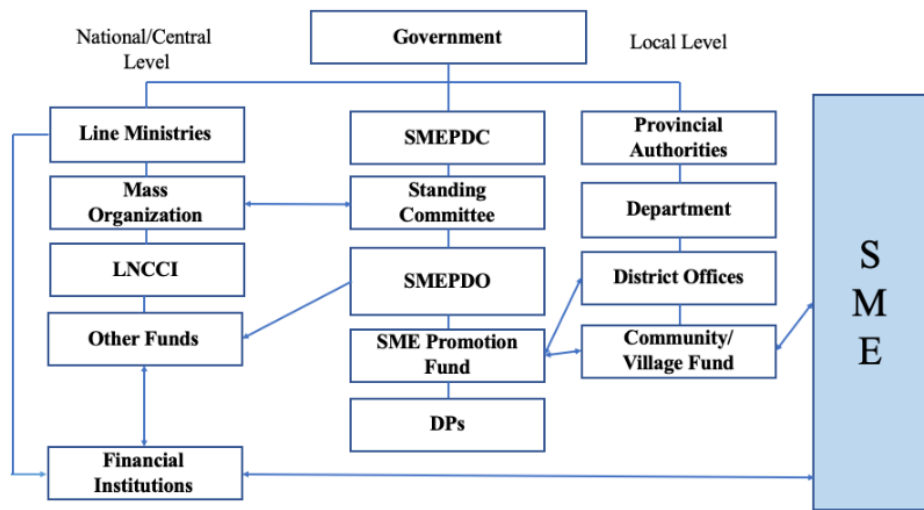
Norasingh and Southammavong (2017) conducted a study on the Lao handicraft sector. Norasingh and Southammavong claimed that Lao handicraft productivity has high potential in both domestic and foreign market needs. The higher the demand from the markets, the more responsibility for the producer to make a high-quality product to meet the demand from various markets. Furthermore, Norasingh and Southammavong reported that the handicraft industry is one of the sectors that have highly increased job opportunities in urban and rural areas in Lao PDR. However, based on their study,

some enterprises have limited funds to expand their business especially in the enterprise that want to enter into the international export market. The Lao handicraft enterprise don't have enough money to attend to the international exhibitions or international exchange trade show or promote their brand into international media. Due to the shortage of budget, it created a greater impact on their brand awareness, trademark, copyright, and intellectual property protections. These issues could impact Lao handicraft enterprise which may lose their competitiveness to other competitors (Norasingh & Southammavong, 2017)

### 2.1 Institutional Framework

The government structural in Lao PDR both national/central and local levels have the same responsibilities for various aspects of the strategy, in terms of central level included line Ministries and Department, at local level included province, department, and district that have the same duties specified in the action plans. Small Medium Promotion Department Office (SMEPDO) belongs at the central level under the Ministry of Industry and Commerce (MOIC) is the main key agency that plays a coordinating role and reports to the MOIC. At the local level Departments of Industry and Commerce provincial in each province will serve as the coordinator of SMEPDO in terms of monitoring and implementation of the action plan. SME Development priorities and measures will be complete with the corporate from various sector programs and work plans of relevant government agencies.

Figure 1: Institutional Framework



Source: Department of SME Promotion, Ministry of Industry and Commerce

### 3. Methodology

The methodology is qualitative both data collection and analysis, due to the lack of present data in Lao PDR the primary data will collect by in-depth interviews and questionnaires. The sample group for surveys mainly focus on the handicraft enterprises in Samnuea District, Houaphan Province. While the in-depth interview will conduct with both the central and local government officials and all banks in Samnuea District who are responsible for the task and a few numbers of the owners of the handicraft firms.

The primary data was collected through in-depth interviews such as face-to-face interviews. While the in-depth interview was conducted with the central and local government officers. The central level focused on the policies, regulations, and strategies on MSMEs access to finance. While researcher interviewed some of the financial officers who are responsible for loans at the local banks in Samnuea District, Houaphan Province. In addition, the researcher has interviewed some numbers of owners of the handicraft firms to get more detail and clearer on the issues that enterprise faced during attendance to get credit from the banks and financial institutions. However, to get a more depth understanding of the MSMEs' problems, the questionnaire was used for gathering information directly from the enterprise units as the sample data.

Second data was collected through published and unpublished sources, including the decree and law of SMEs, annual reports on MSMEs, the guideline for MSMEs, annual Bank of Lao PRD report, the national strategy plan especially the 8th Five-Years National Socio-Economic Development Plan 2016-2020 and related internal and external surveys. The official data received from the Ministry of Commerce and Industry, National Bureau of Statistics, Ministry of Planning and Investment, Ministry of Finance, Bank of Lao PDR, and other banking in Lao PDR especially Lao Development Bank, Nayobai Bank, and Agricultural Promotion Bank. In addition, the theories will come from books, domestic and international researches from various journals, articles, and online resources.

For the data presentation, the responses of the interviewees and questionnaires were analyzed and presented in tables, and diagrams by the percentage are summarized to identify the average score of those who answer the questionnaires on access to finance. Overall, the data analysis is expected to generate conclusions for the study

### 3.1 Cost Benefit Analysis Model

Cost-Benefit Analysis (CBA) Model was introduced by Jules Dupuit, an engineer and economist from France in 1840 (Mishan & Quah, 1976). In the 1950s, it became popular as the simple tool for deciding the new project as cost and benefit, to determine whether to go ahead with the project or not. CBA is the project designation which is an important tool in translating strategy into practice, so it is found that in recent times, many organizations have begun to focus on project planning and management that will lead to productivity, results, and impacts according to set goals. In general, the project is considered as an investment activity of the business, so it is necessary to ensure that the analysis process before leading to investment decisions is adequate and effective, as well as worthwhile to allocate resources and budget to use run that project. One of the most important tools for proving that a project to be considered has economic and social value and value-added. As the CBA there are have four steps to decide to get the new project as below:

Step 1. Brainstorm cost and benefit for the new project to take time to create ideas about all the cost will have with the project and make a list of these. At the same time for the benefit come up with all the benefits that will gain with the new project. Then think about the unexpected cost and benefit that will happen.

Step 2. Assign a monetary value to the costs. Cost for the need of physical resources as well as the human effect in all the time during the implementing the project. Cost is calculated and compared with revenues. This step is significant for you to think about as many related costs that you can. All the costs are continuing to have happened until the project is finished.

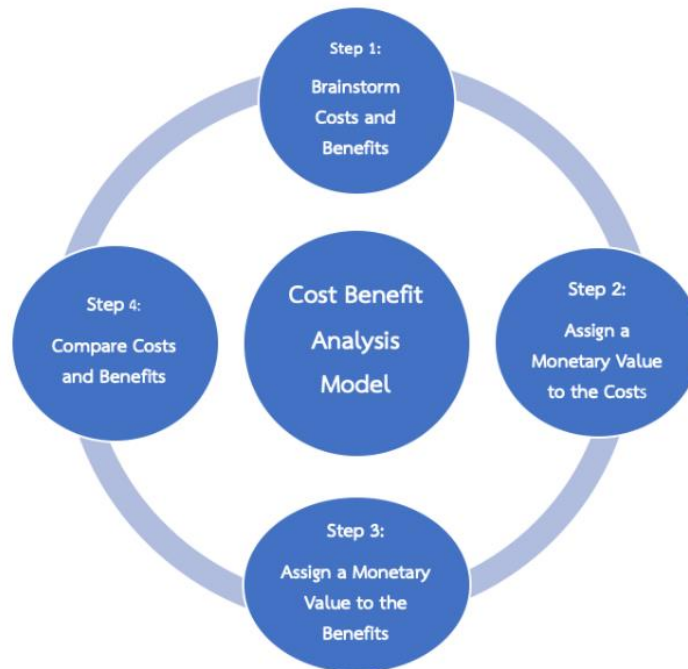
Step 3: Assign a monetary value to the benefit, benefit in this step you will have the most difficult to predict the actual revenues. Along with the benefit from finance that you anticipate, there is often an intangible or mild benefit that is a significant outcome of the project.

Step 4: Compare cost and benefit. This step you have to compare all the costs value have occurred and your benefit. You have to decide on the analysis course of action. You have to calculate your total cost and total benefit then compare the two values to decide that your benefit is higher than your expenditure or



costs. In this step, it's significant for you to think about the payback time, consider how long you will get the break-even point.

Figure 2: Cost Benefit Analysis Model



Source: [https://www.mindtools.com/pages/article/newTED\\_08.htm](https://www.mindtools.com/pages/article/newTED_08.htm)

## 4. Finding

### 4.1 Local Banks in Samnuea District

Research was conducted on five local banks to studied the microenterprise access to finance. The five banks involved in this research are Nayoby Bank, Lao Development Bank, Join Development Bank, Agricultural Promotion Bank, Banque Pour Le Commerce Exterieur Lao Public (BCEL), and 200 million kip on SME Promotion Fund through the four commercial banks including Lao Development Bank, Lao-Viet Bank, Sacombank, and Maruhan Japan Bank Lao. However, in Samnuea District has only Lao Development Bank located in the Vientiane Capital. Data research was conducted dept interview and some data were statics and documentary about the lending credit from all local bank in Samnuea District. As the significant information about the loan from the bank

including the term of loan, period, interest rate, and assurance asset for the loan as detail below:

*Table 1: Information for access to financial source in Samnuea District*

No	Name of Financial Source	Term of Loan	Period	Interest rate
1	Nayoby Bank	Short-term loan	1 Year or 12 Months	5%/Y
		Medium-term loan	1 Year or More but not More Than 5 years	6%/Y
		Long-term loan	More than 5 years	7%/Y
2	Lao Development Bank	Short-term loan	1 Year or Less than 1 Year	10%/Y
		Medium-term loan	1 year to 5 year	11%/Y
		Long-term loan	More than 5 year	12%/Y
3	Joint Development Bank	Short-term loan	1 Year	11%/Y
		Medium-term loan	1 to 3 Years	13%/Y
		Long-term loan	3 to 5Years	15%/Y
4	Agricultural Promotion Bank	Short-term loan	Not more than 12 months	10%/Y
		Medium-term loan	Less than 5 years	11%/Y
		Long-term loan	More than 5 Years	12%/Y
5	Banque Pour Le Commerce Exterieur Lao Public (BCEL)	Short-term loan	Not more than 12 months	9,5%/Y
		Medium-term loan	1 year to 5 years	9,7%/Y
		Long-term loan	More than 5 years	10%/Y
6	SMEs Promotion Fund	working capital loans	Not over 5 years	3%/Y
		Fixed capital the loan	Not over 10 years	3%/Y

*Source: Author's interview with the main financial institutions in Samnuea District.*

According to the study, the author found that only the Lao Development Bank is proving the special loan condition for MSMEs as the priority. Moreover, the LDP received the money from the SME promotion fund to provide the loan to MSMEs with only three percent per year. Nayoby Bank is proving a loan to people who are living in remote areas and provide the fund to a group of villages the MSMEs are not the priority provide fund. Joint Development Bank is a private bank, it's the commercial bank that provided the same condition with another customer, it's not provided the special condition loan for MSMEs. Agricultural Promotion Bank provided the loan to the farmer or to people who are doing business with the agricultural sector, if MSMEs want to get the loan, the MSMEs must have a business in the agricultural sector. However, this study

only focuses on the handicraft sector. Banque Pour Le Commerce Extérieur Lao Public (BCEL) is the bank that can provide to any customer that wants to access the credit but they are not provided the special condition loan for MSME.

## 4.2 Experience from Microenterprise Access to Finance

In terms of more understand what is the reason why several microenterprises cannot get the loan from the bank. To clarify that in what way microenterprise can access to the fund if they cannot access the formal fund, in what reason that they prefer to get the informal fund. Even though the banks provided a clear procedure, provided step by step to get the credit. The experiences from the microenterprise are significant to understand the issues. The researcher met and interviewed several owner enterprises to identified what current government policies and regulations are meet the real needed and suitable for microenterprise to increase access to finance or not. The study also collected 50 surveys from the microenterprise who have experience to access to finance both formal and informal.

### 4.2.2 Previous Source of Loan

There are two main sources of funds to support the microenterprise or MSMEs. The most significant is the formal source including the commercial bank which is the major formal source to get the fund, equity market, leasing, and government agency. Another source is the informal sources or we called the grey market, this source is easy, quick, flexible, and popular for people to access but the browsers have a high risk to lose their assets for collateral (real estate) and have to pay more interest maybe four up to ten times then formal sources. According to interviewed with bank officers and owner enterprises in Samnuea district, there are many reasons that make microenterprise cannot access to funds. For theses who rejected funds from the banks, then they prefer to access to grey market or lender money with a higher interest.

#### 4.2.2.1 Microenterprise get source of funds

From the study, it was found that the majority of those who answered the questionnaire have access to a loan with their families with a share of 50%, followed by friends, other sources, banks or micro finance and others which account for 24%, 10%, and 8% respectively. Significantly there is no one answer to get a loan with the one that they do not know before.

Table 2: information on the source of fund

No	Source of fund	Quantity	Percent
1	Banks or Micro Finance	4	8%
2	Families	25	50%
3	Friends	12	24%
4	Money Lender or Grey Market	4	8%
5	Someone does not know before	0	0
6	other	5	10%
	Total	50	100

Source: From the survey made between 25-30 July 2020

#### 4.2.2.2 Microenterprise's Insurance for loan

From the study, it was found that the majority of those who answered the questionnaire have land as collateral with a share of 78%, followed by houses, and gold which account for 16%, and 6% respectively. These types of assets are secure and popular for lenders, especially for land wherein prices increase, i.e., the financial institutions can make profits from it in the future, in case the enterprise fails to pay off its loan. However, in terms of furniture, vehicle and other, the microenterprise in Samnuea did not have any case that use these of them for Insurance for loan

Table 3: information on Insurance for loan

No	Insurance for loan	Quantity	Percent
1	Land	39	78%
2	House	8	16%
3	Gold	3	6%
4	Furniture	0	0%
5	Vehicle	0	0%
6	other	0	0%
	Total	50	100%

Source: From the survey made between 25-30 July 2020

#### 4.2.2.3 Reason to get loan from formal finance

From the study, it was found that the majority of those who answered the questionnaire that the reason why they want to get the credit from the banks or financial institution for the low interest with a share of 46%, followed by believable with 24%, low risk with 12%, flexible, long-term repayment and got well advisor from the bank account for 10%, and 4% respectively

*Table 4: information on Reason get loan from formal finance*

No	Reason get loan from formal finance	Quantity	Percent
1	Low interest	23	46%
2	Believable	12	24%
3	Long-term repayment	2	4%
4	Advisers from bank	2	4%
5	Flexible	5	10%
6	Low risk	6	12%
	Total	50	100

*Source: From the survey made between 25-30 July 2020*

#### 4.2.2.4 Reason to get loan from informal finance

From the study, it was found that the majority of those who answered the questionnaire that the reason why they prefer to get the credit from the informal finance for urgent money with a share of 40%, followed by fast to get loan with 32%, unlimited funds with 10%, easy to get, other and not retired documentary account for 8%, 6%, and 4% respectively

*Table 5: information on reason get loan from informal finance*

No	Reason get loan from informal finance	Quantity	Percent
1	Fast to get loan	16	32%
2	Urgent money	20	40%
3	Not retired documentary	2	4%
4	Easy to get	4	8%
5	Unlimited Funds	5	10%
6	Other	3	6%
	Total	50	100

*Source: From the survey made between 25-30 July 2020*

#### 4.2.2.5 Reason for do not need loan

In terms of reason that microenterprise does not prefer to get both formal and informal loan, according to the survey it was found that the majority of those who answered the questionnaire that sufficient of capital/own saving with a share 63%, followed by high interest with 16%, do not have insurance with 8%, Lack of experience and knowledge and complicated document requirements both share 6%, uncertainty to repay the loan and do not know where to get the credit account for 2%, and 0% respectively.

*Table 6: information on reason not need a loan*

No	Reason not need a loan	Quantity	Percent
1	Sufficient of capital/own saving	31	62%
2	Lack of experience and knowledge	3	6%
3	High-interest	8	16%
4	Complicated document requirements	3	6%
5	Uncertainty to repay the loan	1	2%
6	Do not have insurances	4	8%
7	Do not know where to get the credit	0	0
	Total	50	100

*Source: From the survey made between 25-30 July 2020*

## 5. Conclusion and Recommendation

### 5.1 Conclusion

Through the actual study, the author found that GoL tries to create the condition for microenterprise or MSMEs to access to finance source, make lowest interest rate, especially Lao Development Bank and SME Promotion Funds that subsidies into four commercial banks. However, the MSMEs still have difficulty to access to finance, due to MSMEs have the business as the household, lack of business plans, the income and expenditure are still as family-oriented, not modernized, the MSMEs must be attended to training that GoL provided on access to finance for MSMEs and MSMEs must turn to account under accounting law to access to the MSMEs promotion fund. Moreover, the

MSMEs must follow the role and condition of the four commercials, especially the collateral valuation, non-performing loans (NPLs) with other financial institutions. MSMEs that have difficulty accessing credit is often due to a lack of a clear business plan or a lack of detailed action plans. There is no backup plan for loan repayment, not enough sources of income to pay. The MSMEs have a history of bankruptcy with other banks or financial institutions, making it impossible for the bank to consider.

The other option for MSMEs that they are unable to access formal sources from the government. Most of them are prefer to get credit from informal sources including family, friends, the moneylender, the grey market, etc. The micro-enterprise has no choice to run and expand their business. They are acknowledged that having a loan from an informal source, they have to pay more interest and have a high risk to lose their collateral asset. Sometimes they have to pay more than 10 times the interest rate if compared to the banks, because of the easy access, the documents are not difficult, just have collateral, It is important for them to get the money quickly as the urgent expenditure and can set the repayment period depending on the owner of the micro-enterprise. However, there are 62 percent of the sample survey in Samnuea District that they do not prefer to access to loan both formal and informal. Due to they are sufficient of capital or own saving and do not want to have a risk and pay the interest rate per each month both formal and informal financial source.

Microenterprise is important to developing an economic society. This is the beginning of the businesses' growth larger, which is helping to create jobs in developing skills in society. If the microenterprise growth will make employment and create job opportunities, improve and enhance wisdom locally or bring the wisdom of local produce goods and services, to create value-added products and skills development. With the comprehensive policies and regulations supported by the government on access to finance, microenterprises have more alternatives to expand their business. As a result, the researcher found that the Lao government provided good policies, regulations, and special loans with the lowest interest rate as the SMEs Promotion Fund. The microenterprises in Samnuea District still have problems and are unable to access the MSMEs Promotion Fund. Due to microenterprise lack of lessons, experience, technical skills. Skills and levels of knowledge still low and without innovation. Moreover, almost all microenterprises still have a shortage of technology in production, limited business administration knowledge, and legal. In addition, most microenterprise operations are family-oriented, with high productivity but low quality that cannot compete with the outside market.

## 5.2 Policy Recommendations

The author would like to make some recommendation on the studies which can be divided into four steps first MSMEs development individual, second, promote and develop MSMEs in special group, third developing Promotion Mechanisms System and the last one Activities to Implement the SME Development Plan

### 5.2.1 MSME Development individual

(1) Policies to create a conducive environment to improve the creation and conduct of business include: Promoting the establishment of a forum for consultation between the public and private sectors at the local level, improving the system and issuance of licenses of relevant parties to facilitate, improve the rules and regulations of the registration system (quick and easy).

(2) Policies to promote capacity building, technology and innovation include: facilitating access to competencies and standards, providing consultation, training and upgrading of MSME quality management, promoting and facilitating MSMEs in intellectual property registration.

(3) Policies to promote access to finance, including Capacity building for MSMEs to access capital: Strengthen funds and MSME development, develop credit and financial products and services for MSMEs.

(4) Policies to promote access to and expansion of markets include: facilitating trade for MSMEs in accessing regional and international markets, supplementing the implementation of export promotion activities.

(5) New entrepreneurship creation and development policy by upgrading the business management skills of MSMEs, promoting the establishment of representative business, establishing a system of praise and commendation for enterprises and entrepreneurs who have achieved outstanding results.



### *5.2.2 Promote and Develop MSMEs in Specific Group*

Due to the different circumstances and the environment, the situation, the problems, and the need for assistance, it is necessary to determine the specific development promotion guidelines for each group in three ways: 1. Create high-value entrepreneurship, 2. Promote group integration and 3. Develop a strong group foundation.

### *5.2.3 Developing Promotion Mechanisms System*

The development of a complex system in various forms to help promote and develop MSMEs more efficiently and effectively: 1. Develop effective promotion tools, 2. Improve the rules and regulations to facilitate and reduce obstacles to the business of MSMEs, 3. MSMEs must be separated to be clear, and 4. Separate the lending system from the bank and the public finance sector.

### *5.2.4 Activities to Implement the SME Development Plan*

- (1) Disseminate legislation, small and medium business development plans, procedures for establishing and conducting business.
- (2) Provide training to increase the productivity of potential products to enable MSMEs to access the SME promotion fund
- (3) Training on business plan writing, accounting, and procedures for applying for bank loans for MSMEs.
- (4) Provide training for those who are interested in becoming new entrepreneurs.

## Reference

- Hall, C. (2008). The SME policy framework in ASEAN and APEC: Benchmarks, comparison, and analysis. In C. Harvie, & B. C. Lee (Eds.), *Small and medium sized enterprises in East Asia: sectoral and regional dimensions* (pp. 31-55). (Studies of small and medium sized enterprises in East Asia). Edward Elgar.
- Kyophilavong, P. (2011). SMEs Access to Finance: Evidence from Laos. In C. Harvie, S. Oum, & D. Narjoko (Eds.), *Small and Medium Enterprises (SMEs) Access to Finance in Selected East Asian Economies* (pp. 117-150). ERIA Research Project Report 2010-14, Jakarta: ERIA.
- Mishan, E. J., & Quah, E. (1976). *Cost-benefit analysis*. Praeger New York.
- Norasingh, X., & Southammavong, P. (2017). Firm-level human resource management and innovation activities in production networks: a case study of Lao handicraft firms. *Asian Journal of Technology Innovation*, 25(2), 288-309.
- OECD. (2019). *OECD SME and entrepreneurship outlook 2019*. Retrieved from <https://www.oecd.org/industry/oecd-sme-and-entrepreneurship-outlook-2019-34907e9c-en.htm>
- Onphanhdala, P., & Suruga, T. (2010). Entrepreneurial human capital and micro and small business in Lao PDR. *The Developing Economies*, 48(2), 181-202.
- Rasiah, R., Nolintha, V., & Songvilay, L. (2013). Garment manufacturing in Laos: clustering and technological capabilities. In R. Rasiah, T. Kanagasundram, & K. Lee (Eds.), *Innovation and learning experiences in rapidly developing east asia* (pp. 67-82). Routledge.
- Saignasith, C. (1997). Lao-style new economic mechanism. In J. L. H. Tan, & M. Than (Eds.), *Laos' dilemmas and options: The challenge of economic transition in the 1990s* (pp. 23-47). Singapore: Institute of Southeast Asian Studies.
- Sayvaya, I., & Kyophilavong, P. (2015). Does microfinance reduce poverty in Lao PDR? *International Journal of Development Issues*, 14(3), 215-230.
- Southiseng, N., Ty, M., Walsh, J., & Anurit, P. (2008). Development of excellent entrepreneurs in small and medium enterprises in Laos and Cambodia. *GMSARN International Journal*, 2(4), 147-156.
- Westgaard, R. H., & Winkel, J. (2011). Occupational musculoskeletal and mental health: Significance of rationalization and opportunities to create sustainable production systems—A systematic review. *Applied Ergonomics*, 42(2), 261-296.

## *Political Languages: An Analysis of Mahathir Mohamad's Political Speeches on Muslim Identity*

Lau Kai Xian

kaixianlau@outlook.com

### **Abstract**

Tun Dr Mahathir Mohamad, the former Prime Minister of Malaysia is a well-known Muslim leader and was portrayed as the representative of the Muslim world. This paper aims to examine how Mahathir used political languages in his speeches to convey his religious discourse throughout his premierships. This is a content analysis study by adapting Graber's (1981) five functions performed by political languages framework: (1) information dissemination, (2) agenda-setting, (3) interpretation and linkage, (4) projection to future and past, and (5) action stimulation. A total of 144 Mahathir's speeches from 1981-2003 and 2018-2020 focusing on the theme of Muslim identity were analysed. The result of this study showed Mahathir's religious discourse can be divided into three main issues of Muslims: (1) the misinterpretations of Islam by Muslim had created problems and fragment in Muslim society; (2) the problems of Muslims in the modern-day, such as backwardness, weak in knowledge and turmoil in the Muslim world; and (3) to correct the image of Islam and Muslims which had negative prejudice by the non-Muslims. This study argues that Mahathir's discourses on Muslim identity were well structured to address the issues of the Muslim world and to correct the negative prejudice of Islam and Muslims by non-Muslim, such as extremists and terrorists, fundamentalists, backwardness and unpeaceful.

**Keywords:** Islam, Mahathir Mohamad, Muslim Identity, Political Languages, Speech Analysis

## 1. Introduction

The purpose of political speech is to “influence people, using rhetoric to persuade, excite and claim leadership” (Klebanov, Diermeier, & Beigman, 2008). Studies on political discourses have in recent years been using various approaches and model. However, well-developed and established studies on political discourses were concentrating on the Western political leaders. Limited studies were done in the contexts of Asian political leaders, particularly leaders in developing countries. Hence, this study selected speeches of Tun Dr Mahathir bin Mohamad, the former Prime Minister of Malaysia for further investigation.

Mahathir was appointed twice as the Prime Minister of Malaysia in 1981-2003 and 2018-2020. The achievements of Malaysia's economy and developments were dramatically improved during Mahathir's first premiership. Mahathir was in power for 22 years and retired in 2003, however, he remains influential on domestic politics and Islam religion affairs. Mahathir made a shocking return into politics due to the displeasure and frustration toward Najib Razak's administration. Mahathir was again appointed as the Prime Minister of Malaysia from 2018-2020 after overthrew Najib's regime in 2018 General Election.

Mahathir was known for his representation of world Muslim and bravery criticism on the Western dominance, Western values and rejection of the Western free market (Beeson, 2008). Beng (2006) argues that “Mahathir's ambition to be a front man for the Muslim world is therefore not so much a religious stance as it is a political statement”. Moreover, Mahathir successfully initiated several Islamic developments in Malaysia during his first premiership, such as the establishment few Islamic institutions, Islamic banking and insurance system, Islamic values in working ethics, and included Islamic Civilization as a subject in Malaysian universities (Ahmad, 2010). Mahathir's political legacy has been widely investigated by scholars, mainly focusing on his economic nationalism, authoritarianism, anti-Western dominance and socio-economic context. However, the influences of his religious value on his political agenda was relatively understudied (Schottmann, 2011).

Several studies had been done on Mahathir's political discourse, concentrated on speeches between the late-1990s until mid-2000s (Ahmad, 2010; Alkhirbash, 2016; Alkhirbash, Paramasivam, Muati, & Ahmad, 2014; David & Dumanig, 2011; Ghazali, 2017; Haque & Khan, 2004; Imani & Habil, 2014; Mengyu & Rahim, 2019; Shukry, 2013;

Schottmann, 2013). This study found that limited studies (Ahmad, 2010; Haque & Khan, 2004; Shukry, 2013; Schottmann, 2011; Schottmann, 2013) were investigating Mahathir’s speeches related to Muslim identity and religious values. It was insufficient to justify how Mahathir combined his Muslim identity agenda and political agenda in his speeches. This draws the attention of the author to further investigate how Mahathir’s Islamic view shaped the idea of Muslim identity by using Graber (1981) functions performed by political languages to examine his speeches.

## 2. Research Objective and Research Question

### 2.1 Research Objective

The purpose of this research is to examine the use of political languages in Mahathir’s political speeches on the theme of Muslim identity. This study also aims to examine the changes of ideas in his speeches throughout 1981-2003 and 2018-2020.

### 2.2 Research Question

The core question that this study aims to answer is:

*How does Mahathir use political languages in his political speeches on Muslim identity?*

With that five sub-questions follow: -

- a. What information does Mahathir convey in his speeches?
- b. How does Mahathir set his agenda in his speeches?
- c. How does Mahathir use interpretation and linkage in his speeches?
- d. How does Mahathir use the projection of past and future in his speeches?
- e. How does Mahathir stimulate the audience’s action in his speeches?

## 3. Literature Review

### 3.1 Political Languages

Political discourse is about politics, used of words, and how political agenda will be affected by languages (Dylgjeri, 2017). Politics and language are interrelated; because political activities cannot occur by itself without the combination of language (David &

Dumanig, 2011). Graber (1981) described politics as “word games”, where politicians’ daily job involves mostly verbal activities - when they communicate about political matters and achieving their political agenda. What turns language into political is not judged by the vocabulary or grammar, but is about the message itself, conveyed in which type of political setting and how the functions of language performed in the political scene. Political discourse is a process of persuasion and it cannot exist without the audience. The process involved speakers try to persuade their audiences about something related to his political agenda (Ädel, 2010), explains the problems, and then influences their audience. Hence, speakers must understand the audience's needs, values and expectations to ensure obtain the support of their audience (Degani, 2015).

### 3.2 Major Function Performed by Political Languages

The functions of political languages coined by scholar Doris A. Graber in 1981 specifically limited to the discussion on the forms of “presentation of verbal symbols”. She highlighted five major functions performed by political languages: (i) information dissemination; (ii) agenda-setting; (iii) interpretation and linkage; (iv) projection to future and past; and (v) action simulation. Some political messages contained the mixture of these five functions mentioned above.

#### 3.2.1 Information Dissemination

The audience is unable to experience and involved in politics directly. They heavily rely on explicit information regarding political situations, political problems, and events provided by politicians. This helps to develop public political perceptions and their political actions without needed to experience it. The information may contain connotation meanings, where messages and words convey “special meanings that define relationship or progress” and “connote desirable meanings”. Connotation words and phrases are extended meanings from their dictionary meaning (Graber, 2004). Messages can also function as inferences to provide clues and reveal information that is not publicly announced. This allowed the audiences to obtain the hidden messages that are not expressed directly by the speakers. However, words can also be merely symbolic, without any meaning or providing information in a message.

### 3.2.2 Agenda-Setting

Politicians often select certain topics that align with their political agenda to attract the audience’s attention, make it become the discussion among the public and then stimulate the audience’s action. With some experience, politicians can manage to control over the information dissemination based on their interests, either to include or exclude certain people or issues in their political agenda. Due to limited time and resources, and the limitation of the audience to absorb large amounts of political information, politicians must limit their information to manageable volumes - only messages that are important for their political agenda. They have to carefully choose the suitable topics and avoid choosing topics that will cause negative effects, losing the audience support and promises that are difficult to fulfil.

Traditional agenda-setting theory in mass communication studies is used to analysis media effects on the audience. However, recent literature review on the agenda-setting theory argued that the theory alone is not sufficient enough to explain the effect of the media content exposed to the audience (Moy & Bosch, 2013; Mateus, 2019; and Moy, Teweksbury and Rinke, 2016). Researchers then borrowed the priming effect from psychological theory tom further examine the agenda-setting theory. Priming effect argued that the audience tends to rely on memory-based processing of information (Moy & Bosch, 2013). Priming examines the power of media to effect changes in the standards that people use to make [political] evaluations (Iyengar and Kinder, 1987). Studies showed that priming effect and agenda-setting are categorized as “accessibility-based model”, where “how much” (repetition) or “how recently” (recency) an audience has been exposed to certain information over the time (Mateus, 2019). Conclusion, Agenda-setting focused in which topics or issues are selected for the news content, priming focused on the audiences use those selected issues to evaluate political performance, and framing focused ways social problems are presented (Scheufele, 2000).

### 3.2.3 Interpretation and Linkage

Political messages often linked with significant events or facts which aims to influence and manipulate certain issues for the audience to interpret. This linkage allowed politicians to create a certain reality that brings a positive impact on them. However, it is depending on the understanding and the interpretations of the audience, which might also create a negative impression. The politicians need to have the ability to control

over definition which allowed them to verbally define the political situations based on their own beliefs and interests. The allowed politicians have the advantage to construct and limit the audience’s interpretations of the messages. Besides, messages can manipulate the expectations of the audience by manipulating their achievements and performances. Politicians often understated their expected achievements and performances, then use the actual achievements to impress their audience. Messages can also create non-existent realities where politicians create false information for the audience to believe and react according to their expectations.

This function aligned with the framing effect theory where it examines the content of the messages, such as phrases, metaphors, visual images, keywords, concepts symbols or analogy that used to communicate the essence of an issue or event to help audiences understand (make sense) the news they are encountering (Entman, 1993; Moy, Tewksbury and Rinke, 2016; and Mateus, 2019). Framing effect examines how people understand certain issues and social phenomena through the highlight in the media messages (Moy & Bosch, 2013). Hence, framing is considered as “applicability-based model” which suggests that audiences are not influenced by messages but rather through semantically (languages), how messages are presented and described (Mateus, 2019).

### 3.2.4 *Projection to Future and Past*

Political messages consisted of a large number of issues and events from the past and future, where the audience cannot physically experience but only through words. Projection to the past rely mainly on the past evidence, it may or may not be the true events that occurred in the past. Projection of the future is heavily pictured through verbal predictions, promises and imagination. Effective projection of future and past can be categorized into formal or informal projections. Informal verbal projection involves mostly foretelling and promises about future political activities. It is subjective, bias and different for people to people, depending on their goals and selected topics; while formal verbal projection is appropriately presented in a structured form, where promises and plans are carefully structured and also served as political guidelines and blueprints. This includes the projection of the politician’s views, long-term vision, future goals to be achieved, prediction and political action plans.



### 3.2.5 Action Stimulation

A message can be either in written or verbal form, it has the direct appeals ability to persuade, command, or call on people to react and take action. Most of the major political movements were beginning with verbal expressions, then stimulating political action. Although it is just a verbal reality, it can influence the audience to participate and give their commitment. Besides, words itself able to create certain moods, such as fears, hopes, hates, proud, etc. to influence the audience's reaction, provide confidence and assurance, and gain support from the audience. In addition, words serve as action surrogates where politician emphasize the threat they are facing, reinforce their promises, or in most cases, they blamed their opponent. Words can also serve as a symbol of rewards, by giving promises and reassurances to the audience. However, the promises should not be a lie or giving false hope to the audience, which will create a negative effect.

## 4. Methodology

This study will apply a qualitative method - content analysis. The data source will mainly rely on Mahathir's speeches in written text format. Total of 143 Mahathir's speeches on Muslim identity from 1981-2003 and 2018-2020 were analysed for this study. The sources are available to obtain and download from the Prime Minister Office (PMO) official website, under the column of "Koleksi Arkib Ucapan Ketua Eksekutif" (Collection of Chief Executive Speech Archive) at <http://www.pmo.gov.my/ucapan/>. The PMO official website provided complete transcript texts of Mahathir's speeches (both English and Malay languages) during his first and second premierships. Additionally, Mahathir's speeches before 1981 and between 2004-2017 were not recorded in the PMO website and there are no other reliable sources that have been identified. This study drew upon Graber's (1981) five major functions of political languages as the fundamental approach and examined line by line of each speech based on each function criteria.

Table 1: Function and Characteristic of Political languages

Functions of Political languages	Characteristic
Information Dissemination	<ul style="list-style-type: none"> <li>- Explicit Information</li> <li>- Connotations</li> <li>- Inferences</li> <li>- Symbolic Meaning</li> </ul>
Agenda-Setting + Priming Effect	<ul style="list-style-type: none"> <li>- Control Over Information Dissemination</li> <li>- Priming effects – repetition and recency</li> </ul>
Interpretation and Linkage + Framing Effect	<ul style="list-style-type: none"> <li>- Reality Creation</li> <li>- Control Over Definitions</li> <li>- Manipulation of Expectations</li> <li>- Framing effects - phrases, metaphors, visual images, keywords, concepts symbols or analogy</li> </ul>
Projection to Future and Past	<ul style="list-style-type: none"> <li>- Informal Projections</li> <li>- Formal Projections</li> </ul>
Action Stimulation	<ul style="list-style-type: none"> <li>- Direct Appeals</li> <li>- Mood Creation</li> <li>- Words as Action Surrogates</li> <li>- Words as Symbolic Rewards</li> </ul>

## 5. Findings

### 5.1 Information Dissemination

#### 5.1.1 Islamic Teachings

Mahathir’s speeches focused on the importance of adherence to the fundamental teachings of Islam in their life. Fundamental teachings of Islam in Mahathir’s perception included Islam is a way of life or Ad-deen, fardhu kifayah and peace value in Islam. These three fundamental teachings served as explicit information and inference in Mahathir’s Muslim identity discourses. First, Islam is a way of life for Muslims that applies to all individuals, families, society, economic, businesses and laws. Islam religion and Muslims could not be separated and everything in a Muslim’s life is guided by the Islamic teachings; second, fardhu kifayah is the responsibility of Muslim to Muslim community where Muslims should contribute to the developments of their community and protecting other Muslims and Islam religion; third, Islam is a peaceful religion and emphasised on Muslim brotherhood.

However, Mahathir argues that some of the fundamental teachings in Islam had misinterpreted by Muslims. The misinterpretations of Islam had caused Muslims today became backwards and often fight against each other. According to Mahathir, the misinterpretations were caused by three major factors: first, the Ulama or religion teachers are lack of knowledge in the religion teachings; second, the original version of Quran in the Arabic language is difficult to be understood by Muslims; and third, the political Islamists misused the teachings for personal agenda.

### *5.1.2 Problems of Muslims in the Modern Era*

The problems of the modern-day Muslims are regularly highlighted in Mahathir’s speeches. The problems of Muslims according to Mahathir are the weaknesses of Muslims and turmoil in the Muslim society. The weaknesses of Muslims include backwardness, lack of knowledge and skills, and unable to protect themselves and other Muslim brotherhood. The backward mindset of Muslims who care only about their merit in the afterlife, they believed that the current life does not belong to them and focusing only on their religious duties. They ignored all kinds of developments for their society and misinterpreted that modernization is against the Islamic teachings. They also rejected all kinds of non-religion knowledge, such as mathematics, arts, sciences etc. and become lack of modern knowledge and skills. With all those ignorant of modern developments and acquire knowledge, the Muslims become weak and unable to protect other Muslims and themselves from their enemies. In addition, the turmoil in Muslim society also the major problems of the Muslim world. The Muslim world had been divided into different Muslim sects with different beliefs in Islam. The differences between Muslim sects had caused the Muslims to fight with each other. The turmoil became more chaotic when the political Islamists misused the name of Islam for their political agenda and some extreme Islamists committed terrorist’ attack against their own Muslims brotherhood. Mahathir believes that the Muslim community today is unable to become advance, develop and disrespect by the non-Muslims are the fault of Muslims themselves.

### *5.1.3 Non-Muslims Prejudice towards Muslims*

The non-Muslims prejudice towards Muslims can be frequently found in international events and meeting, specifically addressing to world Muslims leaders and non-Muslims audience. Mahathir in his speeches brought up the frustrations and mistreatments facing by Muslims. He admitted that part of the negative prejudice by non-Muslims should be

blamed on the Muslims, especially when some Muslims used violence settlements and terrorism to express their anger and frustration. However, the non-Muslims should equally be blamed as well for the negative image of Islam. Mahathir argues that negative prejudice and anti-Muslim propaganda began in the late-15th century in Western Europe. The fears and wrong perception of the non-Muslims towards Islam had been there for centuries Besides, Mahathir also argues that the Western tries to use their ideology and values, such as human rights and democracy system to justify the problems of Islamic nations and also interfere into Islam affairs. The Western media often had a bias report on the conflict in Islamic nations and negative projection of Muslims. As a counter-argument, Mahathir argues that Western propaganda is often injustice towards the Muslim world, in most case the Western-supported the enemy of Islam to oppress the Muslims. For example, the Western do nothing to stop the intervention of Israel into Palestine, and at most case the Western supporting the act of Israel.

## 5.2 Agenda-Setting

### 5.2.1 *Correct Interpretations of Islam*

Correct interpretations of Islam became importance agenda-setting for Mahathir as he argues that interpret the teachings correctly is the only way for Muslims to overcome their weaknesses and problems. This information can be found in most of his speeches, specifically addressing a Muslim audience. Mahathir argues that Islam teachings will never be wrong, however, the Muslims who interpreted the teachings will make mistakes. He controls over the information that the misinterpretations of Islam are the reason for the Muslims becoming weak and backward. The misinterpretations had caused the Muslims only to care about their religion duties (fardhu ‘ain) and gaining merit for the afterlife. In contrast, Mahathir tries to justify that the Muslims have also the responsibility to the Muslim community (fardhu kifayah), such as acquiring knowledge, development and protecting the Muslim world. He believes that correctly interpret the teachings of Islam is important for Muslims to understand the messages of Islam, acquiring secular knowledge, and modernize the Muslim community.

### *5.2.2 Peace in Islam*

The turmoil and fragment of Muslims had disunited the Muslim world, created more conflicts and violence in the Muslim world and weakening the Islamic governments. Mahathir believes that peace in Islam is important to unite and end the conflict of the Muslims world. He primes that Islam is a religion that emphasised peace value and Islam rejects all kinds of violence settlements, including the fight against other Muslims, killing and terrorism acts. Mahathir argues that wars and terrorism are not the ways of Islam and those Muslims who involved in terrorism were not following the actual teachings of Islam. Besides, Mahathir also primes peace in Islam also emphasized on Muslim brotherhood and unity among Muslims. He argues Islam says that all Muslims are brother and brother should not fight with each other. He believes that peace and unity among Muslims are the only ways to solve the violence in Islam and strengthen the develop the Islamic nations.

### *5.2.3 Correcting the Image of Islam and Muslims*

Mahathir argues that Islam is the most misunderstood religion in the world by the Muslims themselves and the non-Muslims. His agenda is to correct the negative image of Islam and Muslims, especially the negative prejudice of non-Muslims and the terrorism acts of certain Muslim groups. Mahathir primes that the Muslim extremists who over-emphasising on the Islamic practices, rejecting secular knowledge and isolating themselves from others had caused the non-Muslims believed that Islam is a backward religion. He believes that Muslims should be responsible for correcting their own image. However, Mahathir also primes that parts of the negative image of Islam are due to Western propaganda. He argues that the Muslims had been long-time oppressed by non-Muslims and the Western’s anti-Muslim sentiment had further damaged the image of Islam. Besides, Mahathir also argues that the Western purposely spread a negative image of Islam through their media, especially labelling the Muslims as “Muslim terrorism” in their news.

### *5.2.4 Correct Interpretations of Islam*

Mahathir frames the Ulamas were responsible for the confusion and misinterpretations in the teachings. He tries to redefine that the teachings of Islam are not merely for religion duties, but it also emphasised on the responsibility of Muslims to their society. He also controls over the definition that Islam will never be wrong, only the Ulamas

will be wrong during the interpretation process. Besides, Mahathir frames that the correct interpretations of Islam should also emphasise on acquiring knowledge. He argues that knowledge in Islam does not limit only on religion, but also the knowledge that able to develop the Muslims society, such as sciences and technology, medicine, administrations, laws, defence, etc. He tries to create a reality that only through acquiring knowledge can modernize and develop the Muslim community, especially modern development and technology required secular knowledge.

### *5.2.5 Peace in Islam*

Mahathir links the fragment of Muslim had triggered the peace in the Muslim world. He uses this information as reality creation to show the unpeaceful in the Muslim world had caused many innocent Muslims who not involved in the wars or conflicts where been killed, tortured, under-developed and easy to oppress by enemies. He also links the Islamic history on how Islam brought peace and united the past Jahiliah Arabs as a reality creation. Besides, Mahathir often frames Islam in Malaysia is peaceful and Muslims are united to his international audience. He argues that Malaysia able to maintain peace is because Muslims in Malaysia are following the fundamental teachings of Islam.

### *5.2.6 Correcting the Image of Islam and Muslims*

Mahathir frames the Western often used their propaganda to claim that Islam nations did not have human rights and democracy; however, when Muslims around the world were oppressed by the enemy, the West did not help the Muslims but instead helping the enemies to suppress the Muslims. Mahathir uses Israel-Palestine case and Bosnia-Herzegovina case to create the reality that Western propaganda is to damage the reputation of Islam, especially bias news report by the Western media. He argues that the Western media often selected the negative news to be reported and ignored to report the suffering and injustice treatment faced by Muslims and Islamic nations. Mahathir also controls over the definition that the labelling of “Muslim terrorism” by the West and their media had enhanced the fear towards Islam by non-Muslims. He justifies that the terrorist attacks were committed by a small group of Muslims and it do not represent the world Muslim community. He frames that terrorism also committed by other religious, but their acts will never be linked with their religion. He argues that terrorism should not associate with religion and the international

community should work together to counter against the terrorists instead of blaming on the Muslims.

### 5.3 Projection to Future and Past

#### 5.3.1 *Informal Projection to Past Islamic Civilization*

The projection to the past Islamic civilization that often used by Mahathir can be divided into three historical moments. First, Mahathir projects the situation of Jahiliah Arabs during the pre-Islam before the 7th century. This projection shows how Islam brought peace, unity and development to the Arabs. Second, Mahathir projects the glory of Islamic civilization and Islam successful transformed the Arabs into the most knowledgeable and respected society in during the Dark Age of Western Europe (7th-15 century). This projection shows how Islam able influenced the Arabs to modernize and able to spread fast to other regions. Third, Mahathir projects the fallen of Islamic civilization due to the fragments in Islam and the misinterpretations of Islamic teachings in the late-15th century. This projection shows how Muslims became backwards, ignoring knowledge, weak and oppressed by the enemies.

#### 5.3.2 *Informal Projection to Future Muslim Society*

This study found that projection to the future was not often used by Mahathir in his speeches. In some speeches, Mahathir only mentioned the possibility for the Muslims to restore the past glory of Islamic civilisation in the future. Mahathir believes that the only way to restore the glory of Islam is to interpret Islam correctly and the Muslim world needs to be united.

### 5.4 Action Stimulation

#### 5.4.1 *Modernization of Muslim Society*

Modernizing the Muslims society is the outcome that Mahathir aims to stimulate his audience to achieve. He believes that modernization is important for the development of the Muslim world and regain the reputation of Islam. Acquiring knowledge is the only hope for the Muslims to achieve modernization and protect Muslims from being mistreated by their enemies. Besides, Mahathir also urges his audience must prepare for the fast-changing of the modern world and globalisation. Muslims should not isolate

themselves from the outside world and ignore modern development. Mahathir argues that the Muslims should not blame others for their less fortunate and backward, instead the Muslims should try their best to change their faith and improve their situation.

#### *5.4.2 Unity in Muslim Society*

Unity in Muslims society is another action that Mahathir wants to stimulate as he believes that unity able to strengthen and solve the conflict within the Muslims community and Islamic nations. This information can be found in speeches that he addressed “correct interpretations of Islam”. He urges his Muslim audience should not ignore the messages of Islam, especially peace and Muslim brotherhood. Besides, Mahathir aims to stimulate solid cooperation among Islamic nations. This includes cooperation in political, economic, social, common shared interests and strengthens the Muslim alliance. He also urges his audience that the Muslim world should unite to help each other and to against the oppression of their common enemies, for example, the conflict of Palestine-Israel.

#### *5.4.3 Correcting the Image of Islam and Muslims*

Mahathir aims to correct the negative image of Islam and Muslims through his speeches. For Muslims audience, he often urged the Muslims must try to prove to the non-Muslims that Muslims is not a backward society and Islam is a peaceful religion. In the 1990s, Muslim terrorism had become the biggest challenge of the Muslim world, especially non-Muslims believed that all Muslims are involving in terrorism activities. Mahathir urges the Muslims must always follow the fundamental teachings of Islam and should always seek a peaceful settlement. Besides, he also tries to convince the non-Muslims that Islam is a peaceful religion and terrorism is not the teachings of Islam. He urges the non-Muslims should try to understand the Muslims without any prejudice and should not link that terrorism with Islam. He argues that those terrorists are not the real Muslims and they misused the Islamic teachings to justice their action.

## **6. Discussion and Conclusion**

This study identified that Muslim identity is crucial in Mahathir’s discourses. Mahathir’s arguments had not much related to performing religious rituals or worships, but heavily highlighted on the misinterpretations of Islam, weaknesses of Muslims and negative image of Islam. Mahathir does not shy to acknowledge the problems and dilemma of



Muslims in his speeches. Although most of his projections of the Muslims and Islamic nations were negative, however, this study argues that Mahathir’s objective is not to shame the Muslims, but he intended to create awareness for the Muslims to change. Based on Mahathir’s speeches, his goal was to encourage the Muslim world to develop into modern society and well-respected by the world community. His speeches on Muslim identity were arguable that it motivated many Muslims and world leaders to acknowledge the weaknesses and turmoil in their community. The evidence of this study shows that Mahathir put much effort into his speeches to address the problems in the Muslim world.

Besides, Mahathir’s discourses between the 1990s and 2000s began more often touched on the injustice and misunderstanding of Western towards Islamic nations. His open criticism of Western propaganda had caught the Western politicians and media attention. He argues that the Western tries to pressure the Islamic nations to follow their Western values and intervened into Islamic affairs. Mahathir also criticizes the Western media had a bias report on Islamic nations and damaging the reputation of Islam. This evidence showed that Muslim identity was not just about religion in Mahathir’s speeches, but it also linked to political Islam issues and his political agenda. Moreover, this study also argues that Mahathir’s arguments were contradicting with his actions. Mahathir’s speeches often criticized the Ulamas and political Islamists misused the Islamic teachings for personal political interests. Indeed, Mahathir himself also frequently used the teachings of Islam in his political discourses. His arguments often cited the history of Islam and verses from the Quran. For example, Mahathir regularly used the Islamic teachings to criticize the actions of PAS (Malaysia Islamists opposition political party). He argues that PAS is a radical Islamists party who is not following the actual teachings of Islam and always misused the teachings in Islam to influence their Muslim supports. He openly criticizes that PAS’s political agenda was un-Islam and misused Islam for their benefits. Hence, this study acknowledges that Mahathir did also used Islamic teachings in his discourses for his political agenda like any other political Islamists.

This study tried to expand the literature on Mahathir’s speeches, specifically on Muslim identity (Haque and Khan, 2004; Schottman, 2013) by focusing on “how” Mahathir conveys the Muslim identity in his discourses. This study also examines Mahathir’s speeches from 1981-2003 and 2018-2020, both English language and Malay language texts. Besides, this study had identified new information, such as prejudice of non-Muslim and Western propaganda. This study argues that Mahathir included non-religion

teachings into his speeches, for example, Mahathir argues that Muslims should not ignore the prejudice of non-Muslims as it will further create more misunderstanding to Islam religion and Muslims.

However, this study had only limited to textual analysis and Mahathir's non-verbal communication and spontaneous presentation was unable to examine in this study. This study also unable to examine Mahathir speeches between 2004 and 2017 due to limited reliability sources are available. Besides, this study found that Mahathir's Muslim identity speeches often presented together with issues related to Malays ethnicity. Unfortunately, this study looks beyond Malaysia's contexts and focuses on global Muslims' issues in Mahathir's speeches. This study suggests that future study may compare the Muslim identity and Malays identity in Mahathir's speeches.

## References

- Abdullah, W. J. (2019). The Mahathir effect in Malaysia's 2018 election: the role of credible personalities in regime transitions. *Democratization*, 26(3), 521–536.
- Ädel, A. (2010). How to use corpus linguistics in the study of political discourse. In A. O'Keeffe, & M. McCarthy (Eds.), *The Routledge handbook of corpus linguistics* (pp. 619-632). London: Routledge.
- Ahmad, A. M. (2010). The genesis of a new culture: Prime Minister Mahathir's legacy in translating and transforming the new Malays. *Human Communication*, 13(3), 137-153.
- Alkhirbash, A. (2016). Speech Acts as Persuasive Devices in Selected Speeches of Dr. Mahathir Mohammed. *International Journal of English and Education*, 5(2), 81-103.
- Alkhirbash, A., Paramasivam, S., Muati, A., & Ahmad, Z. (2014). Aspects of persuasive language in selected speeches of Mahathir Mohamad. *Journal of Language and Communication*, 1(1), 41-56.
- Beeson, M. (2008). *Institutions of the Asia-Pacific: ASEAN, APEC and beyond*. London: Routledge.
- Beng, O. K. (2006). Mahathir as Muslim leader. *Southeast Asian Affairs*, 2006(1), 172-180.
- David, M. K., & Dumanig, F. P. (2011). National unity in multi-ethnic Malaysia: A critical discourse analysis of Tun Dr. Mahathir's political speeches. *Language Discourse & Society*, 1(1), 11-31.
- Degani, M. (2015). *Framing the rhetoric of a leader: an analysis of Obama's election campaign speeches*. Palgrave Macmillan.
- Dylgjeri, A. (2017). Analysis of speech acts in political speeches. *European Journal of Social Sciences Studies*, 2(2), 19-26.
- Ghazali, K. (2017). Discourse and leadership of Dr. Mahathir Mohamed: The relational value of texts to create solidarity. *Journal of Modern Languages*, 15(1), 155-167.
- Graber, D. A. (1981). Political languages. In D. D. Nimmo, & K. R. Sanders (Eds.), *Handbook of political communication* (pp. 195-224). Beverly Hills: Sage Publications.
- Graber, D. A. (2004). Methodological developments in political communication research. In L. L. Kaid (Ed.), *Handbook of political communication research* (pp. 63-86). Routledge.

- Haque, M. S., & Khan, M. H. (2004). Muslim identity in the speeches of Mahathir Mohamad. *Intellectual Discourse*, 12(2), 181-193.
- Imani, A., & Habil, H. (2014). Health metaphors in Dr Mahathir’s business speeches. *Malaysian Journal of Languages and Linguistics*, 3(1), 15-30.
- Klebanov, B. B., Diermeier, D., & Beigman, E. (2008). Lexical cohesion analysis of political speech. *Political Analysis*, 16(4), 447-463.
- Mengyu, H., & Rahim, H. A. (2019). What has Changed? Stance and Engagement in Mahathir Mohamad’s UNGA Speeches. In M. P. Asl, K. Rajandran, & Y. Azam (Eds.), *Change and preservation in language and culture in Asia* (pp. 107-111). e-Proceedings of the 5th International Conference on Linguistics, Literature and Culture. Penang, Malaysia: Universiti Sains Malaysia.
- Schottmann, S. A. (2011). The pillars of “Mahathir’s Islam”: Mahathir Mohamad on being-Muslim in the modern world. *Asian Studies Review*, 35(3), 355-372.
- Schottmann, S. A. (2013). God helps those who help themselves: Islam according to Mahathir Mohamad. *Islam and Christian–Muslim Relations*, 24(1), 57-69.
- Shukry, A. S. M. (2013). A critical discourse analysis of Mahathir Mohamad’s speeches on the “war on terror”. *Intellectual Discourse*, 21(2), 171-195.
- Wang, J. (2010). A critical discourse analysis of Barack Obama’s speeches. *Journal of Language Teaching and Research*, 1(3), 254-261.

## *Regional Powers of International Society in the Asia-Pacific Region*

Thanapat Pekan  
thanapat.pekanan@gmail.com

### **Abstract**

Conventionally, the English School (ES) of International Relations often focus on the role of Great Powers in managing international conflicts, and expect the successful maintenance of international order. Although more recent works shifted the focus from international society to regional society, such works remain within realm of the distinctiveness of regional society from different parts of the world. Yet again, they have been analysed through the working institutions of international society or else debunking such institutions in this and that regions. However, there is still a lacuna in conceptualising regional powers in the ES. This working-paper intends to fill this gap by arguing that regional powers can be conceptualised within the ES. Contemporary issues of the Asia-Pacific region will be used to illustrate the point.

**Keywords:** regional powers, regional society, international society, English school, Asia-Pacific region

## 1. Introduction

Conventionally, the English School (ES) of International Relations often focus on the role of Great Powers in managing international conflicts, and expect the successful maintenance of international order. Although more recent works shifted the focus from international society to regional society, such works remain within realm of the distinctiveness of regional society from different parts of the world. Yet again, they have been analysed through the working institutions of international society or else debunking such institutions in this and that regions. However, there is still a lacuna in conceptualising regional powers in the ES. This working-paper intends to fill this gap by arguing that regional powers can be conceptualised through drawing the relations of Nolte’s conceptualisation of regional powers and Bull’s proposal of the elements of Great Powers Management in international society. In doing so, contemporary issues of the Asia-Pacific region will be used to substantiate the argument. The structure of this working paper is divided into four parts. The first part serves as a literature review so as to point out a lack of discussion on regional powers in the ES. The second part attempts to analyse reasons behind the ES bereft of regional powers. The third part examines the definition of regional powers and introduces Nolte’s notion of regional powers. Lastly, the fourth part will analysed contemporary issues of the Asia-Pacific region through regional powers, showing that regional powers are able to order when skirmishes occur as well as contributing to order at the global level.

A lack of Regional Powers in the English School (ES) of International Relations Institutions of international society is one of the fundamental concepts of the ES. In viewing the society of states through the primary and secondary institutions of international society, the existing literature of regional international society has been devoted to understanding international relations through the analysis of the institutions of international society.

The question of the complexities in the literature on the entrance of international society and the reconsideration of the ES institutions in relations to different regions, have been one of the fundamental themes of the ES scholars. Suzuki’s emphasis on the Japanese entry to international society and the reconsideration of war as an institution, are a case in point. Suzuki (2005,149) argue that the perception of Japanese leaders of European International Society had never been about stability and order but of insecurity. This is understandable if the picture of Japan in relations to international society has been about the coercive notion which Japan was under so as to be forced

into the society (Suzuki, 2005:149). Any resistance from Japan often met with violent reaction, and the Japanese were reminded of how powerful European states were and Japanese's helplessness to react to foreign threat. Japan was forced into accepting unequal treaties and deprived of its sovereign prerogatives.

Japanese understanding of the institution of war does not take the term literally in the sense of classical ES (Suzuki, 2005:150). It does not see peace as a norm or war as violation or exception. It understands war as a necessary evil and peace is “logically prior to war” (Suzuki, 2005:150). War is important due to its being the only tool of justice when political superior is absent (Suzuki, 2005:150) whereas, similarly, Schoenberg (2012:148) emphasises on the institutions of international society, particularly the new principles of legitimacy which appears to constitute communities of loyalty and organisation of authority going beyond the officially established states. Schoenberg does not regard the EU and the American states-union as newly emerged concept or new states in making, an example has been put forward in order to reveal that they are instead divisible sovereignty or plural authorities (Schouenborg, 2012:148). He believes that regional international society should not be limited to what is commonly held as type of developments (Schouenborg, 2012:148). Changes are obvious in these events. However, this does not indicate that subtle changes never happen in between them (Schouenborg, 2012:148).

With regards to illuminating the distinctiveness of regional society from different parts of the world, Buzan and Zhang (2014) pose a question of what degree has East Asian regional international society emerged. They examine the present comparative international societies (Buzan and Zhang, 2014:4). The analysis tends to fill the gap which was lost when the narrative of the expansion of Western international society preoccupies the classical ES. In examining East Asian international society through the primary institutions, they highlight regional differentiation from global level, a type of form, and to what degree (Buzan and Zhang, 2014:5). In Southeast Asia, Narine (2006:200) attempts to tackle the question of ASEAN's durability and its members' conviction to the organization. The focal point of his article is on ASEAN's changes and maintenance during 1967-97, particularly touching upon the transformation which ASEAN has gone through in the post-economic crisis period. The relationship between constructivist theory and the ES of IR is explored. Narine applies the ES lens to the understanding of ASEAN. He asserts that although there are similarities between the ES and constructivism, the ES offers better explanation in IR (Narine, 2006:200). The analysis provides the explication of AEAN's durability which makes more sense than the

constructivist approach. Narines (2006:200 )argues that ASEAN pays particular attention to the importance of international law with the aim of protecting the most sacred element of the international society which is sovereignty. The strong adherence of sovereignty has resulted in individual ASEAN states to accept policies which are anomalous to values embedded in ASEAN (Narine, 2006:200). The ES addresses these contradictory differences by understanding that wants from various institutions render conflict in the organisation (Narine, 2006:200).

Another methodological tenet of regional society in the existing literature is the emphasis on the shift from the expansion of European International Society to new forms of standard of civilisations. Russia’s position in international society is a case in point. A careful analysis of how Russia operated, especially in the post-Crimean War, showed that Russia was not inside European International Society but instead were left in a peripheral tie and was not regarded as conforming to European standard of civilisation (Buranelli, 2014:835). Buranelli (2014:835) reveals three important observations. First, he demonstrates a negligent fact in the commonly held view of the expansion of European international society, arguing that the standard of civilisation also exists within the West itself rather than merely between the West and the rest (Buranelli, 2014:835). His analysis basically debunks the narrative of the expansion of European International Society (Buranelli, 2014:835). Instead of seeing Russia as a Great Power in 19th century, Buranelli (2014:835) analyses Russia in civilisational ones. Lastly, Buranelli (2014:835) captures what the classical English school thinkers did not touch upon, that is thinking about how the expansion is seen and framed by others rather than upholding what the expansion is thought to be for the expander. A new form of standard of civilisation is more prominently shown in Stivachtis’s writings (cite his works). Stivachtis (2014:338) mainly argues that the European Union’s policies enhance an international and world order which reflects the values and interests of the EU. The EU has, Sivachtis (2014:338) claims, a ‘thick’ form of solidarist regional international society, which is also constituted in a thinner, pluralist international society. Furthermore, with regards to the EU, the international society does not only assist, and establish before, the development of a world society within its geographical proximity but the two societies also complement each other (Stivachtis, 2014:338). Together with the need of non-EU states and pressures of international anarchy in order to preserve relationship with regional international organization, have enabled the EU to dictate certain outcome and enforce certain standards of behaviour on regional international organization. Stivachtis (2014:338) shows that elements of world society in the EU spread internationally in several ways: firstly via the EU’s enlargement policy, secondly



through the use of the European Neighbourhood Policy (ENP), and lastly through setting certain standards for non-EU states to conform in order to receive financial and humanitarian aid. Stivachtis (2008:91) explains that the EU members states mainly concerns about being certain that the Union can effectively function in spite of a high number of newly states becoming a member. As a consequence, they set standards, norms, and practices which lead to homogeneity in order to have effectiveness (Stivachtis, 2008:81). However, those standardisations whether it's a norm or practices are more or less similar to those elements in the historical standard of civilisation. A case of the EU enlargement is an example which can be observed as “a continuation of old practices” (Stivachtis, 2008:81). Similar line of argument on a new form of standard of civilisation in relations to regional society can be found outside classical English School's regional society (cite those works). With regards to central Asia, statesmen and policy-makers often use integration to refer to two possible results: first, re-establishing the Soviet sphere mainly under the purview of the Commonwealth of Independent States (CIS), which is pioneered by Russia depending on Russia's interests and conducts of engagement, second, Euro-Atlantic integration, which is an inclination towards western European organisation such as the EU and NATO (Purchot and Stivachtis, 2013:68).

Although there are some works in the ES which touch upon regional powers, most of them evade to define and tackle the concept of regional powers directly, and in relations to international society as well. On this basis, the existing works of regional powers in the ES revolves around a strategic positioning, domestic actors, what constitutes regional international society, of a particular region and country. Merke's (2015) use of the ES on Brazil to problematize regional powers and posit Brazil's strategic stance in international relations. He explores the rise of Brazil and suggests that it will be surrounded by tensions and dilemmas, adding further that the rise of Brazil will make more of its own dilemmas on how to tackle the question of order and justice in South America (Merke , 2015:189). The second point is that Brazil's stance on South America is too selfish to lead while too weak to cause any harm on its neighbours. This simply implies that regional powers could share a level of non-absolute regional hegemony. Lastly, Merke (2015:190) argues that hegemony and the balance of power are overtly given the importance in both academic and diplomatic community. The ES view enlighten the understanding of the region via the interplay between primary institutions of international society such as international law, diplomacy and great power management (Merke, 2015:190). From the ES perspective, South American regional society ceases to be institutionalised cooperation while going beyond the game

of power politics (Merke, 2015:190). Another instance is Seagle’s analysis of how Romanian domestic actors conceptualise the European Union through the ES lens (Seagle, 2014:65). Seagle asserts that The ES scholars often study the EU from the perspective of a society through the framework of international society (Seagle, 2014:66). There are differences between EU as a regional society and EU as a regional organisation. The differentiation can be seen from, on the one hand, the membership of international organisation is pursued as long as the interest in the organisation matters to them, on the other hand, through the society perspective, states care about society’s norms, common values, resort to international law, and interests (Seagle, 2014:66).

Seagle (2014:66) seeks to examine how a society is constructed by actions of domestic actors and meanings. Views of diplomats, governmental elites, and state leaders are examined through Romanian government with regards to the structures of European institutions. Apart from a strategic positioning and the role of domestic actors of a particular country, the closest work which succeed in conceptualising regional society but fail to offers the notion of regional power is Ayoob’s article on the construction of regional order (1999:248). Ayoob points out the distinctiveness of regional society by emphasising that the conceptualisation of regional society must go beyond what international society requires which is fairly minimal in character (Ayoob, 1999:248).

The reason behind more expectation of regional society is that, before being regarded as a region, states more or less must accept the rules of international society in their interaction with each other (Ayoob, 1999:248). It should be pointed out that being part of the international society does not guarantee the security of its members. Thus, suggesting “security” as part of the construction of regional society could be another way of adding its value (Ayoob, 1999:248). Lastly, Stivachtis and Webber substantiates Ayoob’s conception of regional society by providing an empirical example of regional society (2011:112). The work and existence of NATO, the EU, the CoE and the OSCE shows that the organisation of international society at the sub-glonal level exists. The EU could also be considered as an exemplary of a form of regional international society (Stivachtis and Webber, 2011:112). From this, it should be noted that, on this basis, a ‘region’ is determined by the existence of regional organisation which involves more than three states in close regional proximity, which work together to search for common grounds within the context of legally codified regional institutions (Hulse, 2016:9).

## 2. Why is there A Lacunae of Regional Powers in the English School (ES) of International Relations?

The focus of the ES is on the international society, or a society of states, which concerns the maintenance of order among sovereign states. The thrust of this concept is that states come together and interact to an extent until they form a society which bound them to act according to a common set of rules through the institutions of international society such as the Balance of Power, International Law, Diplomacy, War and Great Power Management (Bull, 1977:13, 97-222). In the society of states, states often negotiate differences and eventually share the normative or institutional framework in a given historical period, together (Murray, 2018:19). The degree of unity, integration, and cooperation between states in international society mainly depends upon the behaviour of the great powers, the impact of the world society, the stability of the international system, and the domestic affairs within states (Murray, 2018:20). As mentioned earlier in the second section that although regional international society has become more popular in the ES literature, none of them has yet to explore, and outline, the role(s) of regional powers in international society to the same extent as Bull did in his major work, the *Anarchical Society*. The reason for such gloss over is due to nature of the ES itself which has originally been fixated on the expansion story at the global level (Buzan, 2014:57).

As the School became quite well-known at the peak of the Cold War, touching upon the role of regional powers could have been conflictual and divisive (Buzan, 2014:57). The Cold War is easily constructed as two great powers vying for global dominance. As such, any regional perspectives could lead to the view of international society being undermined at the global level (Buzan, 2014:57).

Furthermore, not only has the ES concerns about maintaining order through the institutions of international society but also to cover the needs of Asian, African and Latin American countries for just change in terms of redistributing resources, ending colonialism and white supremacist regimes, and eliminating the subordinated role of those states in relations upon rich countries (Humphreys, 2017:318). Having said that, in the ES view, the characteristics of regional powers cannot fulfil these responsibilities.

Although regional powers are regarded as being powerful in their own regions, they are geographically limited when it comes to wielding and exerting their powers globally (Flemes, 2007:9). Regional Powers are, as Wright puts it (1978 cited in Flems, 2007:10),

“States with general interest relative to a limited region and the capacity to act alone in this region, which gives them the appearance of local great powers.....”

The ability of regional power is more or less depends upon the powers of the involved states (Nolte, 2010:889). The effect of great powers on regional power will be different depending upon regional power’s level of strength and the chosen policy in this and that areas. Some regional powers could be dominant within their own region while have little say at the international level (Nolte, 2010:889).

Secondly, a lack of emphasis of regional powers is also due to the historical fact of the regional powers. Some states are ex-colonial states or, generally, states which do not meet “the standard of civilisation” (need to cite ed’s articles and articles on civilisation from Millennium journal). Decolonisation might be seen as a means which ended the ‘standard of civilisation’ (Buzan, 2014:66; Watson, 1992: 294-298). However, the elimination of European powers’ empires did not really take away the question of entry into international society (Buzan, 2014:66). To be more precise, decolonisation yields another form of obstacle to international society: how the newly emerged states, including regional powers, can be socialised into the standard of European international law and institutions (Gong, 1984). The complication is surrounded by postcolonial resistance to an international society which has been originally constructed around colonial exploitation (Pasha, 2017:100). In other words, all the new jargons after decolonisation such as conditionality of sovereign states, international law, institutions of international society, are basically an extension of the European civilising project (Pasha, 2017:100). Despite the fact that the ES does not utterly emphasize its conviction to that project as its main feature, instead it settles, as Pasha (2017:100) argues, “.....on endless scuffles between pluralist and solidarist tendencies and their respective potential within international society.....”

The ES expects Great Powers Management as an institution of international society because they have both the material and non-material factors to preserve and adjust the elementary or primary goals of the society of states (Bull, 1977: 1-94, 97-222). Great Power Management as an institution of international society is not just one of the institutions, but it is arguably perceived by the ES scholars as an essential tool to maintain order between sovereign states (Bull, 1977; Bull and Watson, 1984;Wight, 1977;Wight, 1978). In the context of the ES, the institution of the great powers reduces complexities of international politics (Clark, 2011:34). It is able to do so due to a

divergence of powers it possesses. To be more precise, the contribution of the great powers to international order is delivered by a variety of managerial functions (Bull 1977: 20 cited in Clark, 2011). It simply serves as an entity which facilitate member states of international society to pursue “collective goals and enshrine shared values” (Morris, 2005:265).

As mentioned earlier, some regional powers are ex-colonial states which deem to fulfil the same responsibilities and given external rights as any other sovereign states but they lack the institutional features of sovereignty accordingly to international law and bereft of authority and empowerment domestically (Jackson, 1990:21). They have weak empirical statehood, meaning that they cannot live up to the standard which their populations supposed to enjoy the same degree as advantages of traditional independent statehood (Jackson, 1990:21). Their governments are usually lacking the political will, do not possess enough institutional authority, and have little organized power to meet the standard of human rights or implement substantial economic welfare policy (Jackson, 1990:21). Both the social and economic benefits are only spread among traditional elites and has not yet been shared to the populations as a whole whose lives could have been better by independence. These states could be summed up as primarily juridical statehood. In this context, the ES sees the conditions for a stable international order as more likely when the dominant power (Great Powers) has overwhelming capacity over other ordinary states (Nolte, 2010:888). Great powers enforce and defines rules of the society of states. In doing so, Great Powers prove that they are successful in projecting the political and economic distribution which they provide domestically to the international arena (Nolte, 2010:888). As a result, Great Powers would gain legitimacy to lead and conduct international order because they are considered successful domestically (Nolte, 2010:888). Hence, in the view of the classical ES, ex-colonial states, including some regional powers, are still far behind empirical statehood which Great Powers possesses in order to maintain international order (Jackson, 1990:21).

Pluralist International Society has always preferred Great Powers over regional powers per se which can be seen from many of the frameworks which aim to contain any lesser powers (Morris, 2005:272). International Society has laid down a new platform for regional powers, and ex-colonial states, using the language of primary and secondary institutions as a disguise. On the one hand, the United Nations as a secondary institution is a case in point. The UN Charter created new rules especially for states, which are outside of the category of great power, via particular provisions such as the contents in

Chapter XI and XII (need to develop this point, find the actual primary sources for this) (Morris, 2005:272). They are there for a process of decolonization which would inevitably lead to a global level. Morris points out that this also reflects a lack of consensus among great powers about whether the territorial define state should be a fundamental political entity which should be used to determined future of the people: “the UN's Declaration on Independence for Colonial Counties and Peoples (UN General Assembly Resolution 1514(XV), 14 December 1960) declared that 'inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying independence’” (UN General Assembly Resolution 1514 cited in Morris, 2005:272).

### 3. Defining Regional Powers

Regional powers are partly determined by characteristics which possess predominant material capacities when compared to other states in the region (Hulse, 2016:7). They could be defined as states which demonstrate exceptional economic development relative to other countries in the region, and a higher level of military and political power which can be used to influence international politics (Destradi, 2016:17). To be more precise, they can also be carefully examined by different means when compared to other states within their region; by military power, population and collective GDP (Hulse, 2016:9).

Although material dominance is an integral criterion of regional powers, it should not be solely judged in absolute power capabilities (Neumann, 1992: xiii). Instead, to reiterate, comparing to other states’ ability in the region is equally important, and should be included in the equation as well. Examples can be seen from Australia in Oceania, Indonesia in Southeast Asia, China and Japan in East Asia, to South Africa in African region (Bolarinwa, 2013; Hellendorff and Schmitz, 2014; Katzenstein and Rouse, 1993; Makinda, 1992; Morrison, 1993; Zhao, 2004). Applying a factor of material dominance in comparison with states within a region, most scholars believe that Australia, Germany, Brazil, China, Russia, India, Japan, and South Africa are regarded as regional powers (Hulse, 2016:9). On this basis, a ‘region’ is determined by the existence of regional organisation which involves more than three states in close regional proximity, which work together to search for common grounds within the context of legally codified regional institutions (Hulse, 2016:9). Regional powers are deemed to assert their influence on regional peacemakers, police and leading a role of moral authority (Flems, 2007:10). Furthermore, regional powers see themselves as having a

duty to play a leading role (Hulse, 2016:7). Powerful states oftentimes project the image of themselves as leaders of their regions and also incline to assert their claim towards representing the interests of the whole region (Hulse, 2016:7). Nevertheless, those states frequently fail to invest and pay for what they often preach, resulting in what Hulse (2016:7) calls “expectations-reality gap”.

Apart from the characteristics of regional powers, it is crucial to distinguish the differences and shared characteristics between the notion of “middle power” and “regional power” (Nolte, 2010:890). Traditional middle powers appear to focus on their role in international politics while the newly emerged middle powers are both, at the same time, regional powers and middle powers on a global scale. However, it is better for our understanding to differentiate between middle powers and regional powers in terms of leading power, which is constituted by self-conception, leadership, and power resources (Nolte, 2010:890). Leaderships are also defined by how influential states are politically in diplomatic forums, which can also be wielded by middle powers. Regional powers always prioritise power and leadership over resources. On the contrary to middle powers, regional powers hold a special responsibility for regional order and security in maintaining stability in the region (Nolte, 2010:890). Nevertheless, for regional powers to play along this role, they need to meet the following conditions:

- The domestic dynamics of regional power should enable it to play a leading and stabilising part within its region (Nolte, 2010:890).
- Regional power should be able to show its capability and willingness to be a stabilizer, peacekeeper, peacemaker and regional leader (Nolte, 2010:890).
- Regional powers should be acceptable among its neighbours, who are considered being part of the membership of the security complex in which it works, as a leader looking after regional security (Nolte, 2010:890).

#### 4. The Role of Regional Powers

Their responsibility is to maintain regional order while sometimes having a considerable degree of support from the great powers (Flems, 2007:10). In addition, regional powers are expected to enhance and advocate for acceptable standards, rules and norms in the matters of a conduct of regional relations and politics (Flems, 2007:10). They have the resources to demonstrate their power within their own region whilst a global power

is a country with the capacity to exercise its power over many regions (Kim and Urpelainen, 2015:216). It is worth bearing in mind that the empirical information of superior material capabilities does not necessarily mean that powerful states must lead other states in their

region (Hulse, 2016:7). Still, it is widely believed that powerful states have a burden of care and responsibility towards sub-regions, and expecting regional powers to maintain regional order within their regions (Hulse, 2016:7).

Although most scholars consider China, India, Brazil and South Africa as regional powers, fluctuations of power in countries which seem to play an important role such as Germany, Japan, and Brazil, show us that membership in the club of regional powers can be altered in different circumstances (Destradi, 2016:17). For example, it is true that Russia is a member of the BRICS but it does not belong in the same category of having exceptional economic prowess, instead it ought to be seen as a declining power and an ‘outlier’ (Destradi, 2016:17). In spite of that, the United States is the most powerful global leader in most areas (Kim and Urpelainen, 2015:216). Nonetheless, countries such as Brazil, China, India, South Africa and others exist as regional powers. Kim and Urpelainen (2015:216) focus on a variety of regional powers’ capacities to achieve political-economic alliances with other states within a region, assuming that global power’s interests and regional power’s interests do not go along the line with each other (Kim and Urpelainen, 2015:216). There are a number of instances which substantiate this claim. China has become a leading regional power in Asia which results in the rivalry between the United States and China in making alliances with different Asian countries in the region (Kim and Urpelainen, 2015:216). Another example is Pakistan’s dismay of the United States because of the military intervention in Afghanistan. This leads to suspicion among security and foreign policy makers in the United States towards a strong relationship between China and Pakistan (Kim and Urpelainen, 2015:216). This would deter the United States from imposing its influence effectively on Pakistan’s policies (Kim and Urpelainen, 2015:216). However, it should be pointed out that China and Pakistan have created preferential trading agreement in 2006 (Kim and Urpelainen, 2015:216). As Pakistan’s growing dependence for China in terms of economic and security benefits, the United States must work harder to gain Pakistan’s policy concessions, for example, cooperating together to tackle the problems of terrorism. This has made American leaders anxious, now that friendship with Pakistan are already fragile (Kim and Urpelainen, 2015:216).



Conceptualising Regional Powers of International Society in the Asia-Pacific Region In order to substantiate Nolte’s proposal of the role of regional power, I would like to draw relations between some of Hedley Bull’s conceptualisations of Great Powers Management, namely avoidance and control of crises, preservation of the balance of power, and sphere of influence, interest, or responsibility, and Nolte’s conceptualisation of regional power, such as domestic elements of regional powers should not prevent them from leading and stabilising conflicts within the region, the willingness of regional powers to be a stabilizer, peacekeeper, peacemaker and regional leader, and partly the acceptance of regional powers from their neighbours. The relations between Bull’s and Nolte’s conceptualizations will be analyzed through important but controversial issues in Asia-Pacific Region. All of the examples argue in the similar line of argument— regional powers are able to maintain international order despite skirmishes at the regional while contributing to international order at global levels as well.

### 5. Regional Powers Management: Avoidance of Conflicts or Control of Crises

At the end of the Cold War, China and India started to develop a framework of engagement (Dutta, 2011:128). Indian Prime Minister Rajiv Gandhi had visited Beijing in December 1988 for the first time in 34 years, to meet Deng Xiaoping, China’s leader at the time, and Communist Party General Secretary Zhao Ziyang (Dutta, 2011:128). After that, several talks ensued, such as Prime Minister Narasimha Rao’s talks with Premier Li Peng in 1993, and President’s Jiang Zemin’s talks in New Delhi in 1996 which marked a six-fold plan for improving relations (Dutta, 2011:128). The cooperation between the two countries involved confidence building between security issues, especially in relation to military, having high-level official summits and exchanges, maintaining order and stability on territorial disagreements, searching and supporting cultural and educational exchanges, enhancing economic ties and strengthening trade relations and opening tourist sectors (Dutta, 2011:128). The cooperation redresses the tension and strain of the relationship during the following two decades and maintain stability (Dutta, 2011:128).

Despite the improvement in the relationship between the two countries, undeniably, in the contemporary period, China and India have encountered a number of disputes, be it territorial disputes, Tibetans in exile, concerns over the building of dams on the Yarlung—Tsangpo River, to China’s attempt to build alliance with Pakistan with the aim of balancing India. However, the most urgent issue cannot be anything else apart from the possession of nuclear weapons of both countries. In the recent event, in June 2020,

a military clash over the conflicted areas in the Himalayas, has undermined the relationship between China and India (Dalton and Zhao, 2020). The military conflict on the shared border in the Galwan Valley is the worst violent confrontation the two possessors of nuclear weapons have ever had in the past fifty years (Dalton and Zhao, 2020). This tense confrontation focuses on the long time but rigorous competition between China and India (Dalton and Zhao, 2020). The most perplexing question derived from this clash between the two countries is why nuclear weapons have not been pushed forward into the scene. The answer lies in one of the characteristics, which is the attempt to control and avoid crises, of China and India as regional powers.

With regards to India, since the 1960s, given that India is outside the Non-Proliferation Treaty (NPT), Indian diplomatic focus has been about persuading major international actors that it could still be regarded as nuclear responsible (Leveringhaus and Estrada, 2018:10). India as a regional power did not follow the request to sign the NPT and CTBT (Comprehensive Nuclear-Test-Ban Treaty), the main goal of the United States’ negotiators attempt to create bilateral agreement in the wake of the test and the UNSC Resolution 1172 (Leveringhaus and Estrada, 2018:10). Rather, India chose to comply to the requirements of NPT signatories in a different way, by providing the nuclear technology to non-nuclear states as stating in the Article I of the Treaty, and since the 1998, has been willing to follow the standards of the voluntary moratorium on the testing of nuclear weapons (Leveringhaus and Estrada, 2018:10). Indian authorities have been proud to show India’s outstanding contribution on the non-proliferation of nuclear materials and informing the public about technicalities of nuclear weapons beyond its borders (Leveringhaus and Estrada, 2018:10). In 2005, India introduced Weapons of Mass Destruction and their Delivery Systems Act while in 2013, it updated the national export control list (Leveringhaus and Estrada, 2018:10). The list of dual-use items is Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) which has been developed in accordance to those of the NSG and the Missile Technology Control Regime (MTCR) (Sullivan, 2014: 4). From all these improvements, India wanted the world to see that India was willing to follow international standards.

One the other hand, China sees its relations with India as considerably cooperative, influenced by, shared common interests in avoiding crises, and having both regional power and a potential great power status in international society (Dalton and Zhao, 2020). One Chinese academic pointed out that China never consider India as a direct threat, but other Chinese scholars see the relationship as more about competition in the regional level. Supporting this view are controversial topics related to the Himalayas

border dispute and the interactions with Pakistan as well as contrasting visions for future global governance in the Indo-Pacific region (Dalton and Zhao, 2020). Conventionally, Chinese strategists hold the view that nuclear weapons serve only as instrumental and strategic deterrence. Thus, the broader picture of China-and India relations is very positive when it comes to nuclear weapons, making them less relevant. Specialists on Chinese studies believe that India only aims to maintain positive international environment for economic prosperity and has no incentive for a nuclear conflict with China (Dalton and Zhao, 2020). They assert that the economic relationship will prevent Indian leaders from severing the bilateral relations (Dalton and Zhao, 2020).

## 6. The Avoidance of Conflicts and Control of Crises in the East-China Sea Disputes

The East China Sea disputes pose considerable divisions over both maritime and territorial conflicts in the East Asia (Shea, 2015:549). Maritime dispute is derived from overlapping claims of sovereignty whilst conflicts over territory is caused by disputed Senkaku/Diaoyu Islands, which is located in the conflicted maritime areas (Shea, 2015:549). The priority of Chinese security and foreign policy remain related to the claim of Japanese sovereignty over the Senkaku/Diaoyu Islands and the creation of maritime boundary of Japan in the East China Sea (Duchâtel, 2016:13). However, both China also asserts ownership over Senkaku/Diaoyu islands. While Japan administers these islands at present, China asserts sovereignty over them (Panda, 2017). The East China Sea disputes have sunk into a military, diplomatic, and political quagmire in China-Japan relations (Duchâtel, 2016:13). Leading academics, military and political figures from both sides express their concerns over potential escalation risks and promptly calling for enhanced control of crises (Liff and Erickson, 2017:605).

The MACM is one of the tools of crisis management consultation between the military forces from China and Japan (Duchâtel, 2016:14). The aim of MACM is to prevent and control undesirable clashes during close proximity of, and to be a means of communication for, both disputed parties (Duchâtel, 2016:14). Under the responsibility of this mechanism, Japan and China agreed to hold senior official and expert-level meetings with the aim of examining technical and operational problems which need to be tackled (Japan times, 2018). They also reassure that the Self-Defense Forces and the Chinese military will stand by the present communications protocols between naval and aerial forces to prevent further conflicts (Japan times, 2018).

China and Japan agreed to cooperate on the East China Sea dispute in 2018 by setting up "conflict communication mechanism" which involves using hotline in order to deter aerial and maritime clashes over disputed claims in the East China Sea (Sim, 2018). The then Prime Minister Shinzo Abe and Premier Li Keqiang signed an agreement to create a hotline within 30 days for high level defence officials to negotiate and exchange views with each other (Sim, 2018). Apart from the hotline, both leaders provided meetings between senior defence officers from both countries to communicate about maritime incidents (Sim, 2018).

Besides regional powers' role in controlling crises in the East China Sea, both China and Japan also promote common interests in avoiding historical conflicts between the two countries by establishing establish a Joint History Research Committee so as to lessen tensions and depoliticize the topic of the colonial past (Hughes, 2009: 843). In terms of contributing to the control of crises at the global level, Japan also donated \$13 billion to the US military intervention in Iraq in 1990-1991 (Sakaki and Lukner, 2013: 164). Later on, Japan took a further step by deploying SDF troops to UN peacekeeping missions in Cambodia, Zaire, Mozambique, and East Timor (Sakaki and Lukner, 2013: 165).

## 7. Australia's Contribution to the Control of Crises at the Global Level

Counterterrorism has undeniably been an indispensable aspect of EU-Australia security cooperation (Matera, 2018:229). Australia and EU nations have encountered detrimental effects of terrorist violence against their citizens. By working on information sharing and political dialogue on terrorism and collaborating to enhance effective international effort to prevent and fight against terrorism via the United Nations, the EU and Australia have determined to find a common grounds in order to 'fight against terrorism in full respect for the rule of law and human rights' (Australian Government and EU 2017, Article 9.1 cited in Matera, 2018:229). This leads to effective engagements between the EU and Australia in several levels, be it bilateral, multilateral, and regional (Matera, 2018:229).

Australia understands that the EU is a crucial partner and an essential security actor (Matera, 2018:229). After the end of the Cold War, particularly since the 11 September 2001 terrorist attack in the United States, the EU and Australia have strengthened their security cooperation (Matera, 2018:229). The security engagement between the two countries have concentrated on topics related to counterterrorism, the promotion of peace and stability, data sharing and law enforcement. Australia's security environment

has been shaped by concerns related to the changing of a rules based international order, state fragility, and threat of terrorism (Matera, 2018:229). In terms of counterterrorism and law enforcement, Australia and EU work in tandem in several dimensions. For example, Australia and EUROPOL come into terms in February 2007 to exchange, and assist each other on, information sharing between Australia Federal Police and EUROPOL (Matera, 2018:229). This results in collaboration in solving terrorism and transnational crimes such as drug and human trafficking, and illegal immigrant smuggling (Matera, 2018:229).

Australia’s involvement in the EUAM Iraq shows a substantial level of acknowledgement by the EU and Australia of their shared values in contributing to stability in the Middle East (Matera, 2020: 4). The Australian authority sees its deployment to EUAM Iraq as a significant contribution to the control of crises globally as it was the first time that Australia assisted EU-led humanitarian mission (Matera, 2020: 4). The Australian government has contributed through several means such as providing know-how on election, personnel for peacebuilding, humanitarian aid, disaster management, and justice assistance (Matera, 2020: 4).

Regional Powers Management: Balance of Power Japan-India-Australia Alliance States want information on the ongoing affairs in the South China Sea because they need reassurance whether they should dispatch warships or aircraft (Nagao, 2015:4). As of late, there has been an increment at the number of Japan’s Maritime Self Defense warships and aircraft sent off to Vietnam and the Philippines (Nagao, 2015:4). It should be noted that Australian submarines often searched and collected essential data in the South China Sea, during the Cold War. The current situation calls for a similar action (Nagao, 2015:4). The occasional presence of India's battleships in the countries, which have been in conflicts in the South China Sea, has similarly risen (Nagao, 2015:4). Nevertheless, as each of the battleships and air-forces can only be presence in a brief period of time, the aforementioned countries could substitute for each other or shift guards, accordingly share the received or obtained information, and hence inspect the South China Sea frequently (Nagao, 2015:4).

In addition, capacity building substantiates the existence of trilateral partnership, showing what can be done in terms of security concerns (Nagao, 2015:4). For a certain period of time, Japan has enhanced the improvement of disaster management and anti-piracy measures in Southeast Asia. Currently, Japan is also providing useful equipment, such as patrol ships and aircraft, to Philippines and Vietnam. Likewise,

Australia has contributed to preparing and training Special Forces and assisted the training of the UNPKO in Vietnam (Nagao, 2015:4). India's initiative programme for training fighter pilot and submarine crews in Vietnam also reflects a solid capacity building strategy (Nagao, 2015:4). Plus, India has plans to provide four offshore patrol vessels to Vietnam. The meaningful result in capacity building would, in this way, be a situation in which these three states were to enter into constructive and cooperative project, where overlaps would not occur and appropriate help would be given (Nagao, 2015:4). For instance, in the case that Japan and Australia built an airport and other provisions in Vietnam, and if the Indian Air Force helped Vietnam with the training of fighter pilots, Vietnam would at that point obtain the benefits of fighter pilot training and an airport (Nagao, 2015:5). This trilateral cooperation of Japan-India-Australia would serve the benefits of the allied members (Nagao, 2015:5).

These three states could also work together to demonstrate their presence (Nagao, 2015:5). The example of being presence is the Japan-US-India Trilateral Malabar Exercises which took place in 2011, which aimed to be implemented near the Okinawa islands of Japan (Nagao, 2015:5). Despite the fact that Japan was not presence in the joint exercises because of the damage from the Great East Earthquake, it was however appreciated the act of the United States and India for carry out the exercises. This trilateral exercise is wisely planned to show their balance of power exercise since the Chinese naval was frequently dispatched near Okinawa islands (Nagao, 2015:5). Japan needed to move some of its warships from Okinawa islands to the areas affected by the earthquake in order to put rescue operation into action (Nagao, 2015:5). Under such tension, the presence of the security allies such as India and the United States, in the words of Nagao (2015:5), “sends a strong signal to China to deter from exercising its policy of aggression against Japan.”

## 8. Indonesia’s Balance of Power

While Chinese claims over Islands in the South China have been sufficiently disputed by Indonesian foreign policy experts, Indonesia further responded by showing its desire to increase military air patrols in the region and support people to move to Natuna Islands (Umbach, 2000: 178). It has also implicitly encouraged the United States to be more involved in its engagement in the conflicts. In the summer of 1996, Indonesia demonstrated its balancing act by initiating the largest air, land and naval manoeuvres, and other military operations such as amphibious assaults and airborne landing, using more than 19,000 servicemen, 40 combat aircrafts, and 50 warships around the area on

Natuna Islands to reassure China of its seriousness in defending the sovereignty of the islands (Umbach, 2000: 178). Indonesia is known for having a navy which is still mainly a coastal defense force (Umbach, 2000: 178). Thus, Indonesia needed to strengthening and widen its defense relations with Australia and the United States. It is now trying to open its water more broadly for free movement of foreign warships and submarines (Umbach, 2000: 178). Given Chinese claims of sovereignty over the South China Sea, Australia’s move to signed a bilateral security agreement with Australia in December 1995 was a reasonable and strategic plan so as to be prepared for a potential military confrontation with China (Umbach, 2000: 178).

### 9. Regional Powers Management: Sphere of Influence or Sphere of Collaboration?

India’s ambition in the Indian Ocean are influenced significantly by its concern about the increasing presence of the Chinese in the region (Hornat, 2015: 10). Th String of Pearls causes concern about a likelihood Chinese ‘containment’ of India and the fear that China might attempt to play the same role in the Indian Ocean as it asserts political and economic dominance in the East and South China Seas. India has been reacting to the Chinese presence in the Indian Ocean by deploying a navy communication satellite which is able to cover the whole of the Indian Ocean, creating the construction of the port facility in Chabahar, Iran, and establishing a station in Madagascar (Hornat, 2015: 10). In addition to enhancing its relations with Southeast Asian nations as part of the Look East Policy, India has been explicitly developing its relations with Japan’s strategy which China is very uncomfortable with. Furthermore, Former Indian prime minister Manmohan Singh regarded Japan as a ‘natural and indispensable partner in our quest for peace and security’ (Menon 2014 cited in Hornat, 2015: 10). Besides such recognition, Japanese Minister Shinzo Abe received an honour as the ‘Chief Guest’, which is specially reserved for the closest friends of India, to attend India’s Republic Day Parade (Hornat, 2015: 10).

There are numerous points of convergence between China and India in the maritime sphere and economic activities (Mittal, 2019). In the maritime sphere, the security of sea lines of communication (SLOCs) against piracy and terrorism threats, freedom and safety of navigation for seaborne commerce and preservation of the marine environment are major points of convergence. The PLAN and IN have operated jointly against piracy in the Gulf of Aden and off Somalia since 2008 (Mittal, 2019). On 5 May 2011, after a merchant ship, Motor Vessel (MV) Full City operated by a Chinese state-owned shipping company requested assistance against pirates, an IN maritime patrol

aircraft located the vessel at sea (Mittal, 2019). The IN aircraft subsequently guided US and Turkish Navy forces to assist the vessel against the pirates. The Government of China expressed its appreciation to India on the successful conclusion of the operations (Mittal, 2019). In October 2013, the PLAN and IN participated in a multilateral drill focusing on anti-piracy and illegal immigration (Mittal, 2019). In April 2017, MV OS 35, a Tuvalu-registered bulk carrier was jointly assisted by the PLAN and IN against a piracy attack off the coast of Somalia (Mittal, 2019). Anti-piracy initiative has increased the interactions between the two navies (Mittal, 2019). In other words, these operations are considered as tools for cooperation and confidence building (Mittal, 2019).

There are many factors which indicate a sphere of cooperation between China and India in the economic and maritime activities (Mittal, 2019). With regards to maritime sphere, important points of convergence are ranged from working together in fighting against threats from piracy and terrorism (the security of sea lines of communication (SLOCs)), ensuring freedom and safety of navigation for seaborne commerce, and protecting marine environment (Mittal, 2019). Indian and Chinese navies had been working together to prevent piracy in the Guld of Aden and off Somalia since 2008. Furthermore, in May 2011, A government owned shipping company, Mortor Vessel (MV) Full City needed assistance to fight against pirates, IN maritime had come into play by locating the vessel at sea (Mittal, 2019). As a consequence, the IN aircraft also enhanced the Turkish and US Navy forces in order to help the vessel against the pirates. The Chinese government showed its gratitude to India on the generosity of India’s cooperation. In October 2013, the Indian and Chinese naval forces joined together in a multilateral drill emphasizing on anti-piracy and illegal immigration (Mittal, 2019).

In addition to development in the expansion of naval advancement, the past decade has shown that India been extending its influence throughout the Indian Ocean (Brewster, 2010:3). The Indian Navy has been eager to form and expand security relationships which are created to strengthened India’s ability wield its power and contain China’s ability to further develop security relationships with other countries in the region (Brewster, 2010:3). As the Indian Ocean is known for having an enclosed sea, the Indian Navy thus gives special attention to the “Choke points” at entrances to the ocean near Arabian peninsula, southern Africa, and the areas which connects the Indian and Pacific Oceans via the Indonesian archipelago (Brewster, 2010:3). As the the Indian Navy’s 2004 Maritime Doctrine suggests that being in control of the choke points mean that India would have a high bargain in the international power game (Brewster, 2010:3). The Indian Navy has also claimed itself and acted as the leading Indian Ocean power



via such pioneering such as financing the multilateral Indian Ocean Naval Symposium, which is an event hosted by India, especially for navies of all littoral states in the Indian Ocean (Brewster, 2010:3).

The notion of the String of Pearls does help with the understanding of China’s assertive behavior in the Indian Ocean region (Holmes and Yoshihara, 2008:378). China’s alliances with Myanmar and Pakistan are the example. Beijing can use their strategic relationship with these two states to counter balance the United States’ presence in the region, monitor India’s rise and activities, and predict the pattern of maritime activities (Holmes and Yoshihara, 2008:378). China can also seek alternative routes provided by its alliances in order to avoid the chokepoint at Malacca. Chinese security advisors have also suggested China to build oil pipelines via Pakistan and Myanmar (Holmes and Yoshihara, 2008:378). The point of China’s String of Pearls, in short, is the attempt to gradually build strong foundations of a strategic maritime infrastructure which would increase the prospects of economic gain and its military presence in the Indian Ocean (Holmes and Yoshihara, 2008:378).

After the damage of the Bali bombings in 2002, counterterrorist response has become one of the defining features between Australia and Indonesia (Gyngell, 2007:108). Australia’s contribution on this issue had been mainly on the Indonesian special forces which was a major Indonesian strike force counterterrorism operation. The security agenda was broadly demonstrated in a Memorandum of Understanding on counterterrorism signed in February 2002. The Prime Minister Howard had contributed \$10 million for the four-year plan of counterterrorism assistance, which was later expanded to \$20 million in 2004 (Gyngell, 2007:108). One vivid example of the assistance was the founding of a security entity in 2004 called of the Jakarta Centre for Law Enforcement Cooperation (JLEC) which has laid platform for training in countering terrorist as well as training law enforcement officers from Indonesia and Southeast Asia at large (Gyngell, 2007:108).

Moreover, in February 2006, a new special centre called A Transnational Crime Centre was, jointly funded by Australia, officially opened in Jarkarta in order to support the Indonesian National Police’s capacity to ease the problems of drug trafficking, money laundering, cyber-crime, and terrorism. As the result of the cooperation between AFP and Indonesian police, the Australian government argued that the effectiveness and collaboration between the two had been an instrumental part in taking down more than 160 terrorists and associates who were complicit (Gyngell, 2007:108).

However, the war on terror did not tear apart the relationship between the countries, mainly because of the realisation of the Indonesian government on the seriousness of the terrorist problem (Smith, 2004:5). The collaboration between the Indonesian police and the Australian Federal Police marked a success due to the arrest of culprits in the Bali blast. Over 80 jihadi or more have been captured in short period of time or another or on the premise of detective work and thorough analysis of forensics (Smith, 2004:5). When Indonesia decided to punish two of the Bali bomb organisers by using death penalties, there were different opinions and reactions from the victims' relatives because they saw death penalties as immoral (Smith, 2004:5). However, any prospect of the protest from the Australian side against such punishment, was put to rest after the Prime Minister Howard emphasised that his government would not intervene or object these sentences. Some commentators in Australia interpreted this as going along with the feelings of discontent over the Bali blast (Smith, 2004:5). Even before the destruction of the Bali blast, Australia still believed that terrorism was the primary threat. Indonesia concurred with such belief and added that secure partnership between the two countries was a key component in tackling the issue. Similarly, the priority of Australia was to maintain effective collaboration with Indonesia on the issues of war against terrorism (Smith, 2004:5).

## 10. Indonesia's Sphere of Collaboration

The first instance is the earthquakes which occurred in Bantul district situated near Yogyakarta on 27 May 2006 (Sulistiyanto, 2010:129). Australian citizens who lived in Yogyakarta and in Australia instantly started to gather sums in response to the pressing needs of the people who were affected by the earthquakes, providing necessities such as food and materials for fixing their houses. There were numerous Australian students who were studying in Yogyakarta but always found time to provide practical assistance to the victims of the earthquakes (Sulistiyanto, 2010:129). The Australian universities' consortium (ACICIS) network of students had an important role in helping victims. The fund raising was organised by Australian people from Adelaide with the goal of assisting families in Pundong village, Bantul district. The funding was dispatched to an Australian itinerant who could get access to contacts of these families directly (Sulistiyanto, 2010:129). The money was mostly spent for medical items, materials for building houses, and food. Some amount of money was used for purchasing domestic animals, which could be used to build a strong foundation for their well-being and could be used to benefit their small business later on. All of these were achieved because of the

assistance from local friends and other non-state actors in Yogyakarta (Sulistiyanto, 2010:129).

Likewise, the second group is from the Network for Tsunami Aceh Inc (NTAI), which was found by residents, from both Indonesia and Australia, who lived in early 2005 (Sulistiyanto, 2010:129). The Network has been unequivocally backed by Indonesian students who studied and stayed in Adelaide. Since its creation, the Network has been able to get assets and resources in Australia so as to help short and long term activities related to educational and welfare implementations in several villages in Aceh (Sulistiyanto, 2010:129). With the help of the Acehnese people, the Network also created a study camp and centre in Aceh in order to allow local children from the disaster areas to learn and participate in cultural activities. There had been development in relations to rebuilding the life and dignity of the Acehnese people (Sulistiyanto, 2010:129).

## 11. Conclusion

This article argues that there is a lack of emphasis on the relations between regional powers and the English School of International Relations. It further argues that the conceptualisation of regional powers can be drawn from the characteristics of regional powers proposed by Nolte's criteria of regional power and Bull's conceptualization of great powers such as avoidance and control of crises, preservation of the balance of power, and the sphere of collaboration between regional powers.

## References

- Ayoob, M. (1999). From Regional System to Regional Society : Exploring Key Variables in the Construction of Regional Order From Regional System to Regional Society : Exploring Key', *Australian Journal of International Affairs*, 53(3), pp. 247–260. doi: 10.1080/00049919993845.
- Brewster, D. (2010) 'An Indian Sphere of Influence in the Indian Ocean?', *Security Challenges*, 6(3), pp. 1–20.
- Bull, H. (2002) *The Anarchical Society A Study of Order in World Politics*. Third Edit. London: Palgrave.
- Buranelli, F. C. (2014) 'Knockin ' on Heaven ' s Door : Russia , Central Asia and the Mediated Expansion of International Society', *Millennium: Journal of International Studies*, 42(3), pp. 817 –836. doi: 10.1177/0305829814540356.
- Buzan, B. and Zhang, Y. (2014) 'Introduction: interrogating regional international society in East Asia', in *Contesting International Society in East Asia*. Cambridge: Cambridge University Press, pp. 1–28.
- Duchâtel, M. (2016) 'China ' s Policy in the East China Sea', *China Perspectives*, 3, pp. 13–21. doi: 10.4000/chinaperspectives.7021.
- Gyngell, A. (2007) 'Australia – Indonesia', in Brendan Taylor (ed.) *Australia as an Asia-Pacific Regional Power: Friendships in Flux?* Routledge, pp. 97–116.
- Holmes, J. R. and Yoshihara, T. (2008) 'Indian Ocean China ' s Naval Ambitions in the Indian Ocean', *Journal of Strategic Studies*, 31(3), pp. 367–394. doi: 10.1080/01402390802024700.
- Hornat, J. (2014) 'The power triangle in the Indian Ocean: China, India and the United States', *Cambridge Review of International Affairs*, pp. 1–19. doi: 10.1080/09557571.2014.974507.
- Hughes, C. W. (2009) 'Japan's response to China's rise: regional engagement, global containment, dangers of collision', *International Affairs*, 85(4), pp. 837–856.
- Hurrell, A. and Hurrell, A. (2007) 'One world ? Many worlds ? The place of regions in the study of international society', *International Affairs (Royal Institute of International Affairs 1944-)*, 83(1), pp. 127–146.
- Jackson, R. (2003) *The Global Covenant*. Oxford University Press.

- JACKSON, R. H. (1990) *QUA SI-ST A TES : SOVEREIGNTY , INTERNATIONAL RELATIONS ,.* Cambridge: Cambridge University Press. Japan and China launch defense communication mechanism to prevent air and sea clashes (2018) Japan Times.
- Leveringhaus, N. and Estrada, K. S. De (2018) ‘Between conformity and innovation: China’s and India’s quest for status as responsible nuclear powers’, *Review of International Studies*, pp. 1–22. doi: 10.1017/S0260210518000013.
- Liff, A. P. and Erickson, A. S. (2017) ‘From management crisis to crisis management? Japan’s post-2012 institutional reforms and Sino- Japanese crisis (In)stability’, *Journal of Strategic Studies*. Routledge, 40(5), pp. 604–638. doi: 10.1080/01402390.2017.1293530.
- Matera, M. (2018) ‘Enhanced European Union–Australia security cooperation through crisis management’, *Australian Journal of International Affairs*. Taylor & Francis, 72(3), pp. 224– 239. doi: 10.1080/10357718.2018.1453478.
- Matera, M. (2020) ‘EU-Australia security cooperation : strengthening crisis management engagement’, *Global Affairs*. Taylor & Francis, pp. 1–7. doi: 10.1080/23340460.2020.1714465.
- Merke, F. (2015) ‘Neither balance nor bandwagon : South American international society meets Brazil ’ s rising power’, *International Politics*. Nature Publishing Group, 52(2), pp. 178–192. doi: 10.1057/ip.2014.49.
- Mittal, R. (2019) ‘Sino-Indian Relations in the Indian Ocean : Conflict or Convergence ?’, *ASSOCIATE PAPERS*, (December 2014), pp. 1–9.
- Nagao, S. (2015) ‘The Japan-India-Australia “Alliance” as Key Agreement in the Indo-Pacific’, *ISPSW Strategy Series: Focus on Defense and International Security*, (375), pp. 1– 6.
- Narine, S. (2006) ‘The English School and ASEAN The English School and ASEAN’, *The Pacific Review*, 19(2), pp. 199–218. doi: 10.1080/09512740500473247.
- O’SHEA, P. (2016) ‘How Economic, Strategic, and Domestic Factors Shape Patterns of Conflict and Cooperation in the East China Sea Dispute’, *Asian Survey*, 55(3), pp. 548–571. doi: 10.1525/as.2015.55.3.548.
- O’SHEA, P. and How (2015) ‘How Economic , Strategic , and Domestic Factors Shape Patterns of Conflict and Cooperation in the East China Sea Dispute’, *Asian Survey*, 55(3), pp. 548–571.

- Panda, A. (2017) Japan, China Agree to Implement East China Sea Crisis Management Hotline, *The Diplomat*. Available at: <https://thediplomat.com/2017/12/japan-china-agree-to-implement-east-china-sea-crisis-management-hotline/> (Accessed: 4 December 2020).
- Pourchot, G. and Stivachtis, Y. A. (2014) 'International society and regional integration in Central Asia', *Journal of Eurasian Studies*. Elsevier Ltd, 5(1), pp. 68–76. doi: 10.1016/j.euras.2013.09.001.
- Sakaki, A. and Lukner, K. (2013) 'Introduction to Special Issue: Japan's Crisis Management amid Growing Complexity: In Search of New Approaches', *Japanese Journal of Political Science* /, 14(2), pp. 155–176. doi: 10.1017/S1468109913000017.
- Schouenborg, L. (2012) 'Exploring Westphalia's Blind Spots: Exceptionalism Meets the English School', *Geopolitics*, 17(1), pp. 130–152. doi: 10.1080/14650045.2010.523096.
- Seagle, A. (2014) 'The European Union : a Regional International Society from the Point of View of the Romanian Governmental Elites', *Romanian Journal of European Affairs*, 14(3), pp. 65–83.
- Sim, W. (2018) Japan, China agree on 'conflict communication mechanism' over East China Sea, *The Straits Times*. Available at: <https://www.straitstimes.com/asia/east-asia/japan-china-agree-to-set-up-conflict-hotline-for-east-china-sea>.
- Stivachtis, Y. A. (2008) 'Civilization and international society: the case of European Union expansion', *Contemporary Politics*, 14(1), pp. 71–89.
- Stivachtis, Y. A. (2014) 'European Union and world order : an english school approach', *Estudos Internacionais: Revista De relações Internacionais Da PUC Minas*, 2(2), pp. 321– 342.
- Sulistiyanto, P. (2010) 'Indonesia–Australia Relations in the Era of Democracy: The View from the Indonesian Side', *Australian Journal of Political Science*, 45(2010), pp. 117–132 Indonesia–Australia. doi: 10.1080/10361140903517742.
- Sullivan, K. (2014) 'Exceptionalism in Indian Diplomacy : The Origins of India ' s Moral Leadership Aspirations', *South Asia: Journal of South Asian Studies* ISSN:, 37(4), pp. 640– 655. doi: 10.1080/00856401.2014.939738.
- Summary, E. (2004) 'Australia-Indonesia Relations : Getting Beyond East Timor', *Asia-Pacific Center for Security Studies Australia-Indonesia*, iSuzuki, S. (2005) 'Japan's Socialization into Janus-Faced European International Society', *European Journal of International Relations*, 11(1), pp. 137–164. doi: 10.1177/1354066105050139.

Dalton, T., & Zhao, T. (2020). Carnegie Endowment for International Peace. Washington: Carnegie Endowment for International Peace. Retrieved from <https://carnegieendowment.org/2020/08/19/at-crossroads-china-india-nuclear-relations-after-border-clash-pub-82489>.

Umbach, F. (2000) 'ASEAN and major powers: Japan and China - a changing balance of power?', Lit Verl, pp. 171–213.

Webber, Y. A. S. and M. (2011) 'Regional International Society in a Post-Enlargement Europe', *European Integration*, 33(2), pp. 101–116. doi: 10.1080/07036337.2011.543519.

## *Sino-Russian Relations and Its Implication on Russia's Position in the Asia-Pacific: A Constructivist Approach*

Chitra Tkhompira  
chitratkhompira@outlook.com

### **Abstract**

The paper seeks to explain Sino-Russian relations through a constructivist approach and explore the impact of Sino-Russian alliance on shaping Asia-Pacific relations toward Russia. Based on theoretical framework and discourse analysis, the paper will shed light on Sino-Russian ideational structure, explicating how shared ideas/interests have formed strong ties between two states and how ideational factors have affected on states' foreign policy behaviors. The paper argues that "Sinocentrism" in Russia's "turn to the East" policy can be an obstacle for Russia's success in the Asia-Pacific and explain the consequences of the clash of interests/ideas of China and India for the development of Russia in the Asia-Pacific.

In this sense, although most scholars have perceived Sino-Russia partnership to be successful for the both sides, this paper contributes that strong Sino-Russian relations are considered as a potential threat to Asia-Pacific security and stability. This point explains the collusion of interests between major Asia-Pacific powers (China, India and Japan).

**Keywords:** Sinocentrism, Russia, China, constructivism, Asia-Pacific



## 1. Introduction

Russia’s identity and interest in this region has been shifted toward the Eurasian power, especially after the Ukraine crisis in 2014 and its subsequent European sanctions. Earlier, Russia’s foreign policy was primarily focused on European countries, but because of the conflict in Crimea, the US and the EU imposed a series of sanctions against Russia. In turn, the latter significantly limited Russia’s access to Western capital and markets. This meant that Russia has begun to pay more attention to other regions and a significant emphasis was placed on the Asia-Pacific region. In addition to increased interest in the Asia-Pacific region, Russia also introduced a “turn to the East” policy or “pivot to East” as an alternative to the West (Hill & Lo, 2013).

Nevertheless, despite the increased interest in the Asia-Pacific region, comprehensive cooperation between Russia and the countries of this region still seems to be distant and minimal (Poonkham, 2016). This is because in view of the “turn to the East” policy, Russia has overemphasized on developing closer ties with the rising and assertive China.

In this sense, the study aims to discuss Russia–Asia-Pacific relations from the constructivist approach in order to identify the key ideational variables that have made an impact on Russian policy towards the Asia-Pacific. Therefore, the study poses the research question, as follows: Why is Russia not successful in Asia-Pacific region? And how Sino-Russian relations implicate on Russia’s position in Asia-Pacific?

At the same time, one must proceed from the fact that Russia’s position in the Asia-Pacific region and in Asia as a whole is currently not deteriorating, but, on the contrary, is noticeably improving, although not so fast. At the same time, the main tenets of Russia’s policy remain the same as before, namely: not so strong participation in the economic and political activities of the Asia-Pacific Region as well as a lack of common ideas and interests with some of the Asia-Pacific countries. But almost everywhere today, the large and important role that Russia is destined to play in ensuring the political stability and security of this region, and more recently, in solving its energy problems, is gradually recognized (Bratersky & Policy, 2018).

## 2. Research Questions and Hypothesis

As the problems and challenges still existing in Russian – Asia-Pacific relations, this research would primarily be guided by the key question: Why is Russia not successful in the Asia-Pacific region? Does China play a negative or positive role in Russia’s development in Asia-Pacific?

The hypothesis of this thesis is that though there are several reasons why Russia is not very successful in the Asia-Pacific region economically and politically. The main factor is the lack of shared ideas, interests, values and norms so as to build strong relations with the Asia-Pacific countries. This study is using a constructivist theory to explain Russia—Asia-Pacific relations (and their lack thereof). Another reason can be explained by Russia’s ineffective policy towards Asia-Pacific by treating the region ideationally as merely “a backup plan” for Russia in the event of conflicts in Europe. Moreover, Sino-Russia alliance is also expected to play a pivotal role in shaping Russia-Asia-Pacific countries relations. However, for now, this alliance seems to be seen as a threat to a stability in the Asia-Pacific region, what in turn affects the success of Russia’s cooperation with Asia-Pacific countries due to security issues.

## 3. Research Objectives

The objectives of this study are:

- (1) To explain Sino-Russian relations through constructivist approach, based on shared interests and ideas.
- (2) To study the impact of Sino-Russian alliance on shaping Asia-Pacific relations toward Russia.

## 4. Research Methodology

This study opts for a qualitative research methodology. Its independent variables consist of Russia’s Eurasian identity and Sino-Russian ideational structure (shared ideas/interest). Dependent variables are the Russia—Asia-Pacific relations, especially its relationship with key actors in the region, namely China, Japan and India.

The study also applies a discourse analysis. This method is an extensive group of essentially diverse, linguistically oriented approaches. The discourse analysis is often defined as the integral sphere of the study of linguistic communication in terms of its

form, function and situational, socio-cultural conditionality. It is important that one of the reasons for the emergence of an interdisciplinary field for the study of discourse analysis is due to the study of language in a social and cultural context, which once again emphasizes it is considered as the most appreciate method to be applied for this study (Johnstone, 2018).

The study will analyze both primary and secondary sources related to the topic of the problem being studied. Primary sources include interview transcripts, documents of negotiations and conferences held by Russia with the Asia-Pacific. Secondary sources include articles and documentaries that synthesize information on a topic. The study will use a discourse analysis in order to make sense of these sources.

## 5. Literature Review

The literature review is categorized into two main themes: sinocentrism in Russia’s “Pivot to the East” policy and China’s influence on Russia’s security role in Asia-Pacific.

### 5.1 Sinocentrism in Russia’s “Pivot to the East” Policy

In 2008 a new concept of the Russian foreign policy was adopted, in which the Asia-Pacific region was again presented as a foreign policy priority, which stated the need for a “turn to Asia” policy, which would help attract investment for the development of agriculture in Siberia and Far East and take steps for wider participation of the Russian Federation in regional integration organizations, it was expected that economic and political relations between Russia and Asian countries would grow exponentially. However, Fiona Hill and Bobo Lo (2013) argued in their article that in fact no important changes have occurred, and Russia still looks only towards China, whose economic growth is changing the general balance of power in the region and far beyond its border.

It is worth noting that Bobo Lo (2015) is of the opinion that “turn to East” policy is a myth and all this policy is limited only by excessively increased attention from Russia to China, which leaves behind the rest of the Asia-Pacific region. The so-called “sinocentrism”, which greatly limits Russia’s influence in the Asia-Pacific region.

The fact is that the question of sinocentrism in relations between Russia and other countries of the Asia-Pacific region occupies almost the most important place, since from the very beginning there was a debate in one of the Natasha Kuhrt’s (2015) articles

where he raised a question which path in the east Russia will choose: diversity or sinocentrism. And as the current situation shows, Sino-Russian relations completely overshadow the development of Russia's relations with other Asian countries.

Therefore, the question arises whether Russia will be able to overcome this problem and build the same strong relations with other countries of the Asia-Pacific region without damaging relations with China.

According to Bobo Lo (2009), the answer to this question is rather positive than negative, because it is not for nothing that Russian - Chinese relations are commonly called the popular term "convenience vector". The fact is that both countries recognize the importance of maintaining peaceful relations with the longest common border between the countries. Both countries consider their primary and secondary security problems, which makes the peaceful maintenance of their mutual strategic rear areas very important.

Thus, the Sino-Russian partnership entails some costs. The closer these relations are, the more difficult it is for Russia to develop ties with other Asian partners, which leads to a more general thesis that Russia's policy regarding Asia is determined more by external than internal factors.

## 5.2 China's Influence on Russia's Security Role in Asia-Pacific

The security issue of the Asia-Pacific region is often raised by authors such as William T. Tow and Brendan Taylor (Tow & Taylor, 2013), Michael Yahuda (Yahuda, 2011). At the moment, there are serious threats to international security in the Asia-Pacific region, to pay close attention to which most leaders of the states of the region, if they do not refuse, then put off for the near future.

As it was said in the book named "Bilateralism, multilateralism and Asia-Pacific security: Contending cooperation" (Tow & Taylor, 2013), the main reason for the emergence of security problems in the Asia-Pacific region is that this region is the concentration on the one hand of such regional "heavyweights" as the United States, Japan, China, Russia, pursuing an active Pacific policy and defending their own geopolitical interests, on the other, "collective players", including countries with different military-political and economic potentials (for example, ASEAN).

However, Russia's role in the security and stability of the Asia-Pacific region remains controversial to this day. Most authors are divided into two groups: those who consider Russia to be the guarantor of security and stability in the Asia-Pacific region (Bratersky & Policy, 2018; Korolev, 2016) and those who, on the contrary, believe that Russia poses a direct or indirect threat to this region, especially in the alliance with China (Baev, 2016; Kashin & Lukin, 2018).

Maxim Bratersky believes that reliance on Russia as a key guarantee of stability (“security provider”) in the Asia-Pacific region seems justified, because The Russian Federation has consistently pursued a policy of non-interference in disputes and possible conflicts in the region and acts as a neutral party, which at the same time has its own interest in maintaining a safe environment (Bratersky & Policy, 2018).

However, most of the Russian scholars (Baev, 2016; Kashin & Lukin, 2018) has a different opinion on this matter, since there is still a question of threat from the alliance between Russia and China, which only grows stronger every year.

From the very beginning, Sino-Russian security relations had serious global implications. The first dimension of these relations affected, firstly, the strategic situation and the alignment of forces in the Asia-Pacific region, and then Russian-Chinese military-technical cooperation.

Vasily Kashin and Alexander Lukin mentioned that from a recent time regularly one can observe enhanced interoperability of the armed forces of Russia and China both in continental theaters and in the maritime sphere. However, both sides officially deny the possibility of creating a formal military alliance. In addition, Russia still maintains a fully independent security policy in Asia, closely cooperating in military and technical relations in other countries, such as India. Vasily Kashin and Alexander Lukin also noted that Russia does not take sides and avoids participating in major territorial disputes involving China in the East China Sea and the South China Sea (Kashin & Lukin, 2018).

Again as it was said by Maxim Bratersky, Russia has become much more active in regional security problems, including the problem of North Korea and the problem of the Kuril Islands; it develops new directions for its arms exports, and is considering creating permanent naval presence in the southern part of the region, what certainly may play a role in making Russia one of the major player in Asia-Pacific (Bratersky & Policy, 2018).

## 6. Constructivism in Asia-Pacific Region: The Concept of "Identity"

The theory of constructivism has become especially popular among researchers studying the Asia-Pacific region since the late 1980s. Despite that the constructivist approach is not the only true theory for exploring the Asia-Pacific region, the analysis shows that studying state identities, the position of the constructivists fits into a real picture of modern international relations in the Asia-Pacific region (Peou, 2002).

According to constructivists each nation has its own identity which create and impact on states' behavior, preferences, motivations and actions with all the following consequences.

The identity of the state has an intersubjective nature, that is, the identity of the state depends not only on the self-image, but also on the opinions of other states. Consideration of the identity of the state requires three levels of analysis - the international (or systemic) level, the state level and the individual level (Wendt, 1999).

There are two main types of state identity - collective and egoistic. Collective identity implies solidarity, mutual assistance and cooperation. Decisions are made on the basis of a compromise. This type of identity is the result of the development of international relations. In the early stages of the development of international relations, selfish identity prevailed, when states did not take into account others and acted on the basis of their selfish national interests, but gradually, as international relations developed and the number of international organizations and the development of law developed, collective identity began to prevail more and more and it is now predominant.

If we develop this idea, then we can say that the international system is a product of the creation by people of a set of ideas and a system of norms created at a specific time and in a specific place. Therefore, the key concept in constructivism is ideas, both general and particular (individual). Common ideas, being part of the social structure, form culture. The social role of this or that agent is also very important here.

Thus, constructivism is based on two main principles: (1) the structures of human associations are determined by shared ideas rather than material forces; (2) the identity and interests of aspiring actors are constructed by these shared ideas, not given by nature. The fact that, from the point of view of constructivists, international relations

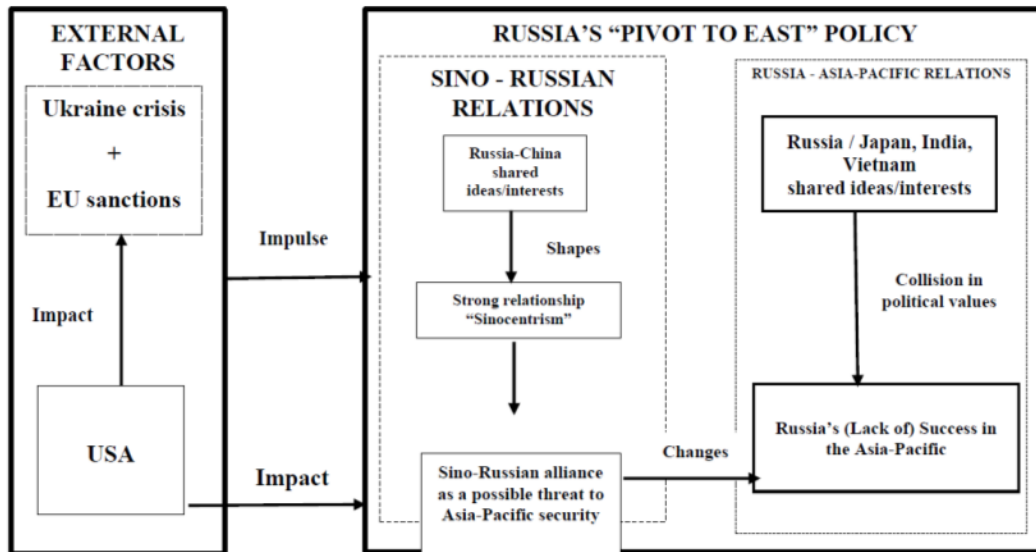
are created by people (common interests, ideas, etc.) is the main difference between constructivism and other theory, in particular from neorealists, who argue that international relations are redefined by human nature.

Constructivists see international cooperation as a process of social learning in which interactions produce shared understanding of reality, redefined interests and may lead to the development of collective identities to ameliorate the security dilemma' (Acharya 1 999b).

Finally, by positive interaction among states, socialization in international relations can gradually develop the norms of peaceful conduct. These points are productive in complementing and contributing to the conventional ways of thinking about Asia-Pacific relations as well as Russia- Asia- Pacific relations.

### 7. Conceptual Framework: A Constructivist Approach

Figure 1: A Constructivist Approach to Russia's Pivot to the East



In this thesis, the conceptual framework has been shaped by the constructivist approach. According to Alexander Wendt (1999), a constructivist approach argues that ideas and ideational constitution matter. Actors' (states') relations are determined and socially constituted by shared ideas, interests and values.

By adopting the constructivist vein, the thesis will investigate key ideational variables that explain Russia’s Pivot to the East policy (see Figure 1). First, it will identify some key external factors, especially the Ukraine crisis, EU sanctions, and USA policy, that ideationally transform Russia’s European identity and in turn shape its Eurasian identity and “pivot to the East” policy. Although it is believed that the increase of the attention from Russia’s side to Asia-Pacific region was after the “turning point” in Russia-West relations, which was caused by Ukrainian crisis in 2013-2014 and its concomitant EU sanctions (Hill & Lo, 2013; Mankoff, 2009)

Second, the framework aims to explain the formation and development of Sino-Russian alliance, which is necessary in order to make sense of “the holistic picture” of Russia-Asia-Pacific relations. There are agreements between Russia and China on many issues of foreign policy and international cooperation, based on the recognition of common values and structures of common knowledge, which is constitutive for the maintenance and development of a common international culture of interacting social communities with their own values, interests, and historical identities. These all create strong relations between both states, that can be characterized by Russian scholars as “sinocentrism” in Russian foreign policy (Kuhrt, 2015).

In sum, the thesis is a constructivist approach to study how shared ideas and interests between Russian and the Asia-Pacific actors influence the characteristics of their bilateral and multilateral relations under the rubric of Russia’s Pivot to the East policy. By understanding these variables, it may change political and international behaviors of the Asia-Pacific actors towards Russia.

## 8. Explanatory Value of Constructivism in Shaping Relations between Russia and Asia-Pacific Region

### 8.1 Constructivism Explaining Russia-Asia-Pacific Relations

Studying the Asia-Pacific region, it is striking that most foreign authors bypass Russia. Russia is either ignored altogether or is mentioned in passing as a secondary or even third-level player. From this point of view, it is very difficult to analyze the relations between Russia and the Asia-Pacific region from a constructivist approach in general.

Since it was noted earlier that Russia and the Asia-Pacific have quite a few common ideas that could serve as a common ideational factor for strong cooperation in the



future, as in a separate situation of China and Russia. And this reflects the fact that Russia is not yet one of the most influential actors in the region and is largely on the periphery of regional processes.

Nevertheless, recently, one can meet Russia and the Asia-Pacific region in the same context of the “security community” (“mutual security”). This term designates a group of states whose values and interests are so close that the use of force in relations with each other becomes unthinkable.

Interestingly, the authors interpret this concept differently. Most associate this concept with the Asia-Pacific region itself, and they oppose Russia as a violator of this concept, while recently Russia has been considered within this concept, thereby supporting the constructivists' idea of a common ideational factor. The division of opinions can most likely be explained by the vestiges of the Cold War: military unions of the USA-Japan and USA-South Korea. In the absence of similar alliances from Russia and China.

The fact is that Russia is characterized by its own philosophy of foreign policy, which does not always correspond to the ideological concept of the Asia-Pacific countries. For example, the philosophy of Russian foreign policy implies consideration through the prism of competition and protection of the interests of the Russian energy business.

A relatively stable international order has already been established in the Asia-Pacific region. It is based on a set of principles and norms shared by the vast majority of states in the region, the key place being occupied by the concept of state sovereignty and the provisions arising from it, such as territorial integrity, non-interference in internal affairs, peaceful coexistence and others.

The absence of interstate wars and major armed conflicts in the region can be considered an important evidence of the presence of international order in the Asia-Pacific region. That is why constructivists conclude about the regional identity of Asian countries remains stable, but Russia with its own philosophy of foreign policy may violate it.

## 8.2 Constructivism in Shaping Sino-Russian Relations

The constructivist approach has been used more than once to study Sino-Russian relations. The relevance of appealing to the constructivist theory when analyzing the relations between Russia and China is due to the fact that the state interests of both countries are related to the regulation of political, economic and cultural-social relations, and one of the most influential areas studying the influence of sociocultural characteristics on the behavior of actors in the international arena, is constructivism. The central issues of constructivist research are “the issues of the emergence, development, diffusion and / or socialization of international norms, as well as their direct impact on the behavior of states and other subjects of international relations”.

Occupying an important place in the study of international relations, identity for constructivists acts as a mediator between the environment and the interests of actors, mainly states. Constructivists focus on the relationship between public interests and identities. A. Wendt tried to create the concept of national identity as a product of interactive interactions of actors within the international structure, highlighting three “cultures of anarchy” (Hobbesian, Lockyan and Kantian), three corresponding to them on the basis of the identity of different ideal types of “role structures” (enemy, rival, friend), and three types of internalization of rules by the way the system is legitimized (through violence, by rational calculation of costs and benefits, due to mutual complementarity).

It is believed that the constructivist approach allows you to complement existing research on the history and current state of Russian-Chinese relations in the context of the socio-cultural characteristics of China and Russia, as well as to outline the prospects for the development of these relations in the future from the point of view of spiritual factors.

So, one of the factors that influenced the formation of the sociocultural characteristics of Russia and China is that in the 20th century, Russia and China went through a period of unprecedented cultural integration based on a common Marxist ideology. The Chinese perceived the world in many ways through the prism of Soviet literature and art. The collapse of official ideology in the USSR and its latent crisis in China similarly led both countries to return to their "roots" and origins. This gives a chance for constructive interaction between modern Russia and China, during which they can significantly enrich themselves in the process of knowing each other.

The constructivist approach is characterized by the recognition of the interdependence of international processes and relations and the conceptualization of the picture of international relations. This determines the significance in international processes and relations of norms, values, historical identity, characteristic of states and their political leaders. There is agreement between Russia and China on many issues of foreign policy and international cooperation, based on the recognition of common values and structures of common knowledge, which is constitutive for the maintenance and development of a common international culture of interacting social communities with their own values, interests, and historical identities.

### 8.3 External Factors as Implication on Russia-Asia-Pacific Countries' Relations: Factor of US Leadership in the Asia-Pacific Region and the Effect of Sanctions

Both positive and negative factors naturally influence Russia's position in the Asia-Pacific region. Now the negative factors that hinder the development of regional partnership are stronger. Hence, the task is to reduce, as far as possible, the influence of negative factors on Russia's cooperation with the Asia-Pacific countries.

One of these negative factors, and possibly the main one, is the direct or indirect influence of the United States. Variants of the American approach to Russia's relations with the Asia-Pacific countries, and mainly to relations between Russia and China, are built around the problem of retaining the US leadership in the region. Accordingly, the following questions arise: is the United States ready to share leadership in the Asia-Pacific region with Russia and China? And will the United States be able to share ideological values with Russia and China? Judging by the current trends, the answer is rather negative.

The negative dynamics of Russian-American relations affects Russia's cooperation with leading regional players. Politically, for Japan and South Korea, military-political alliances with the United States are top foreign policy priorities, and Washington's poor relations with Moscow are unlikely to improve Moscow's relations with Seoul and Tokyo.

Another important factor is anti-Russian sanctions. Starting in 2014 after Ukraine crisis, the USA, the EU and several other Western countries have pursued a policy of sanctions against Russia, which implies a combination of financial, trade, economic, visa and other restrictions imposed on individual industries and sectors of the national economy,

Russian companies and individual citizens of Russia as well as their partners and contractors abroad. Anti-Russian economic sanctions became a prerequisite for the implementation of Russia's strategy aimed at integration into the markets of Asian countries ("turn to the East"), primarily China, as a tool for renewing economic growth and reducing the dependence of the system of Russian trade and economic relations on European countries (Vyacheslavovna, 2015).

### 9. Russia and China: The Development of a Common Identity as the Foundation for the Sino-Russian Strategic Partnership

Russia and China relations are a source of dependence not only for political, socio-economic situation in the Asia-Pacific region, but also for the global political climate. In the past few years, it has become increasingly obvious and relevant to formulate new theoretical and practical approaches to the study of the interaction between Russia and China, which have vivid cultural and historical characteristics. Cultural and humanitarian ties play an important role in the relationship between these states and have a great impact on the process of their interaction (Valeev & Alikberova, 2015). This means that, the foreign policy strategy and behavior of China and Russia in the international arena are determined not only by economic and military-political factors, but also by the socio-cultural characteristics of both countries.

The relevance of using constructivist theory when considering relations between Russia and China can be explained by the fact that the national interests of countries are associated with the regulation of economic, cultural and social relations. The central issues of diffusion and / or socialization of international norms, as well as their direct impact on the behavior of other subjects of international relations. Various factors, including cultural factors, have a huge impact on the relationship between states and their peoples. Culture has become one of the central points for beneficial cooperation between Russia and China, providing the basement for formation of collective identity as well as "mutual security" in Sino-Russian relations (Kashin & Lukin, 2018).

The constructivist approach is characterized by the recognition of the interdependence of international processes, relations and the conceptualization of the picture of international relations. This determines the significance in international processes and relations of norms, values, historical identity, characteristic of states and their political leaders.

There is agreement between Russia and China on many issues of foreign policy and international cooperation, based on the recognition of common values and structures of common knowledge, which is constitutive for the maintenance and development of a common international culture of interacting social communities with their own value orientations, interests and historical identity (Valeev & Alikberova, 2015).

China and Russia, in their various political forms, have interacted with each other. Politically and culturally, both China and Russia share authoritarian characteristics in their contemporary regimes, not to mention their common communist backgrounds (Ying, 2018).

Generally speaking, China and Russia share the same “ideology of state,” which has facilitated strong state control in the political and economic transition of these two countries. Political-cultural similarities help China and Russia find commonalities in social structure and state regime, including collectivism and authoritarianism today. Belonging to different types of civilization, they still can find many common “mentalities”. This explains why Beijing and Moscow mutually support and respect the right to choose their own developmental path.

The presented examples of cooperation between Russia and China make it possible to assert that the creation of an international dialogue is carried out while preserving national values and identity. At the same time social constructs emerging in the process of social action and in the system of human interaction, which are based on the structures of joint knowledge, play a particular importance.

Over the past twenty years, bilateral relations between Russia and China have come a long historical path. They were distinguished by a combination of a forward-looking strategic approach to various areas with an attentive attitude to the most complex problems of our time. It is especially important to continue the most comprehensive and deep exchange of views between the leaders of Russian and China on the basis of the principles of peace, equality and independence. The preservation of independence, autonomy and equality in international relations is a matter of paramount importance.

China and Russia - were able to completely solve the border problems that they inherited in their historical legacy, achieved mutual military confidence and disarmament in the border areas, became really good neighbors and friends who strive

for mutually beneficial cooperation. A similar precedent is difficult to find not only in Asia, but even throughout the world.

### 10. Consequence of the Clash of Interests of China and India for the Development of Russia in the Asia-Pacific

It has been proven that India-China relations have ongoing confrontations due to mutual mistrust, securitization and historical memory between two states. However, given the inevitable rivalry, the strategies, forms and variations of such competition are diverse, which implies both new opportunities and risks for Russia.

In assessing the prospects for India - China cooperation, the opinions of the scholars seem to differ. Some researchers optimistically believe that in the current decade the cooperation between India and China will prevail. However, such conclusions are made only on the basis of official documents and statements, in which differences and contradictions are traditionally smoothed out (Uyanaev, 2014). It is likely that the status quo in Indian - Chinese relations will be preserved, as well as their gradual, slow-moving normalization, allowing for an improvement.

It is highly possible that the rivalry between India and China will become one of the main factors in world politics of the current century, and the Indian Ocean will appear as an arena of competition for global trade routes (“big transport game of corridor”) (Kaplan, 2010). The real conflict between the two Asian giants may erupt at sea, but it seems unlikely that India will become part of a wider coalition to contain China. It seems that both countries have become hostages of the security dilemma.

The insufficient and incomplete knowledge about each other is the reason for the growing mistrust between the two countries. At the same time, achieving a balance of power and taking measures for effective military deterrence is also a necessary task for India.

Currently, there are several pain points in India-China bilateral relations: lack of trust and security dilemma, unresolved border problem, increasing competition in South Asia and the Indian Ocean and growing activity of China in the Asia-Pacific region.

For Russia, this confrontation has a dual meaning. On the one hand, relations with China are extremely important for Russia from any point of view. On the other hand, it is

necessary for China to have a counterweight and not gain too much strength. China can thus partially counterbalance the United States, and India can counterbalance China.

In most cases, the role of Russia in India-China relations is noted as positive and stabilizing, by the fact that it is Russia that “has good will” and enjoys great trust in both India and China. However, Russia may be able to take the most advantageous position without entering into confrontation with either side and ensuring constructive interaction with everyone.

## 11. Conclusion

The increase role of the Asia-Pacific region in Russia international development due to the weakening of the values of European external relations is long-term, expected and steady. At some point, the Asia-Pacific has played a role not only in economic geography, but also in the economic, social and cultural development of Russia itself.

In the short term, the Asia-Pacific region will rely on bilateral relations, trying to preserve, protect from negative external influences or increase the positive inherent in them. For Russia, these ties are prioritized in such a way that China has emerged as the main strategic partner. India and Japan, for their part, not only occupy a significant place in Russia's foreign economic activity, but also, in a sense, balance the growing influence of China.

As Russia's involvement in the economy and politics of the Asia-Pacific region increases, it will have to rethink its approaches to the issues of bilateral relations with the main region's countries. Maintaining a special, privileged relationship with China will likely underpin any Russian strategy. Both Moscow and Beijing understand that the destruction of the achieved level of trust and the return of even mild forms of confrontation will have disastrous consequences for the national security, politics and the economy of both countries. However, Russia will be faced with a choice of whether to maintain a friendly to China neutrality in the conflicts developing in Asia-Pacific with its participation (this is an optimistic option), or to stand entirely on the side of China.

Thus, Russia's cooperation with the Asia-Pacific countries can be classified as quite successful. This is based on the prevailing mood of countries - the desire to cooperate with each other, not conflict.

## References

- Baev, P. K. (2016). Russia's pivot to China goes astray: The impact on the Asia-Pacific security architecture. *Contemporary Security Policy*, 37(1), 89-110.
- Bratersky, M. (2018). Russia's pivot to Asia: Situational interest or strategic necessity? *Asian Politics & Policy*, 10(4), 584-596.
- Erikson, E. H. (1968). *Identity: Youth and crisis* (7th ed.). New York: W. W. Norton & company.
- Hill, F., & Lo, B. (2013). *Putin's pivot: Why Russia is looking east*. Retrieved from <https://www.brookings.edu/opinions/putins-pivot-why-russia-is-looking-east/>
- Ivashentsov, G. A. (2017). Russia-India: New horizons for historical partnership. *MGIMO Review of International Relations*, 2(53), 7-23.
- Johnstone, B. (2018). *Discourse analysis* (3rd ed.). Wiley-Blackwell.
- Kaplan, R. D. (2010). While US is distracted, China develops sea power. *Washington Post*, September 26, 2010.
- Kashin, V., & Lukin, A. (2018). Russian-Chinese security cooperation in Asia. *Asian Politics & Policy*, 10(4), 614-632.
- Korolev, A. (2016). Russia's reorientation to Asia: Causes and strategic implications. *Pacific Affairs*, 89(1), 53-73.
- Kuhrt, N. (2015) Russia and Asia-Pacific: Diversification or Sinocentrism? In D. Cadier, M. Light (Eds), *Russia's Foreign Policy* (pp.175-188). Palgrave Studies in International Relations Series. London: Palgrave Macmillan
- Lunev, S., & Shavlay, E. (2018). Russia and India in the Indo-Pacific. *Asian Politics & Policy*, 10(4), 713-731.
- Mankoff, J. (2009). *Russian foreign policy: The return of great power politics*. Rowman & Littlefield Publishers.
- Pandey, S. K., & Yadav, A. (2016). Contextualizing India–Russia Relations. *International Studies*, 53(3-4), 227-257.
- Peou, S. (2002). Realism and constructivism in Southeast Asian security studies today: A review essay. *The Pacific Review*, 15(1), 119-138.



- Streltsov, D., & Lukin, A. (2017). Russian-Japanese rapprochement through the lens of IR theory: Neo-classical Realism, Constructivism, and Two Level Games. *International Trends*, 15(2), 44-63.
- Tow, W. T., & Tow, W. T., & Taylor, B. (Eds.). (2013). *Bilateralism, multilateralism and Asia-Pacific security: Contending cooperation*. Routledge.
- Uyanaev, S. V. (2014). BRICS: Etapy stanovleniya i rossiisko-kitaiskoe vzaimodeistvie [BRICS: stages of formation and Russian-Chinese cooperation]. *Kitai na puti k vozrozhdeniyu. K 80-letiyu akademika ML Titarenko*.
- Valeev, R. M., & Alikberova, A. R. (2015). Russian-Chinese relations in the field of culture (1990-s-2000-s). *Journal of Sustainable Development*, 8(4), 132.
- Wendt, A. (1992). Anarchy is what states make of it: The social construction of power politics. *International Organization*, 46(2), 391-425.
- Wendt, A. (1999). *Social theory of international politics*. Cambridge University Press.
- Wendt, A. (1995). Constructing international politics. *International Security*, 20(1), 71-81.
- Yahuda, M. B. (2011). *The International Politics of the Asia-Pacific* (3rd ed.). Routledge.
- Ying, L. (2018). Strategic partnership or alliance? Sino-Russian relations from a constructivist perspective. *Asian Perspective*, 42(3), 333-354.

## *Small State Diplomacy: Cambodia's Foreign Policy Under the Constraints of Traditional Security Issue*

Vichea Huot  
vicheahuot.2708@gmail.com

### **Abstract**

In the recent decade, Cambodia has adopted the bandwagon strategy toward China. Such conduct leads to the notion claiming that Cambodia is having patron-client relation with Asia superpower. Hence, numerous literatures posit that Cambodia is a passive actor in the global political system. In this article, it is seek to examine the active nature of Cambodia's foreign policy by choosing Preah Vihear temple conflict as the case study. This study adopt small state diplomacy theory in the analysis of conduct and behavior of Cambodia toward its larger neighboring country, Thailand. Under the constrain of external coercion, it is seen that Cambodia has chosen to strengthen its military capacity at the same time enhance security cooperation with China. Cambodia also decided to use multilateralism as the main conflict resolution mechanism by referring the case to ASEAN and ICJ. Additionally, Cambodia noticeably conduct hedging strategy toward Thailand through active engagement and economic pragmatism. Thus, it is seen that rather than depending solely on China, Cambodia has conducted various diplomacies in protecting national interest.

**Keywords:** Active Engagement, Bandwagon, Cambodia, Economic Pragmatism, Hedging, Patron-Client Relation, Security Constrain, Small State, Small State Diplomacy.

## 1. Introduction

Since the end of Cold War, the question of what strategies shall small states adopt to maintain its security from external threat has become one of the dominant discussion among scholars in the field. Upon the predominant vulnerable nature, various literatures suggest that small state shall adopt balancing, bandwagoning, or hedging strategy to protect the country from external coercion. Others emphasize on the role of multilateralism and regionalism in maintaining the security of small states. In line with these sentiment, Cambodia, a small state in South-East Asia, has noticeably adopted the bandwagoning strategy toward its main development partner, China. With the adoption of particular diplomacy, various scholar claimed that Cambodia is overly dependence on Beijing’s government and defined certain relation as patron-client which indeed suggest the passive nature of Cambodia’s position. With the increase in popularity of such belief, literatures in relation with the foreign policy of Cambodia focus mainly on the country’s bilateral relation with China rather than concentrate on other aspects.

With the noticeable gap in literature, this research is conducted to examine the behavior of Cambodia’s foreign policy by concentrating on the strategy that the country adopt in response to the traditional security threat. Back in 2008 and 2011, Cambodia encountered significant security constrain as Thailand decided to violate territorial integrity of Cambodia by sending troops to occupy the areas surrounding the ancient temple of Preah Vihear. The author argues that the conducts of Cambodia in protecting its national interest in the case of Khmer-Thai conflict, reflects the active nature of the country’s foreign policy. It is somehow contradicted to the notion that Cambodia is a passive actor suggested in several literatures which focus on Cambodia-China relation. It is argued that Cambodia has adopted several types of small state diplomacy in protecting its territorial integrity. In response to the security threat, Cambodia decided to enhance its security cooperation with China, at the same time, the kingdom depended on international and regional institutions as the main mechanism in solving the conflict. It is also suggested that Cambodia conduct hedging strategy toward Thailand through active engagement and economic pragmatism to consolidate the bilateral relation.

## 2. Literature Review

With the increased interest in the study of small states, there are numerous literatures which attempt to define characteristics and behaviors of small state. There is a great number of argument and disagreement on several aspects. However, it is noticeable that large number of literatures seem to agree that small states are weak and vulnerable even under the protection of current global system. It is posited that small states are highly dependence on international assistance and supports due to the limited economic capacity. Certain condition makes it easy for external actors to interevent into the domestic affairs of those countries. (Mushelenga & Wyk, 2017). In addition to that small states are noticeably weak in term of military capability, thus, those nations are at high risk of facing external coercion. It is undeniable that, the current state system is governed by the international institutions. Whereas, states are bound to obligations and responsibilities under international law, rules, and norms. Thus, the *realpolitik* or use of hard power is no longer relevant. However, it is also noticeable that there are still cases that bigger power use military power to violate the sovereignty of the small nations. Hence, small states in the current system are still facing the traditional security constrains. (Steinsson & Thorhallsson, 2017). Additionally, bigger powers even without the use of hard power, are still possessing the great influences on the system. Superpowers are normally the one who decide or have enough capability in shaping the system, contrary to the weak powers which have no choice, but to adapt themselves to the surrounding environment. (Keohane, 1969).

Under such constrains and vulnerabilities, numerous scholars in the field suggest that small states have adopted numerous strategies to protect the national interest. Those strategies are known as small state diplomacy. Thorhallsson (2018), improvised three main concept of small state diplomacy based on the dominant schools of thought in the field of international relations. First, he suggests that, according to realist, small nations are too weak to protect themselves from external coercion. In the anarchy world, bigger power get what they want and it is the price that small states have to pay for. Thus, small states in general choose to build good relation with superpower or bigger power. By having good relation, small nations could niche on superpower to protect the national interest. Secondly, he claimed that on the basis of liberalist believes, small states relatively enjoys more benefits in the current global system even with the constrains of anarchy. Small states are protected by what-so-called collective power. Thus, small states in the current system tend to adopt multilateralism or involve themselves in regional and international grouping to safe-guarding themselves. Last but

not least, Thorhallsson basis his argument on constructivism. Constructivists tend to believe that states either big or small tend to act in accordance with their idea and identity. Behavior of states in respond to external threats depending on their way of thinking. At the same time, the behavior of states would change, as their idea and identity evolve. Hence, small states shall depend more on their soft power and art of persuasion rather than the strategies suggested by theoretical ideology. (Thorhallsson, 2018).

Another interesting article in relation with the security strategies of small states is written by Vaicekauskaitė. The author claimed that there are several security strategies that small states could adopt including neutralizing, bandwagoning, balancing, and hedging. Bandwagon strategy refer to the act of aligning with the threatening power to protect the country’s security. Balancing is the act of forming alliance against the threat of dominant power. While, hedging is some-what in between balancing and hedging. According to Leng (2016), hedging is adopted when the state is indecisive or not having enough capability in adopting the straightforward strategies like balancing, bandwagon, and neutral. Interestingly the two author based their argument in relation with hedging strategy on Le’s (2013) and Kuik’s (2008) studies. These article suggests several type of hedging strategies including indirect balancing, dominance denial, economic pragmatism, binding (active) engagement and limited bandwagoning.

### 3. Research Methodology

With the above review of literature, it is seen that Cambodia’s strategies in response to the security threat imposed by Thailand in the case of Preah Vihear conflict could be classified as small states diplomacy. In the aim of verifying the claim and examining the behavior of Cambodia, this paper will be using qualitative type of research in the analyzing process. This paper will provide discussions on three main aspects. First, it will emphasize on the vulnerability and the limitation of foreign policy choices encounter by Cambodia. Second, it seek to provide explanation on Cambodian-Thai relation and the root-cause of Preah Vihear temple conflict. Lastly, it seek to provide explanation on Cambodia’s strategies in solving traditional security constrain. With the discussion on this three aspect, this article is expected to provide more knowledge on the nature of Cambodia’s foreign policy and the reason behind the adoption of bandwagoning strategy toward China.

#### 4. Cambodia’s Vulnerability and Limited Foreign Policy Choices

Cambodia was one of the most powerful empire in Asia during 13<sup>th</sup> century, since the collapse of Angkor empire, the kingdom has been under the great influence of the stronger states. In the post Khmer empire era, the territory of Cambodia was threaten from time to time due to the increase in military power of the two neighboring countries, Siam and An Nam. Cambodia’s internal affair was largely control by the neighboring states for several decades until France protectorate began. Cambodia was later fell under French authority for 90 years before it gained back its self-determination right in 1959. As an independent nation, Khmer declared itself as a neutral state to prevent the effect of Cold War. Unluckily, the country was tracked into the proxy war in 1970 when the U.S. backed coup was carried out against the administration of the late king Norodom Sihanouk. During that particular period, Cambodia’s territory was used as the battle field between the U.S. and the Northern Vietnam. As Vietnam war come to an end, internal war continued in Cambodia for several years before the communist party of Pol Pot took over the country. Under Pol Pot administration, the deliberate killing was carried out against Khmer people for almost 4 years. Vietnam, later on, stepped in and liberate the country. However, the state of Cambodia was under the Vietnamese control from 1979 to 1989. With the support of the United Nation and the international community, the peace-keeping operation under the name of United Nation Transitional Authority in Cambodia (UNTAC) began in 1992 under the spirit of 1991 Paris Peace Accord. At the final stage of the negotiation process, parties to conflicts in Cambodia and the international community had agreed upon the creation of the Second Kingdom of Cambodia and the first national election of this regime took place in 1993. Only after the elected government came to power that Cambodia has finally gained back the full control over its remaining territory. Thus, throughout the history, Cambodia had always been under the control of stronger nations.

As a war-torn country, even with the adoption of the new state system, Cambodia is still very vulnerable in international community due to the weak military and economic power. Cambodia still depend largely on international assistances and supports in developing the country. Literally speaking, the country remains under the great influence of the bigger states. Nevertheless, geographically Cambodia is located in between the two influential neighboring country, Vietnam and Thailand. Due to the historical conflict and the undefined borderline, security issue remains the significant threat to the country’s stability.

In addition to the vulnerable situation, Cambodia also encounter the problem of limited foreign policy choices. It is undeniable that Cambodia has been trying to depend on its relation with China to protect national interest and absorbing economic interest. However, it is noticeable that China is indeed the only superpower that the country could turn to. It shall have been mentioned that the EU and the U.S. has always criticized the government of Cambodia on the negative development of human rights and democratization process. Starting from the 1997 violence coup carried out against Prince Norodom Ranariddh, who was at that time, the co-prime minister of the ciliation government; Cambodia’s relation with the western world has undergone a great fluctuation. Another significant negative development of Cambodia’s relation with the western world occurred when there was the human rights issues report on the force evacuation of the people residing around Boeung Kak area for development purpose. Last but not least, the downgrade tie between Cambodia and the West emerge once again in 2017 when the supreme court of Cambodia has rule to dissolve the country’s major opposition party, CNRP, under the accusation of being supported by the U.S. government. (Corgan, 2020).

From an overall view, it seems like Cambodia has chosen China to be the one and only developing partner. However, Strangio (2020) states that China is seen to be the only superpower that acts strictly in accordance with the policy of non-interference. It is seen that the U.S. and EU’s intention is to intervene in Cambodia’s domestic affairs by forcing Hun Sen government to give up its authoritarian character. Hence, it is not a surprise that the royal government choose to get closer to China. In compliment, Sous Yara, an influential politician in Cambodia, suggests that the EU’s decision in the EBA withdrawal was made unjustly. Comparing to other countries in the region that the EU is working closely with, Cambodia performance in human rights and democracy is noticeably better. He concluded that the conducts is made on political reason rather than the aspect of human rights. (Sous, 2020).

Besides, it is also noticeable that Cambodia has also try to diversify it relation by strengthening its relation with Japan. Bilateral relation between Cambodia and Japan continue to increase at the time that the two nations agree upon the adoption of Strategic Partnership agreement. (Chheang, 2018). However, in term of security Japan also has limited capacity.

## 5. Cambodia-Thailand Relations and the Root-Cause of the Conflict

It is empirically proven that the two kingdoms have a long history of involvement since the formation of Sukhaothai. In spite of the long-lasting relationship, the bilateral relation between Cambodia and Thailand has received some sorts of negative reviews. Charnvit Kasetsiri (2002) dubbed the ties of the Asian nations as “love-hate relationship”. He claimed that the two countries have so many things in common starting from tradition and culture to the way of lives. However, the relation between the two neighboring countries has never been really close due to the behavior of “ignorance, misunderstanding, and prejudice”. It is seen that the people of the two nations are deeply governed by nationalist perspective which result in the fight over superiority. (Kasetsiri, 2002).

Besides the conflict over the inheritance heritage, the colonial legacy also play a great role in causing conflict between the two nations. It is seen that after the colonization period, the two countries suffered from the undefined border-line which resulted in the conflict over the territory surrounding Preah Vihear temple. Back in 1959, Cambodia filed the case to the International Court of Justice (ICJ) against Thailand claiming the control over Preah Vihear temple. In 1962 ICJ’s verdict, the ancient temple was declared under the sovereignty of Cambodia. Thailand accepted the enforcement of the verdict, yet, stating that the area surrounding remained undefined. In 2007, Cambodia attempted to register Preah Vihear temple as the World Heritage site. However, Thai nationalist group express its unappreciation and demanded the temple shall be registered as the mutual world heritage site of both countries. In 2008, UNESCO accept Cambodia’s application and declare Preah Vihear temple as the World Heritage, despites the disagreement of Thailand’s counterpart. The event escalated the tension between Thailand and Cambodia and further resulted in the exchange of fire for several times between 2008 and 2011.

Wagener (2011) claimed that the conflict over Preah Vihear temple is the low intensity conflict and suggested that the leaders of the two countries politicized the issue to gain public support. He stated that Hun Sen was using conflict to increase his popularity as the protector of the nation and enhance his son’s role in the arm force. At the same time, he stated that Abhisit was also using the case to maintain his position as the prime minister. (Wagener, 2011).



Contrary to the view of Wagener, Jenne (2017) categorized the conflict as large-scale and long lasting armed violence. She stated that the government of Thailand has been using the conflict to convert the public attention from domestic politics. The author claimed the government of Thailand wanted to escalate the situation. However, due to the close personal relations and the good interaction between Khmer and Thai diplomats and heads of army, the situation was able to maintained. (Jenne, 2017).

Jenne’s view is somehow resemble to Ngoun’s (2014) and Deth’s (2017). The two Cambodian authors posited that the changes in Thailand’s domestic affairs poses a great negative effect on Cambodia’s security. Var (2017) inserts that Cambodia had never consider Thailand as the threat to national security. He claims that because of the huge gap in military power, Cambodia had never intended to go to war against Thailand. Additionally, he points out that since the establishment of the formal relation back in 1950, two countries had always been in a fluctuate relation. But, there was not a single case that Thailand exercise hard power against Cambodia. However, the case of Preah Vihear conflict back in 2008 reconceptualized the perception of Cambodian government. Since then, Cambodia has adopted several types of strategies to protect its national interest which indeed reflect the changes in Cambodia’s interstate policy.

## 6. Cambodia Strategies in the Case of Preah Vihear Conflict

With the review of empirical evidences, it is seen that Cambodia has adopted three main policies in dealing with the traditional security threats imposed by Thailand. First, the government was trying to conduct the reform in military and enhance cooperation with China. Second, the government adopt the multilateralism mechanism of conflict resolution. Last, Cambodia adopted active-engagement and economic pragmatism strategies in its bilateral relation with Thailand.

### 6.1 Military reform and Cooperation with China

Since the conclusion of internal wars and conflicts back in 1990s, Cambodia government decided to decrease the number of military personal and military expense in an unpredictable way. Back in 1993, under the integration programs the number of military personal in Royal Cambodian Armed Forces (RCAF) was undeniably large and oversized with the number of 203,821. Under the United Nation’s administration, 36,000 soldiers in RCAF was demobilized. Since then, the government continue to decrease the size of RCAF and decrease the security expense. The main purpose of

certain conduct is to transfer the budget from military expense to develop the prioritized sectors including education, health, and rural development. According to the 2000 Defense White Paper of Cambodia, the government planned to decrease the number of troops from 160,000 to 105,000 and reform the structure of RCAF from 20 divisions to 12 brigades. At the same time, the government is seen to prioritized the training of young soldier and focusing more on the activities abroad. It is noticed that Cambodia has been very active in sending troops and its demining units to join the UN peacekeeping operations in Sudan, Chad, Central Africa, and Lebanon. It shall have been mentioned that Cambodia ranked number two among ASEAN member states as the country which send the most troops to join UN peace-keeping operations. In the defense white paper, the government also planned to continue to reduce the number of military personal by 25 to 30 percent by 2010. Contrary to the plan, it is seen that the government decided to recruit more army after the border conflict with Thailand. Cambodia also decided to carried out the deep-reform in the defense sectors by developing infrastructures, communications facilities and building new villages for soldier’s family along the border-line. In addition to the reform, the government, as well, increase the military budget from USD 100 millions in 2008 to USD 277 millions in 2014. The defense expenditure continues to increase with the report of USD 383 millions and USD 455 millions in 2016 and 2017, respectively. Hence, it somehow suggests that Cambodia is trying to strengthen its military capacity due to the threat imposed by Thailand. (Var, n.d.).

In addition to the reform in RCAF, Cambodia has also tried to enhance the military cooperation with China following the 2008 and 2011 incident. It is reported that Cambodia and China had agreed on the signing of military cooperation pacts in May, 2012. China in the same year provided Cambodia with USD 17 millions in military aid and constructed of training facilities for Cambodian army. Furthermore, China also provided loan to Cambodia in the purchase of military aircrafts, helicopters, and other military equipment. There was also a report on visit of Chinese defense minister to Cambodia in 2012 and 2018. During the visit, Chinese defense minister also agree to provided more scholarship and training course for Cambodia military personal in China. (Sok, 2012). It is undeniable that even with the reform in defense sector and increased tie with China, Cambodia is indeed not a competitor to Thailand. Hence, Cambodia is indeed still under the constrain of traditional security issue.

## 6.2 Role of Multilateral Mechanism in Preah Vihear Conflict

In 2010, Cambodia’s government declared that the bilateral negotiation with counterpart, Thailand, had failed. Prime Minister Hun Sen decided to send the letter to the United Nation Security Councils (UNSC) and requested for the immediate international intervention in Preah Vihear conflict. In response to Cambodian government’s request, UNSC urged the two nation to exercise the maximum restraint and prevent the escalation of the dispute. In addition, UNSC had called upon ASEAN to resolve Khmer-Thai conflict based on the existing mechanism as stated in ASEAN Charter. The referral of the case to ASEAN is believed to be the test on its capability in solving the dispute and maintaining regional peace and security. However, Indonesia, as the chairman of ASEAN in that time, failed to come up with the solution to the case. It shall be mentioned that Cambodia has always considered ASEAN as its economic and security shield. Thus, the failure of ASEAN in solving Preah Vihear conflict somehow provided a great implication on Cambodia’s security concern. However, Cambodia continue its attempt to use multilateral mechanism in resolving the conflict by referring the case to ICJ, requesting for the interpretation of the 1962 verdict. Following Cambodia request, ICJ announced its ruling in 2013 and declared that the temple and the surrounded area is located in the territory of Cambodia. The ruling is largely appreciated by the government of Cambodia as it satisfy the initial goal. However, it shall be mentioned that the jurisdiction of ICJ is based on the consent of parties to conflict. ICJ has jurisdiction on Preah Vihear case as Cambodia requested for interpretation of the previous verdict. Thus, it means that in the future conflict, Thailand could reject the jurisdiction of ICJ, if the conflicting issue is not related to Preah Vihear case. Thus, it somehow convincing that the multilateral mechanism might not work in the future conflict. (Loch, n.d.).

## 6.3 Cambodia’s Hedging Strategies Toward Thailand

As the compensation to the uncertainty of the future development of Cambodia-Thailand relation, Cambodia government is seen to adopt two types of hedging strategy toward Thailand. As discussed above, it is widely accepted that the changes in Thailand’s domestic politics could possibly affect the stability of Cambodia. It is also undeniable that Cambodian-Thai relation was relatively good under the administration of Shinawatra family. At the same time, it is also seen Hun Sen has a close relation with the former prime minister of Thailand, Thaksin Shinawatra. And the situation of Preah Vihear temple conflict could be normalized when Yingluck Shinawatra came to power back in August 2011. However, after Prayut Chan-o-cha come to power back in 2014,

the government of Cambodia was trying to actively engage with Thailand under the spirit of non-interference. The active engagement between the two countries could be seen through the exchange of leaders' official visit. Cambodia was the second country in ASEAN who welcome the visit of Prayut Chan-o-cha back in 2014. (Vong & Kevin, 2014). In the following year, prime minister of Cambodia also paid an official visit in Bangkok. Hun Sen and Prayut, despites of the past conflict, have developed a close relation with one another. It shall have been mentioned that Prayut was the army chief during the border clashes between the two countries back in 2010. (Jitcharoenkul, 2015). Furthermore, Cambodia has also conduct economic pragmatism toward Thailand. Based on Leng (2016), when small state show its intention in establishing he close economic relation, the bigger power would somehow perceive small state as non-threatening force. Thus, it is important that Phnom Penh's government enhance its economic cooperation with Thailand to safe-guarding the country's security. It has been reported that the government of Cambodia has been trying to enhance the economic cooperation with Thailand since Prayut came to power. During Hun Sen's official visit in Bangkok back in 2015, he was accompanied by a delegation of Cambodian businessmen who seeks for business opportunity with Thai counterpart. In the same year, the government of the two countries also agreed to reconnect the rail-link between two nation to reduce the transportation cost and improving the trading roots. Thailand and Cambodia also committed to increase the bilateral trade volume to USD 15 billion in 2020. (Khmer Times, 2020). With the practice of active engagement and economic pragmatism, it is noticeable that Cambodia could secure its position with the new government of Thailand regardless of the past-conflict.

## 7. Conclusion

At the very core, this study examine the character of Cambodia's foreign policy on the basis of the country's vulnerability and security constrains. It is seen that there are numerous literature which focus in the bilateral relation between Cambodia and China which suggest the passive nature of the country's interstate policy. However, with the study on Preah Vihear conflict, it is suggested that Cambodia has been pursuing small state diplomacy in protect and maintain national interest. China plays an important role in Cambodia's niche diplomacy. While, multilateralism is being considered as the country's security shield. Additionally, due to the uncertainty of the two mentioned strategies, Cambodia adopts hedging diplomacy toward Thailand by emphasizing on the principle of non-interference and vitalizing the economic cooperation. Thus, it could be concluded that Cambodia's foreign policy seem to be passive, yet, it is somehow active in nature.

## References

- Chheang, V. (2018). Cambodia and Japan relations after 65 years. *The Khmer Times*. Retrieved from <https://vannarithchheang.com/2018/02/05/cambodia-and-japan-relations-after-65-years/>
- Ciorciari, J. D. (2013). *China and Cambodia: Patron and client?* Retrieved from [https://www.researchgate.net/publication/272300796\\_China\\_and\\_Cambodia\\_Patron\\_and\\_Client](https://www.researchgate.net/publication/272300796_China_and_Cambodia_Patron_and_Client)
- Cogan, M. S. (2020). What to expect after Cambodia's EBA suspension. *The Geopolitics*. Retrieved from <https://thegeopolitics.com/what-to-expect-after-cambodias-eba-suspension/>
- Deth, S. D. (2017). Cambodia-Thailand relations in the post cold-war era. *Kyoto Review of Southeast Asia*. Retrieved from <https://kyotoreview.org/yav/cambodia-thailand-relations-in-the-post-cold-war-era/>
- Jitcharoenkul, P. (Dec 15, 2015). Hun Sen to visit Thailand late this week. *Bangkok Post*. Retrieved from <https://www.bangkokpost.com/thailand/politics/794213/hun-sen-to-visit-thailand-late-this-week>
- Jenne, N. (2017). The Thai-Cambodian border dispute: An agency-centered perspective on the management of interstate conflict. *Contemporary Southeast Asia*, 39(2), 315-347.
- Kasetsiri, C. (2002). Thailand and Cambodia: A love-hate relationship. *Kyoto Review of Southeast Asia*. Retrieved from <https://kyotoreview.org/issue-3-nations-and-stories/a-love-hate-relationship/>
- Keohane, R. (1969). 'Lilliputians' dilemmas: Small states in international politics. *International Organization*, 23(2), 291-310.
- Khmer Times. (Feb 14, 2020). Thai-Cambodian trade will miss \$15bn target this year. *Bangkok Post*. Retrieved from <https://www.bangkokpost.com/business/1857614/thai-cambodian-trade-will-miss-15bn-target-this-year>
- Leng, T. (2016). Small state diplomacy: Cambodia's foreign policy towards Vietnam. *The Pacific Review*. Retrieved from [https://www.researchgate.net/publication/308921659\\_Small\\_state\\_diplomacy\\_Cambodia%27s\\_foreign\\_policy\\_towards\\_Vietnam](https://www.researchgate.net/publication/308921659_Small_state_diplomacy_Cambodia%27s_foreign_policy_towards_Vietnam)
- Loch, S. (n.d.). *Thai-Cambodian relations: Case study Preah Vihear Temple*. University of Cambodia.

- Ngoun, K. (2014). Dynamics of Cambodia’s nationalism in the Preah Vihear conflict with Thailand: The state, the city and the border. *ANU College of Asia & the Pacific*. Retrieved from <https://www.anu.edu.au/events/dynamics-of-cambodia’s-nationalism-in-the-preah-vihear-conflict-with-thailand-the-state-the>
- Sok, S. (May 29, 2012). China provides military aid to Cambodia. *Radio Free Asia*. Retrieved from <https://www.rfa.org/english/news/cambodia/aid-05292012165100.html>
- Sous, Y. (2020). *The EU needs to appreciate Cambodia’s role and voice*. Retrieved from <https://www.idc-cdi.com/the-eu-needs-to-appreciate-cambodias-role-and-voice/>
- Steinsson, S. & Thorhallsson, B. (2017). Small states are more likely to be perceived as neutral, trustworthy and compliant value-creators in negotiations. Retrieved from <https://nationalinterest.org/feature/the-small-state-survival-guide-foreign-policy-success-22526>
- Strangio, S. (2020). The world according to Cambodia’s CPP. *The Diplomat*. Retrieved from <https://thediplomat.com/2020/07/the-world-according-to-cambodias-cpp/>
- Thorhallsson, B. (2018). Studying small states: A review. *Small States & Territories*, 1(1), 17-34.
- Var, V. (2017). Cambodia–Thailand sovereignty disputes: Implications for Cambodia’s strategic environment and defence organization. *Strategic Analysis*, 41(2), 152-172. doi: 10.1080/09700161.2017.1278879
- Var, V. (n.d.). Cambodia’s strategic and security situation and prospects: Implications for defense policy. Retrieved from [http://www.nids.mod.go.jp/english/publication/joint\\_research/series15/pdf/chapter01.pdf](http://www.nids.mod.go.jp/english/publication/joint_research/series15/pdf/chapter01.pdf)
- Vong, S. & Kevin, P. (Oct 31, 2014). Cambodia rolls out red carpet for Prayuth. *The Phnom Penh Post*. Retrieved from <https://www.phnompenhpost.com/national/cambodia-rolls-out-red-carpet-prayuth>
- Wagener, M. (2011). Lesson from Preah Vihear: Thailand, Cambodia, and the nature of low-intensity border conflicts. *Journal of Current Southeast Asian Affairs*, 30(3), 27-59.
- Vaicekuskaitė, Z. M. (2017). Security strategies of small states in a changing world. *Journal on Baltic Security*, 3(2), 7-15.

## *The Study of Cooperate Social Responsibility (CSR) Process in Central Group*

Ilham Salaeh  
S.Ilham@outlook.com

### **Abstract**

This paper aims to analyze the role of stakeholders in corporate social responsibility (CSR) strategizing and operating process in determining the successful transformation from altruistic CSR to strategic CSR in the private company. To examine such issues, the process of CSR in the selected case study, Central Group's Sustainable Department is examined. The ethnographic research was applied to gather the data involving textual and documentation analyses and organizational participated observation for a period of one month. The importance of the study remains that there were gaps in CSR research which only a few of literature using ethnography as the methodology and paid negligible attention to organizational process of CSR. Hence, this paper will illuminate on the role of stakeholders in relation to organizational change through the sensemaking theory which focuses on the internal process of organization. Based on the ethnographic and textual data, this paper argues that there are managerial gaps in successfully transforming altruistic CSR to strategic CSR. In this regard, the ambiguous sensemaking and sensegiving occurring in strategizing stage and operating stage resulted the inability for the company to fully transition to strategic CSR.

**Keywords:** sensemaking, sensegiving, strategic change, ethnography, organizational process

## 1. Introduction

The blueprint calling for sustainable future of the world is one of the United Nations agenda for governments, multinational companies, and individuals around the world to address and avoid the drastic challenges created by the global waves development(UNGlobalcompact, 2018). These measures are widely adopted by the government agencies, even the big businesses, and discussed topics that garnered publics and political sentiments(UNGC, 2007). According to the study by the United Nations Global Compact, there are more than 8,300 companies from 156 countries all over the world participated in the Global Compact initiative(UNGC, 2015).

Apart from the multinational initiatives, local government has been pushing many initiatives to put a cap to unenvironmental practices and to remedy the consequences of negatives externality. For example, Thai government drafted the 1992 Factory Act to ensure the proper waste management. More recently, Thai government also has included sustainable development of business as part of the government 20 years' plan(NESDB, 2019).

For a certain period of time, CSR has been gaining a relative attention from many key business sectors in Thailand. According to Virakul, Koomee, and McLean (2009) there are numbers of initiatives to promote CSR in Thailand. The Stock Exchange of Thailand (SET) had first recognized the listed companies in the stock market with SET-CSR award in 2006. There was an establishment of CSR institute in 2007 to promote the concept of the CSR to wider businesses and the public at large(Virakul, Koonmee, & McLean, 2009). Additionally, there was an adoption of ISO 26000, a social sustainability guidance for business which reflecting the penetration of CSR in the Thai business community.

In the past, CSR activities were seen to be a charitable project from the company toward the society. Hence, in the more recent view, the company has shifted away from CSR as an expense to CSR as an investment(Kramer, 2011). This means that CSR is no longer a philanthropic project that is not necessarily benefits the financial position of the company(Lantos, 2002). In parallel with the academic world, businesses, on the practical ground, has been trying to adopt strategic CSR as a framework the create a shared value between the company and society.



However, the past literature suggests the scarce research to unveil the transformation from altruistic CSR to strategic CSR. As Basu and Palazzo (2008) hold that the past studies heavily relied on CSR documenting and inventories without understanding the precursor causes which will not likely to reveal the difference between CSR. Furthermore, the previous research also overemphasized on CSR content of activities which neglecting the internal organizational factors that might trigger or shape such initiatives from the beginning(Basu & Palazzo, 2008).

On the different note, Bass and Milosevic (2018) indicate the research and methodological gap in the previous study on CSR. They argue that, in the past, research has largely examined CSR through a macro-institutional perspective. This is to look at how organizations have followed the legal and societal “rules of the game”. In this perspective, researchers are primarily considering (a) how institutional pressures influence organizational approaches via CSR initiatives and (b) how organizations identify and build their corporate values and identities. For them this might not be enough to thoroughly understand CSR. For them, macro-institutional view will neglect the complex relationship between business and society at large(Bass & Milosevic, 2018). By using the right methodology, particularly qualitative ethnographic study, would provide an instrument to deeper examine the complex relationship of business and society.

It is engaging to use qualitative ethnographic study to explore the internal process of CSR in the company, especially the one which in process of transforming from the traditional CSR to strategic CSR.

## 2. Problem Statement

Firms are pressured from publics and stakeholders to engage, compensate, and contribute constructively to the society. Many companies have been adopting CSR initiatives as part of their corporate strategy. However, only few researches have been done extensively on how this process is being made within the company. Additionally, most of the studies are looking at the external factors that are influencing firm’s behavior without considering internal factor and the process is being proceed within the company.

### 3. Research Objective

Given the limited research on in-depth study and ethnographic research in CSR, the overarching objective of this paper is to provide understanding of how CSR process being formulated and executed within the Thai retail company.

### 4. Research Question

How does the stakeholders in CSR process determine the policy formulation and implementation to transform altruistic CSR into strategic CSR in Sustainable Development office of Central Group?

### 5. Research Scope and Limitation

A specific case study is used on this research. Department of Creating Social Shared Value (CSV) in Central Group is chosen as it is one the leading corporation that has been implementing varieties of CSR initiatives. The company had received recognitions and awards from within the country and had been recognized by international sustainable accreditation body.

As for scope of this research, it will examine the internal process of CSR within what can be defined as CSR department within Thai context. This paper will identify organizational cultures and sub-cultures in relation to the process of sense-making within the scope of Central group.

For the limitation, this study will apply qualitative method to study this intricate relationship of internal organization process. Ethnography will be the main instrument to examine and acquire data from the field. The data included here may not be generalized as it is acquired from specific context and consisted of conclusive data comparing to those quantitative research with large samples.

Furthermore, in-dept empirical research that focused on single corporation may offer a better understanding. However, it is lack of a comparative examination of the similar process in other corporations. Given the limitation, this research may only be able to provide a foundation for further research in CSR internal process rather than definitive answers.

## 6. Literature Review

Although CSR as a field of study has been extensively researched and discussed as a field of study, the discussion is still found to be lacking regarding the internal process of CSR, especially in organizational transformation of CSR. Therefore, this research aims to uncover the complexity of CSR internal process. The review of related literature is categorized into four sections: the previous study of CSR, Sensemaking and sense giving theory, and Types of CSR.

### 6.1 Past Literature on CSR

The CSR research has been put into the forefront of academic research in light social and structural pressures. Porter and Kramer (2006) rationalize that CSR initiative by the corporate may not be entirely voluntary. They cite incidents when there were an extensive consumer boycotts on the global brand that evidently showing irresponsible behavior in their business (Porter & Kramer, 2006). Similarly, Murphy (1978) suggested that firm's responses is also subjected to changes in relation with the general public and stakeholder's sentiment. This also shape the research direction on CSR. As Taneja and the team have identified a pattern of CSR past researches by analyzing 2305 articles with relational tools which includes: Meaning, Definitions, and Models of CSR; Factors determining CSR Initiatives; CSR in Actions; Impact of CSR on Stakeholders and Financial Performance; and Measurement of CSR (Taneja, Taneja, & Gupta, 2011).

However, Basu and Palazzo (2008) hold that the past studies on CSR documenting and inventories without understanding the precursor causes will not likely to reveal the difference between CSR. Furthermore, the previous research also overemphasized on CSR content of activities which neglecting the internal organizational factors that might trigger or shape such initiatives from the beginning (Basu & Palazzo, 2008). On the different note, Bass and Milosevic (2018) indicate the research and methodological gap in the previous study on CSR. They argue that, in the past, research has largely examined CSR through a macro-institutional perspective. This is to look at how organizations have followed the legal and societal "rules of the game". In this perspective, researchers are primarily considering (a) how institutional pressures influence organizational approaches via CSR initiatives and (b) how organizations identify and build their corporate values and identities. For them this might not be enough to thoroughly understand CSR. For them, macro-institutional view will neglect the complex relationship between business and society at large (Bass & Milosevic, 2018). By using the right methodology, particularly

qualitative ethnographic study, would provide an instrument to deeper examine the complex relationship of business and society.

## 6.2 Sensemaking Theory

In the theory of sensemaking, there are various scholarship that has been producing the definitions of the term. Therefore, there is no single agreed definition, model, and approaches to sensemaking in detail. However, on the surface level of the theory, argued by Brown, Colville, & Pye, (2015), there is a emergent of agreement what sensemaking might be. The agreed definition of sensemaking is “that sensemaking refers generally to those processes by which people seek plausibly to understand ambiguous, equivocal or confusing issues or events(Colville, Brown, & Pye, 2012; Maitlis & Christianson, 2014; Weick, 1995)” The process of understanding has enable decision makers to foster a cognitive map of their environment that there are surrounded with(Ring & Rands, 1989). In this sense, sensemaking process are internally embed in the organization cognitive and linguistic process. According to Basu and Pallazo (2008), given the mental model of sensemaking in organization which has an influence of over the way the reality is perceived within organization, the view is consistent with the constructionist approach by Karl E. Weick in the book called Sensemaking in Organizations in 1995(Basu & Palazzo, 2008).

The framework of sensemaking theory is grounded in the key characteristic of sensemaking by Karl Weick(Weick, 1995). He argued that the seven properties are the primary guideline for the study of sensemaking. It suggests ‘what sensemaking is’, ‘how it works’, and ‘where it can fail.’ The seven distinguishing characteristics of sensemaking includes: grounded in identity construction, Retrospection, Enactive Sensible Environment, Social, Ongoing, Extracted cues, and Plausible reasoning and improvisation(Weick, 1995).

## 6.3 Types of CSR

Geoffrey Lantos categorized CSR activities into three distinct modes by looking at nature of the initiative whether it is optional or requirement, and looking at the purposes of the initiative whether it would lead to stakeholders’ benefit, firm’s benefit, or both(Lantos, 2001). The threefold of CSRs includes ethical CSR, altruistic CSR, and strategic CSR. The ethical CSR entails the moral obligation of the firm to correct the negative externalities they have caused toward the society to avoid harm and social

injuries. On the other level, altruistic CSR involved the company beyond legal and moral obligation and expectation from the public. In this sense, Lantos argued that altruistic CSR is when the company “go beyond preventing or rectifying harms they have done (ethical CSR) to assuming liability for public welfare deficiencies that they have not caused.” Lastly, strategic CSR is when the company working toward ethical and philanthropic initiatives while considering benefits of society and its own(Lantos, 2002).

While Lantos (2001, and 2002) focused on the morality aspect of CSR, Porter and Kramer in 2011 focused on management and characterized CSR activities into two distinct types: traditional CSR and Creating Shared Values (CSV). The key characters of traditional CSR are the focused on charitable and philanthropic activities, discretionary or in response to external pressure, separate from profit maximization, agenda determined by external reporting and personal preferences, and impact is limited to corporate footprint and CSR budget. On the other hand, the key characters of traditional CSV are focused on shared value creation, embed as integral part of company’s strategy, part of profit maximization, fixed agenda and internally designed, and the realignment with the entire company budget(Porter & Kramer, 2006).

## 7. Methodology

This paper aim to provide understanding on managerial and internal process of CSR in the company. It will particularly examine the role of role of stakeholders toward the process of transformation from altruistic CSR to strategic CSR through the sensemaking process theory which looking at three aspects: cognitive, linguistic, and conative. To put it into simpler term, this paper desire to observe how executives, managers, employees, and project participants engage in process of understanding, communicating and operating CSR.

Research methodology chosen by this paper is qualitative in order to be able to understand the internal process of the firm. This method of studies would facilitate the aim of this paper in exploring the phenomenon happening in closed context. Furthermore, it also provides the ability to use in-dept and variety of data sources.

Single case study research will be applied. This type of case study research, as argue by Dhanda (2013), has the potential to deal with different types of context, may it be simple or complex one. While situated in the field, it would allow researchers to constantly review what one has observed and constantly ask “how” and “why” it

happened(Dhandra, 2013). Furthermore, given the number of case study accounted, it would let the researcher to have more time dive deep into the phenomenon.

The source of this research will be primarily from Central Group. The reasons that the company is selected for the study are as follows. First, Central Group is one of the leading companies and has a long history of implementing their CSR in the organization. The company has been recognized by domestic and internal agency that have been dealing with CSR and sustainability. Second, Central Group is a retail business which heavily rely on their corporate brand image and their relation to the society. For this reason, CSR has inevitably become an integral part of the company’s strategy. More importantly, Central Group is under the process of transformation from the traditional CSR to the strategic CSR. Finally, from prior experience with the company, trust and cooperation was already pre-established. The company is willing to provide an extensive information and allow the researcher to observe the phenomenal in their respective company.

The data collection will be divided into 2 phases: textual and documentation collection and participated observation in the field. The textual and documentation collection will serve as the foundation of researcher understanding of historical backgrounds of the company, and CSR development. As for participated observation, it will let the researcher involve and make the primary reporting of the situation.

## 8. Findings and Expected Results

### 8.1 Central CSR Principles

There are several ideas that constitute the core principle of Central CSR. These ideas were found in company annual reports, company’s communication, and formal and informal conversations. The core idea includes Central Group Principle from the opening of the company, Sustainable Development Goal of UN, and Sufficiency Economy by King Rama the 9<sup>th</sup>.

### 8.2 Past practice of Central CSR

There is common characteristic of the past practice of Central CSR. One of the managers described that there are three common themes of previous Central projects. The first theme was most of the project are short-term. As evident in the previous report, most

of the projects were mostly one-time project with no evaluation or continuation. For instance, the company had been given the infrastructure such as library, or school building, may or may not be on the request of the school, and left. Essentially, these projects are only for one-time photo opportunity and for the sake of giving. Second theme is it was too focus on particular group of people which create low engagement and low impact. Lastly, in the past Central had focus on doing as much as they can to generate the number of CSR projects hoping that people would recognize what Central has done. For example, one of the staff who have been working with Central for more than ten years said that “in the past we are so determine to help as many schools as possible. So, we went to one school after another. Once, once we are done, we move to another school. We never track or evaluate the progress the school have made.” This is coincided with the sentiment when talked to the management and other employee about the past practice of Central Group. They all said that there was not much impact, and something has to change.

### 8.3 Point of Transformation

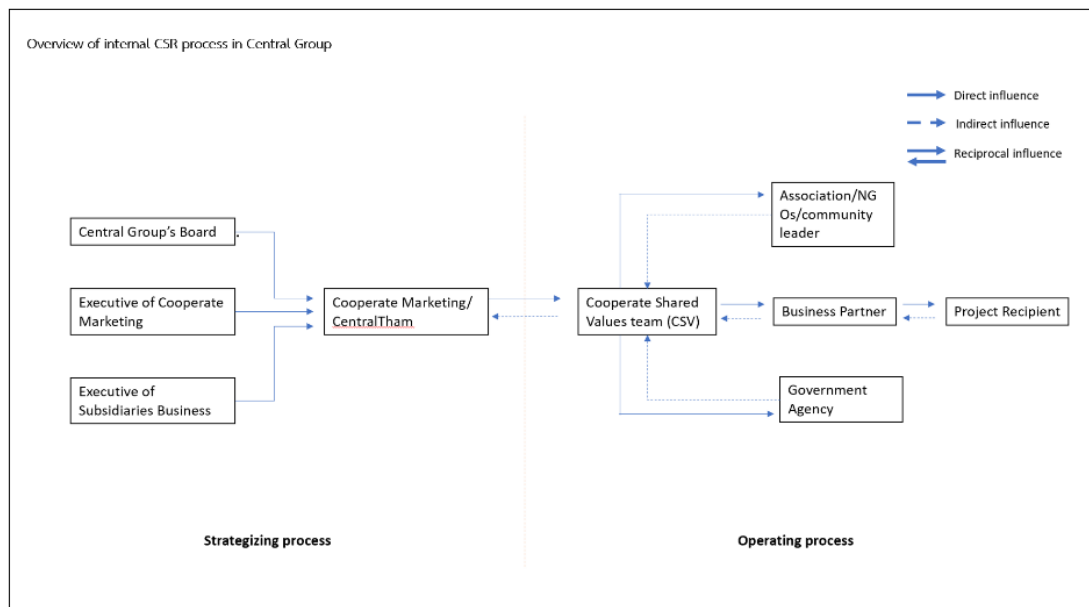
In October 2016, Central Group had announced the restructuring of their organization. There were some positional changes that had an impact toward CSR practice within the company. Central Group executive in Communication, Marketing, and CSR, a new position, was assigned to Pichai Chirathivat former CEO of COL. The group has also appointed a former governor of Bank of Thailand (BOT), Prasarn Trairatvorakul as an advisor to Central Group Sustainable Department. The two figures have play important in leading the new era of CSR activities in Central Group. At Central Group 70 year’s anniversary in 2018, one of Central executive in charge of CSR, Communications and Group marketing said that “aside from renovating the mall and promotional campaign to satisfy our customers, Central Group aims to bring the prosperity and growth to the community as well. Our new direction is no longer using the framework of Corporate Social Responsibility (CSR). We are moving beyond to create a shared value to community and as well as our organization. We believe that this would bring a sustainable development in the long run(Prachachat, 2017).”

In summary, there are criteria that have been set by the company to differentiate traditional CSR and the strategic CSR projects. The chief aim of Central Group’s CSR is to have the project that enable high engagement and has high impact on society. According to articulated foundations of idea of what should be the DNA of Central Group criteria from the new management structure, it could be divided into two sets

of measurements: operational and impact. In operation, CSR activity should be able to utilize company’s core competency, create business opportunity and mutual benefits, and able to address social needs. As for the impact, CSR project should be sustainable and focus on the long-term benefits, the content and detail of the project should be prioritized rather than the number of projects, and it needs to make sure that everyone in the company’s value chain are mutually benefited.

### 8.4 Internal Process of Central CSR

Figure 1: Overview of internal CSR process in Central Group



The research took place at Central Group’s sustainability department to conduct an observation study on the internal CSR process. The finding shows that CSR process in Central Group could be divided into two interrelated process: strategizing process and operating process. In the strategizing process involves Central Group’s board of directors, executive of Cooperate marketing, executives from the subsidiaries business of Central Group, and Cooperate marketing or CentralTham’s team. Most of the actors in this process play significantly impact CSR project in the company through CSR’s principle and guideline. Equally important, the cooperate marketing team, consisted of middle managers who report directly to the top executive, play role in strategizing CSR project within the company. Their role also include an constant communication with the operating team to translate the idea into the practical projects on the ground.



The second process is the operating process which consisted of the employee, government agency, Non-governmental organization, community/organization leaders, business partners, and project recipients. In this process, Central Group’s CSR agents are playing a critical role in taking the strategic ideas from the management and Centraltham team to bring the project into operation. They are also responsible for dealing with the business partners, government agency, and project recipient.

## 9. Expected Outcome

To address the research question, the preliminary result will be presented in this section. According to the aims of this research is to uncover the complexity of CSR’s internal process in the chosen case study, Central Group, by looking at management and institutional factors which effecting the transformation from traditional CSR to strategic CSR. The findings reveal that Central Group has not been able to fully transform their CSR project into the strategic CSR, or what internally called “CSV”. According to sensemaking theory, there are factors that hindering the successful sensemaking and sensegiving process. Firstly, conflicting message derived from the distinction of top management idea and action produce a confusion in the operation level. This happened when the top management has an idea to transform CSR into strategic CSR project, while continuing to organize traditional CSR. Secondly, the ambiguity of message effected how employee in the operating level implement the project. Lastly, grounded identity of the individuals and organizations in the CSR process also shape prospect of CSR.

## References

- Bass, A. E., & Milosevic, I. (2018). The ethnographic method in CSR research: The role and importance of methodological fit. *Business & Society*, 57(1), 174-215.
- Basu, K., & Palazzo, G. (2008). Corporate social responsibility: A process model of sensemaking. *Academy of Management Review*, 33(1), 122-136.
- Colville, I., Brown, A. D., & Pye, A. (2012). Simplexity: Sensemaking, organizing and storytelling for our time. *Human Relations*, 65(1), 5-15.
- Dhanda, K. K. (2013). Case study in the evolution of sustainability: Baxter international inc. *Journal of Business Ethics*, 112(4), 667-684.
- GC, U. (2007). UN Global Compact Annual Review 2007 Leaders Summit. *The Global Compact*. Retrieved from [https://d306pr3pise04h.cloudfront.net/docs/news\\_events%2F8.1%2FGCAAnnualReview2007.pdf](https://d306pr3pise04h.cloudfront.net/docs/news_events%2F8.1%2FGCAAnnualReview2007.pdf)
- Porter, M> E. & Kramer, M. R. (2011). Creating shared value. *Harvard Business Review*, 89, 62-77.
- Lantos, G. P. (2001). The boundaries of strategic corporate social responsibility. *Journal of Consumer Marketing*, 18(7), 595-632.
- Lantos, G. P. (2002). The ethicality of altruistic corporate social responsibility. *Journal of Consumer Marketing*, 19(3), 205-232.
- Maitlis, S., & Christianson, M. (2014). Sensemaking in organizations: Taking stock and moving forward. *Academy of Management Annals*, 8(1), 57-125.
- NESDB. (2019). *Thailand's 20-Year National Strategy*. Retrieved from <http://nscr.nesdb.go.th/wp-content/uploads/2019/10/National-Strategy-Eng-Final-25-OCT-2019.pdf>
- Porter, M. E., & Kramer, M. R. (2006). The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 84(12), 78-92.
- Prachachat. (2017). Central Group "CSV" creating value through 4 pillars. *Prachachat*. Retrieved from <https://www.prachachat.net/csr-hr/news-18956>
- Ring, P.S. & Rands, G.P. (1989). Sensemaking, understanding, and committing: Emergent interpersonal transaction processes in the evolution of 3M's microgravity research program. In A. H. Van de Ven, H.L. Angle & M.S. Poole (Eds), *Research on the management of innovation: The Minnesota studies* (pp. 111-25). New York: Ballinger.

Taneja, S. S., Taneja, P. K., & Gupta, R. K. (2011). Researches in corporate social responsibility: A review of shifting focus, paradigms, and methodologies. *Journal of Business Ethics*, 101(3), 343-364.

UN Global Compact. (2015). *Impact: Transforming business and changing the world*. Retrieved from <https://d306pr3pise04h.cloudfront.net/docs/publications%2FImpactUNGlobalCompact2015.pdf>

UN Global Compact. (2018). *Blueprint for business leadership on the SDGs*. Retrieved from <https://blueprint.unglobalcompact.org/>

Virakul, B., Koonmee, K., & McLean, G. N. (2009). CSR activities in award-winning Thai companies. *Social Responsibility Journal*, 5(2), 178-199.

Weick, K. E. (1995). *Sensemaking in organizations* (Vol. 3). Thousand Oaks, CA: Sage.

## *Utilization of Cyberspace by Authoritarian Regimes: An Analysis on Effects of Embeddedness in Global Governance and Trade*

Elif Sercen Nurcan<sup>13</sup>

### **Abstract**

Cyberspace offers opportunities for increased participation in public deliberation process of democracy while also benefitting authoritarian regimes. In doing so, cyberspace offers new tools for the continuation and empowerment of such regimes. In this paper, cyberspace utilization by authoritarian regimes is analyzed with a focus on the effects of embeddedness in global governance and trade. We derive from existent literature the concept of four generations of information controls utilized by authoritarian regimes. These controls include tools such as firewalls, censure, laws, and targeted malware attacks and are almost characteristically backed by national security rhetoric. For authoritarian regimes that have achieved relatively high technological capacity, it is hypothesized that the lack of embeddedness in global governance system accompanied by strong trade links is a key factor in shaping such regimes' utilization of cyberspace. To test the validity of this hypothesis, two cases from Asia are compared: China and Singapore. Although far from a complete theory of cyber authoritarianism, the results indicate there is an adequate level of similarities in how varying authoritarian states use their new cyber tools that can be explained by global governance embeddedness and trade.

**Keywords:** Authoritarianism, cyberspace, cybersecurity, regime continuity

---

<sup>13</sup> Elif Sercen Nurcan, Meiji University, Graduate School of Political Science and Economics, elifsercen@yahoo.com.

## 1. Introduction

Authoritarian states are now utilizing cyberspace for regime survival and empowerment. However, just as there are different types of authoritarianism, the methods used by an authoritarian to take part in the cyber realm are also different. Starting from this point, this paper is centered around the theme of “utilization of cyberspace by authoritarian states.” Following the acknowledgement that authoritarian states may differ at levels of economic development or political controls while sharing the similar goals of regime survival and empowerment, the question becomes “What are the common characteristics of involvement in cyberspace by authoritarian regimes that are economically well-connected but lack embeddedness in global governance?”

In order to answer this question, comparison is carried out between two examples of regimes with differing authoritarian elements but similar connection levels in terms of economic activity and lack of embeddedness in global governance: China and Singapore. In doing so, the “generations of information controls” concept by Deibert (2015) is used to clarify the toolkits used by these two regimes.

Disclaimers need to be made before going further. Authoritarian states as well as democratic ones employ information controls at differing levels. Within the scope of this paper, there is no deep debate on concept definitions such as what is democracy, how is a state determined to be authoritarian etc. Singapore is accepted as an illiberal regime without any peaceful government transitions since its foundation and China is accepted as a single party authoritarian regime.

## 2. Cyberspace and the State

Cyberspace describes the widespread, “interdependent network of information technology infrastructure which includes the Internet, telecom networks, computer systems and embedded processors and controllers in various industries.” It became a buzzword in the 1990s as Internet, networking, and digital communication became widespread (Strate, 1999).

Over time, cyberspace has evolved to become an area of national security, next to land, air, sea, and space. National security policy has three basic aims: reduction of foreign adversaries’ influence in the organization of domestic affairs, prevention of remote aggression acts, and prevention of enemy’s presence in the home terrain (Kello

2017, 106). Since the cyberspace is now considered as another field of national security next to land, sea, air, and space, the same goals can be applied. The important caveat here is the replacement of physical terrain with superfluous cyber realm.

However, cyberspace is more than its defense aspect. Three main aspects of cyberspace can be summarized as:

- (1) Defense: Security of military operations and critical public infrastructure
- (2) Economic: Protection of intellectual properties (IPs), stock markets, and unhindered economic activities of private sector
- (3) Political: Continuation of political processes such as elections, maintenance of state legitimacy, regime continuity

These aspects are often interlinked. In addition, the actors taking part in cyberspace can be summarized in the table below.

*Table 1: Actor Classification in Cyberspace*

Actor	Motivation		
		Self satisfaction /Personal belief	Economic benefit
State			Public safety
Organization		Cyberintelligence	
Group	Hacktivists Hacker(s)	Cybercrime	Cyberterror
Individual			

Source: Kayama (2015) and Sigholm (2016).

The necessity of looking into the states’ relationship with the cyberspace stems from two realities: State happens to be the largest actor in cyberspace, and it has made a comeback in post-Cold War era. Renaissance of the state followed the period after the Cold War when there was the expectation that globalization would bring an era of global governance. “History” had supposedly ended as stated by Francis Fukuyama in 1992 with his *The End of History and the Last Man*. By the end of 2010s, these expectations failed to materialize. The state, especially the authoritarian model, made a comeback. Key examples that illustrate this phenomenon include but are not limited to, Russia’s growing separation from international bodies such as the G8 (2014), Brexit (2016), rise of isolationism in the US (since 2016), and the management of the current COVID-19 outbreak crisis where the actions of the state have taken precedence over the actions of the international collective.

By looking at Table 1, there is ample space that indicate clashes between actors in cyberspace. Yet, the characterization of the current situation as a “New Cold War” is misleading. The contenders are in fact, capitalist regimes or regimes fast becoming capitalist, including both the victors of Cold War and the post socialist states in which the communist project, widely corrupted by ruling elites who turned the state apparatus against their own people, compromised with the world market. (Dyer-Witthford and Matviyenko 2019, 50).

Although cyberspace has been oft described as lacking physicality and is virtual in nature, it in fact carries territorial features. This is due to the fact that cyber activities occur on physical territory and involve objects, or are conducted by persons or entities, over which states may exercise their sovereign prerogatives. (Schmitt ed. 2017, 12-13). Therefore, states and their handling of cyberspace carry significance which cannot be ignored. Yet, when the jurisdiction itself is carrying authoritarian elements, this legitimate entitlement of the state leads to the utilization of cyberspace for the benefit of authoritarian regimes. Such an authoritarian element is the “rule-by-law” embedded in legal authoritarianism which will be featured as a key portion of case studies below.

Why do authoritarian states control and use cyberspace? For such regimes, cyberspace is a new tool of regime survival. This situation is aided by the legitimate concerns regarding cybercrime and terrorism, and governments’ interest in combatting them (Jackson 2015). When democratic governments police cyberspace, it can have the effect of providing cover for authoritarian regimes to do the same for repression. For example, in the US, activist groups have sued the FBI and the Department of Homeland

Security, as well as the Software company Palantir that built a “Muslim database” to support Trump’s promised immigrant-vetting. In Palantir’s case, the company received investment from CIA venture capital front company In-Q-Tel and has a record of work with the CIA, NSA, and the US Customs and Border Protection Agency (Dyer-Witthford and Matviyenko 2019, 126). The surfacing of these cases have led to less attention paid to the same type of rights violation in cyberspace by authoritarian regimes.

“Big Brother” and “Big Data” have met at their nexus point. Authoritarian demand for cybersecurity technology is currently met by private firms, often justified by economic efficiency rationale. Since the appearance of the administrative state in the early 20th century, bureaucracy has been collecting data on citizens and the rise of Internet has now allowed the private sector to do the same. Private firms such as Google and Apple possess and control access to the greatest collections of private data, meaning that governments can now gain access to crucial information on their citizens via the consent of private data handlers (Kello 2017, 181). Companies as well as governments aim “... to keep the public on the networks, and hence within a field where big data about habits, purchases, locations, friends, and contacts continue to be amassed by corporations whose privacy assurances can and will be compromised by voluntary or forced collaboration with state authorities – or ingeniously bypassed (Dyer-Witthford and Matviyenko 2019, 125).” With this understanding of the relationship between the state and the private sector, we can undertake analysis of how authoritarian regimes utilize cyberspace for their own benefit.

### 3. Four Generations of Information Controls in Cyberspace

Authoritarian states engage in cyberspace for regime survival and empowerment. But how do they control and use cyberspace? To answer this question, Citizen Lab Director Ronald Deibert groups the methods used by states under four generations in his 2015 work:

- (1) First generation information controls: Direct, defensive techniques such as Internet filtering aiming at construction of a national Internet
- (2) Second generation information controls: Legal measures extending to private sector that signify legal authoritarianism
- (3) Third generation information controls: Offensive techniques such as directed attacks on civil society as exemplified by the rise of Persistent Advanced Threats which are state sponsored cyberattacks



- (4) Fourth generation information controls: Techniques for growing influence in Internet governance and hijacking of international Internet governance organizations for own regime benefits

Having summarized the toolkit of authoritarian states, illustration of its use can be now given via case studies. The two cases of China and Singapore have been chosen to explain the effect of lack of embeddedness in global governance accompanied by high levels of connectedness with the international economy.

#### 4. China

In recent years, China has improved relations with certain ASEAN members and has become a member of BRICS. China also happens to be the top trade partner for a number of countries. All of these lead to the conclusion that China is well connected to the world economy, with the greatest evidence being the Chinese economy’s slumps coinciding with world economy’s own. However, despite the fact that China is a member of UN Security Council with a veto right, it is a non-influential or very latecomer member in other global institutions. In other words, China does not currently lead any institution created under Bretton Woods system. In this light, the recent Asian Infrastructure Investment Bank (AIIB) and the One Belt One Road (OBOR) projects have been interpreted by some as alternative international financial/development system attempts.

China is also involved in strategic border and maritime disputes with its neighbors. In recent years, its political divergence from the US-led world system has been clarified in norm differences becoming more visible in areas such as human rights and political representation. With all of these in consideration, it is possible to conclude that while China is well connected with the rest of the world in terms of economy, mainly trade, the lack of recognized leadership in international organizations and divorce from global governance standards mean that China lacks embeddedness in global governance. The effects of this situation is reflected in the information controls it employs in its regime continuity and empowerment activities.

#### 4.1 China’s Brand of Authoritarianism

Before undertaking the tracing process of information control employment, the characteristics of Chinese authoritarian regime are examined. The reason behind this is that, a healthy comparison between countries as different as China and Singapore require clarification of said differences. Thus, China’s own brand of authoritarianism is examined in this section.

In terms of governance, Lai summarizes the elements of China’s pragmatic authoritarianism as below (Lai 2016, 42):

- Economic governance: Pro-growth policies and institutions: reform and opening. Earning legitimacy through performance.
- Social governance: Differentiated treatment of social groups. Social discontents eased while non-political social activities are given space
- Political governance: Eclectic borrowing of successful practices and the Party’s censorship of the media. Governance capacity is enhanced and the Party keeps out unfavorable info

The state in China wields high levels of infrastructural and despotic power. The state employs modern institutions and technology, in order to exercise its abundant power through the society. The economic catch-up process increased adult literacy but also the effectiveness of the state propaganda machinery. The Party state has built nationwide high-speed rail and automobile transport, TV, Internet, and mobile phone systems, enabling its political commands and official announcements and personnel to reach people and social groups throughout the vast country. As long as the Chinese Communist Party (CCP) continues to wield the aforementioned infrastructural and despotic power, the regime can be expected to remain strong in its maintenance of monopoly of political power.

#### 4.2 Third Generation Information Control Usage

Employment of third generation information controls with their given offensive nature sets Chinese state’s involvement in cyberspace apart and warrants explanation. Early period of Chinese cyberattacks (until 2009) featured two levels of activity: concentrated but skilled activity targeting mostly governmental enterprises in the US and larger swath of primitive “patriotic hacking” directed at foreign political targets such as media. The

mysterious 863 Program was directed at indigenous technology development but it has been rumored to be linked to theft of foreign intellectual property, especially in linkage with the 998 Program for advanced weapons development program that oversaw the acquisition of a copy of American company Lockheed Martin’s F-35 fighter jet (Klimburg 2018, 288, 291-292).

This adoption of third generation controls can be linked to the lack of embeddedness in global governance which sets China free to act without repercussions outside of usual backlash between nation states. For example, China’s Three Warfares doctrine, published in 2003, is the only official information warfare doctrine published by any government. It defines the interstate conflict arena in terms of legal warfare (lawfare, using international law for own objective), media warfare (for expanding softpower), and psychological warfare (to leverage a punishment and award system across national levels of power to coerce an opponent) (Klimburg 2018, 295). China’s military forces subsumed within a larger category of “information warfare” that comprehends forms of psychological operations and propaganda (Dyer-Witheyford and Matviyenko 2019, 44). This is important when considering there is no indication of where the warfare takes place. The warfare is expected to take place anywhere, including within cyber borders. This is met with the aforementioned employment of third generation controls.

### 4.3 Economic Ties and Technology Adoption

Since its ascension to World Trade Organization (WTO) membership in 2001, China has transformed itself from one of the most isolated economies to an economy closely integrated with the world economy. In short order, China became a powerhouse of exports and a major manufacturing base, gaining secure access to international markets, and has taken its economy down the path of the market economy. Following this metamorphosis, the state has been flexible in its ideological formulation, institutional development and renewal, and policy responses. This flexibility can be observed in China’s pro-growth authoritarianism as exemplified by Deng’s promotion of liberal economic reforms via justification of ultimate criterion of whether an institution or policy could generate economic growth (Lai 2016, 43, 88, and 305). Ultimately, this has led to adoption of technology on a faster and larger scale.

Aggravation of the anti-democratic method of “surveillance systems exports” by Chinese companies that has become unified with the Chinese state cannot be left out of this adoption process. Companies such as China Telecom, China Unicom, China

Mobile, and Tsinghua Unigroup have been involved in the exporting of surveillance technologies to developing countries such as Nicaragua, Myanmar, Pakistan, and Nepal. Helping such states build their own Big Brother seem to be connected to the China’s efforts to widen its influence (Shiobara 2019, 173). The major concern for the state has been the maintenance of ideological control over a population perceived as vulnerable to terrorism, to separatism, and to “foreign influences” of the sort projected by foreign digital soft power. This control is exercised through the elaborate and continually evolving apparatus of digital censorship, surveillance, and preemption (Dyer-Witthford and Matviyenko 2019, 45). Examples of this apparatus are given below.

#### 4.4 Economic Efficiency Rhetoric and Political Control

Economic efficiency rationale has been utilized to render Chinese mobile phone and Internet users easier to track. In this part, two examples involving facial recognition scans are given.

Although, facial recognition technology is not cutting edge anymore, its applications in surveillance systems, especially on nationwide scale, are new. Since November 2018, “all mobile phone users in China registering new SIM cards must submit to facial recognition scans.” Ministry of Industry and Information gives the reasoning behind this policy as “protecting the legitimate rights and interest of citizens in cyberspace (Kuo 2019).”

In addition to SIM card registrations, popular cashless payment systems WeChat and AliPay have started using facial recognition payment (FRP). As of December 2019, “China’s digital ID is integrated with popular online platform WeChat, allowing users to sync their national ID cards with the app and use their phones as IDs to buy train tickets or book hotels. Each time a person requests a new phone number, their photo is taken and matched to a government ID to keep track of the person’s activity. Going past the payment systems, in 2019, the Guangzhou police released a peer-to-peer facial recognition app called Zhen Ni (The Real You). This initiative was a part of China’s digital ID system initiated by the Ministry of Public Security (Pascu 2019). By looking at these examples, we see that the Chinese private sector collaborates with the government under the economic rationale while giving birth to greater surveillance of citizenry.

#### 4.5 The Great Firewall of China

The term is the combination of “firewall” and “the Great Wall of China,” which was first used in print by Geremie Barmé in 1997. Great Firewall of China (GFW) indicates “... an ensemble of legal provisions, infrastructural projects, governmental intervention, and political campaigns targeting the dissemination of online content in China. While the term has entered popular culture and media discourse, it does not indicate a specific artifact or technology, but it broadly encapsulates the limitations, surveillance, and censorship, which, to debatable degrees, influence the way people use the Internet in China (de Seta 2016).”

The GFW is operated by the Cyberspace Administration of China (CAC). CAC is described as being “in charge of translating the Communist Party of China’s will into technical specifications.” Internet censorship is achieved by blocking access to selected foreign websites, slowing down cross-border internet traffic, and requiring foreign companies to adapt to domestic regulations. The GFW shows a remarkable combination of all generations of controls, allowing network police to monitor online content and track people (Qiang 2008).

This system combines blackouts of proscribed websites, algorithmic filtering and monitoring of email, and interventions by internet militias (Fifty Cent Army, named for the alleged pay rate for each posting) or bureaucrats to divert or disrupt controversial discussions with pro-government cheerleading with digital surveillance of, and attacks on, overseas sites and groups attempting to evade censorship. Administered via the collaboration of private-sector internet service providers with state authorities, the system has been characterized by a changing, erratic enforcement that by its very uncertainty increases the risk to dissenters. The GFW has contributed greatly to China’s large-scale imprisonment of social activists and journalists (Dyer-Witthford and Matviyenko 2019, 45). Combined with the recent examples such as the exclusion of Huawei hardware from Google Playstore, there happens to be a significant potentiality of evolution of alternative software ecosystem closed off to outside world.

## 5. Singapore

Singapore is a prominent regional trade hub and a technology and education leader in the region. Despite being a founder member of ASEAN and yielding influence, Singapore’s small territory size and recent founding puts down any potential of the city state to become a central player in global governance. Thus, Singapore is very similar to China in terms of economic connectivity but lacking embeddedness in global governance.

While it is fact that Singapore is largely democratic, it is inherently a dual state in that it matches the “liberal West in the commercial arena while repressing civil and political individual rights. The World Justice Project has ranked Singapore first among its socio-economic peers for access to civil justice and order and security, while ranking it last in terms of open government and fundamental rights (Rajah 2012, 23-24).” This signifies Singapore’s status as a competitive authoritarian or an illiberal democracy. To illustrate this point further, we only need to remind ourselves that the People’s Action Party (PAP) domination has continued since independence with no government change. Most recently, Singapore has been determined to be ‘partly free’ according to Freedom House (Freedom House 2020).

### 5.1 Tech-Savvy Legal Authoritarianism in Singapore

Singaporean state is very actively involved in cyberspace. The government engages with the public via its “gov.sg” extension organs on social media channels. This involvement is aided by key organizations.

While the New Defense Cyber Organization (DCO) is in charge of planning and implementing defense policies in cyberspace, Cyber Security Agency (CSA) prepares strategies for dealing with defacement of government websites. Documents by these state agencies hint at prioritization of the state image over democratic practices. For example, CSA 2019 Report includes hacktivism under criminal acts (CSA 2020). By looking at these examples, it is possible to conclude that the state’s discourse has determined that ‘politics’ is the discursive terrain that citizens may not enter as citizens. The only passport to engage in explicit political content is to register as a political site with the Media Development Authority (MDA) (Rajah 2012, 159). This culture of state suspicion of media and the state’s capacity to conduct surveillance and deal

punishments to its citizens have possibly reduced the potential of new forms of media to be potent players towards more democratic practices.

## 5.2 Second Generation Information Controls in Singapore

The laws as well as the Internet have been disaggregated to serve state goals related to the economy and social control, to enhance domestic governance. This Internet governance strategy has resulted in self-censorship in anticipation of government backlash and the liberalizing impact of the Internet has been limited by legal, social, economic, and political conditions (Rajah 2012, 157-158). Therefore, the examples below perfectly illustrate the extent of nuanced usage of second generation information controls in Singapore with roots going down to the political culture at the height of Cold War and nation’s independence.

Reformulation of the colonial state’s Emergency Regulations when Singapore was founded, the Internal Security Act (ISA) of Singapore allows the minister who is charged with the responsibility for internal security to order detention to prevent subversion and anything incidental to internal security. This detention without trial can last up to 2 years (Singapore Statutes Online Plus 2020). While the law itself has been originally targeting communists, its current applications hint at targeting of extremist terror. ISA has been a major topic of discussions involving lack of judiciary oversight over executive powers which is a key part of illiberal nature of the regime.

Public and private actors are becoming increasingly interlinked via complex regulatory frameworks, especially in fields related to the electronic protection of critical infrastructure (Buckland, Schreier, and Winkler 2015, 20). And Singapore has met this development with its Cybersecurity Act. This law gives the designated cybersecurity regulator the power to investigate, seize evidence, and inflict criminal and civil penalties on noncompliers. Somehow divorced from fields such as power supply, media is also defined as a Critical Information Infrastructure (CII) field. CII owners are required to register for licenses to operate, and this brings the firm under direct government surveillance. Initiatives under this law include, for example, Cloud Software-as-a-Service (SaaS) Whitelisting in which it is compulsory for any firm offering cloud services to provide contractual details to the government. Government may decide a firm is too risky and prevent the company from operating.

Similar to the Cybersecurity Act, the Broadcasting Act applies in the same manner to social media channels. Any website that handles transmission of news on Singaporean politics must have a license along with a prohibition from receiving foreign funding. Examples include the registration of the popular political websites Mothership and the Online Citizen (Chan 2014).

The newest addition to legal arsenal is the Protection from Online Falsehoods and Manipulation Act (POFMA). In effect since October 2019, POFMA gives any government minister broad censorship powers and the ability to undermine free expression without judicial oversight. Ahead of the July 2020 general elections, POFMA was allegedly used against media platforms and opposition politicians (Freedom House 2020).

### 5.3 Facial Verification and National ID

Singapore has become the first country in the world to use facial verification in its national identity scheme. Integration of facial verification with SingPass will allow citizens to access government and private sector services. Demonstrating the nexus between the needs of Big Data and Big Brother where companies in democratic countries lend their services to authoritarian elements, this technology has been developed by iProov, a UK company.

Singapore's version of facial verification system differs from the Chinese case in the sense that the government undertakes the role of technology distribution and coordination. The government has announced that the new technology would be available to any business that wants it and meets the government's requirements. "We don't really restrict how this digital face verification can be used, as long as it complies with our requirements," Kwok Quek Sin, senior director of national digital identity at GovTech Singapore (McDonald 2020). However, the potentiality of personal data being used for increased surveillance of citizenry remains the same for both countries' cases.

## 6. Conclusions

Prior to stating the conclusions on the commonalities uniting the above two cases, their critical differences in employing different generations of controls have to be stated. Especially in the case of Singapore, the tech-savvy government is praised internationally. Improvement of convenience at the cost of potential loss of civil rights is not seen as an attack on democracy. However, if Singapore were to pursue more aggressively third



or fourth generation controls, this outlook would rapidly change, causing economic losses as well international backlash. For Singapore, outright decoupling from the global Internet via first generation controls is not logically pursuable. On the other hand, China is the leader in effectively splitting its cyberspace from rest of the world via first generation controls. Compared to Singapore, China possesses greater leeway in pursuing more information controls due to its domestic market size and overall, more detachment from existing global governance. Ongoing trade war creating incentives for Chinese companies to focus more on domestic market and create technologies for it, as well as adoption of third generation controls against adversaries of the state.

For both cases, they are authoritarian/illiberal regimes that are economically well connected but not well embedded in global governance. From examples given, economic connection implies faster tech adoption. They have become more tech-savvy in their utilization of cyberspace. Particularly, nuanced employment of controls backed by internal safety (“nation needs protection from outside”), ethnic harmony, and economic efficiency rationale rhetoric is prominent. In doing so, they actually learn from each other as exemplified by Thailand’s legislation of own Cybersecurity Act that in fact allows authoritarian practices such as confiscation of equipment without trial, very similar to that of those employed by Singapore and China (Suwanprateep 2019). China has been reported to have taken an active interest in learning from Singapore’s example (Rajah 2012, 156).

Aside from commonalities in the implications of economic connectivity, the lack of embeddedness in global governance has meant less implications/backlash to authoritarian elements in Singapore and China’s cyberspace engagement. Following this, the ‘rule-of-law’ has been effectively subverted into ‘rule-by-law’. Legal authoritarianism is apparent in laws regarding cyberspace utilization in these two cases with lack of judicial oversight over actions of the executive. This has been justified by the utilization of “the trope of national vulnerability,” the construct of the perpetually vulnerable ‘nation’ when enacting ‘laws’ designed to constrain citizenship and civil society (Rajah 2012, 161). Achieving economic prosperity, as well as social and political stability did not alter the major concern for such regimes; the maintenance of ideological control over a population perceived as vulnerable to “foreign influences.” The covert modes of illiberalism reveal the range of ways in which the checks-and-balances have been constrained, civil society dismantled, and basic legal freedoms disregarded. Law has been used to silence non-state actors who would otherwise moderate state power with the legislative language lacking autonomy from the state.

## References

- Buckland, Benjamin S., Schreier, Fred and Winkler, Theodor H.. 2015. *Democratic governance challenges of cyber security*. DCAF HORIZON 2015 WORKING PAPER No. 1. Last accessed December 10, 2020: [https://www.dcaf.ch/sites/default/files/publications/documents/CyberPaper\\_3.6.pdf](https://www.dcaf.ch/sites/default/files/publications/documents/CyberPaper_3.6.pdf).
- Chan, Robin. 2014. *MDA asks website mothership.sg to register under Broadcasting Act*. Last accessed on December 10, 2020: <https://www.straitstimes.com/singapore/mda-asks-website-mothershipsg-to-register-under-broadcasting-act>.
- Cimpanu, Catalin. 2020. *EU sanctions China, Russia, and North Korea for past hacks*. Last accessed on November 10, 2020: <https://www.zdnet.com/article/eu-sanctions-china-russia-and-north-korea-for-past-hacks/>.
- Cimpanu, Catalin. 2020. *DEF CON: New tool brings back 'domain fronting' as 'domain hiding'*. Last accessed on November 10, 2020: <https://www.zdnet.com/article/def-con-new-tool-brings-back-domain-fronting-as-domain-hiding/>.
- Cramer, Stella et al. . 2018. "Singapore's new Cybersecurity Act comes into force." *Data Protection Report*. Norton Rose Fulbright. Last accessed on November 10, 2020: <https://www.dataprotectionreport.com/2018/09/singapores-new-cybersecurity-act-come-into-force-heres-what-you-need-to-know/#:~:text=The%20much%20discussed%20Cybersecurity%20Act,31%20August%202018%20%5B1%5D.&text=It%20also%20creates%20a%20licensing,in%20Singapore%20to%20be%20registered>.
- Cyber Security Agency of Singapore. 2020. *Singapore Cyber Landscape 2019*. Last accessed on December 10, 2020: <https://www.csa.gov.sg/news/publications/singapore-cyber-landscape-2019>.
- de Seta, Kathleen M.. 2016. "Great Firewall, China." *Pop Culture in Asia and Oceania*, Jeremy A. Murray, Kathleen M. Nadeau, eds. ABC-CLIO. Last accessed on December 1, 2020: [https://www.researchgate.net/publication/310003693\\_Great\\_Firewall\\_China/stats](https://www.researchgate.net/publication/310003693_Great_Firewall_China/stats).
- Deibert, Ron. 2015. "Authoritarianism Goes Global: Cyberspace Under Siege." *Journal of Democracy*, Volume 26, Number 3, July 2015, pp. 64-78. Last accessed on June 26, 2020. DOI: <https://doi.org/10.1353/jod.2015.0051>.

- Dyer-Witthford, Nick and Matviyenko, Svitlana. 2019. *Cyberwar and Revolution: Digital Subterfuge in Global Capitalism*. Minneapolis: University of Minnesota Press.
- Farrell, Henry and Newman, Abraham L.. 2020. "Chained to Globalization: Why It's Too Late to Decouple." *Foreign Affairs*, January/February 2020. Last accessed on November 10, 2020: <https://www.foreignaffairs.com/articles/united-states/2019-12-10/chained-globalization>.
- Freedom House. 2020. *Singapore*. Last accessed on December 10, 2020: <https://freedomhouse.org/country/singapore/freedom-net/2020>.
- Jackson, Dean. 2015. *The Authoritarian Surge into Cyberspace*. Last accessed December 10, 2020: <https://www.resurgentdictatorship.org/the-authoritarian-surge-into-cyberspace/>.
- Kayama, Kōsetsu. 2015. *Kōdo Hyōteki-Gata Kōgeki Taisaku Ni Muketa Shisutemusetsukei Gaido: Kansen Suru Koto O Zentei To Shita 'Bōgyo Gurando Dezain' Ni Muketa Shisutemusetsukei No Kandokoro (System Design Guide for Advanced Targeted Attack Countermeasures: Tips for System Design for "Defense Grand Design" on the Premise of Infection)*. Last accessed on May 14, 2020. <https://www.ipa.go.jp/files/000045950.pdf>.
- Kello, Lucas. 2017. *The Virtual Weapon and International Order*. Cornwall: Yale University Press.
- Klimburg, Alexander. 2018. *The Darkening Web: The War for Cyberspace*. New York: Penguin Books.
- Kuo, Lily. 2019. *China brings in mandatory facial recognition for mobile phone users*. Last accessed on December 10, 2020: <https://www.theguardian.com/world/2019/dec/02/china-brings-in-mandatory-facial-recognition-for-mobile-phone-users#:~:text=All%20mobile%20phone%20users%20in,across%20the%20country%20on%20Sunday.&text=Many%20social%20media%20platforms%20also,identities%E2%80%9D%20via%20their%20phone%20numbers>.
- Lai, Hongyi. 2016. *China's Governance Model: Flexibility and Durability of Pragmatic Authoritarianism*. Oxon: Routledge.
- McDonald, Tim. 2020. *Singapore in world first for facial verification*. Last accessed on December 10, 2020: <https://www.bbc.com/news/business-54266602>.

- Pascu, Luana. 2019. *China introduces facial recognition for WeChat transfers, mandatory biometric scans for SIM cards*. Last accessed on December 10, 2020: <https://www.biometricupdate.com/201912/china-introduces-facial-recognition-for-wechat-transfers-mandatory-biometric-scans-for-sim-cards>.
- Ponniah, Kevin. 2020. *How a Chinese agent used LinkedIn to hunt for targets*. BBC News. Last accessed on November 10, 2020: <https://www.bbc.com/news/world-asia-53544505>.
- Qiang, Xiao. 2008. "How China's Internet Police Control Speech on the Internet". *Radio Free Asia*. Archived from the original on 11 July 2013. Retrieved 15 August 2018. Last accessed on December 10, 2020: [https://www.webcitation.org/6l1ZApv1g?url=http://www.rfa.org/english/commentaries/china\\_internet-11242008134108.html](https://www.webcitation.org/6l1ZApv1g?url=http://www.rfa.org/english/commentaries/china_internet-11242008134108.html).
- Rajah, Jothie. 2012. *Authoritarian Rule of Law: Legislation, Discourse and Legitimacy in Singapore*. New York: Cambridge University Press.
- Schmitt, Michael N., ed.. 2017. *Talinn Manual 2.0 on the International Law Applicable to Cyber Operations*. Prepared by the International Groups of Experts at the Invitation of the NATO Cooperative Cyber Defense Center of Excellence. Cambridge: Cambridge University Press.
- Shiobara, Toshihiko. 2019. *Saibā Kūkan ni Okeru Haken Sōdatsu: Kojin, Kokka, Sangyō, Hōkisei no Yukue* [Contending Hegemony in Cyberspace: Outcome of Individuals, States, Industries, and Legal Restraints]. Tokyo: Shakaihyōronsha.
- Sigholm, Johan. 2016. "Non-State Actors in Cyberspace Operations." *Journal of Military Studies*, Volume 4, Issue 1. Last accessed on May 14, 2020. DOI: <https://doi.org/10.1515/jms-2016-0184>.
- Singapore Statutes Online Plus. 2020. *Internal Security Act, Chapter 143*. Last accessed on December 10, 2020: <https://sso.agc.gov.sg/Act/ISA1960#:~:text=An%20Act%20to%20provide%20for,and%20for%20matters%20incidental%20thereto.&text=1.,as%20the%20Internal%20Security%20Act>.
- Singpeng, Aim. 2017. *Divide and Conquer: Authoritarianism and Cyberspace in Southeast Asia*. Last accessed on November 10, 2020: <https://international.thenewslens.com/article/82673>.

Strate, Lance (1999). "The varieties of cyberspace: Problems in definition and delimitation". *Western Journal of Communication*. 63 (3): 382–83.  
doi:10.1080/10570319909374648.

Southeast Asian Press Alliance (SEAPA). 2019. *Singapore: Cyberspace Headed for More Control*. Last accessed on November 10, 2020: <https://old.pcij.org/stories/singapore-cyberspace-headed-for-more-control/>.

Suwanprateep , Dhiraphol. 2019. *Thailand Cybersecurity Act is Effective*. Baker McKenzie. Last accessed on November 10, 2020: <https://www.bakermckenzie.com/en/insight/publications/2019/05/thailand-cybersecurity-act-is-effective>.

*Understanding How Celebrities Influence Donors Participation in Social Crowdfunding (The Mediating Role of News Media Coverage and Online Social Networks)*

Agung Maulana  
agungmaulana893@gmail.com

**Abstract**

This research proposes multiple mediating regression model to examine the role of news media coverage which represented by the number of news spread by digital news media related on the fundraising activities, as well as the role of online social networks (OSNs) size as a driven factor of information diffusion in social media which measured by the number of social media follower in Instagram amid the relationship between celebrity endorsement as a fundraiser and donors' participation and crowdfunding performance. This study collected and examined 220 social campaigns on the largest donation-based platform in Indonesia ([www.kitabisa.com](http://www.kitabisa.com)) as samples. To solve the hypotheses, we run model 4b and 80 on Process Macro SPSS to set path analysis process based on bias corrected bootstrapping method. The result shows that either direct or indirect effect, news media coverage or size of online social networks help celebrity endorsement to attract donors to participate on the campaign they brought as the total effect of celebrity endorsement has increase thanks to the existence of these two critical aspects (based on model 4b). Beside, donors' participation with media coverage process and large size of online social networks simultaneously has been proven to urge donation performance of a campaign (based on model 80). Theoretical and practical contributions further explained on the discussion.

**Keywords:** Celebrity Endorsement, Crowdfunding Participation, Media Effects, Online Social Networks (OSNs)

## 1. Introduction

Previous research from Belleflamme et al., (2013) and other studies regarding the role of fundraiser’s status in crowdfunding should be extended due to the birth of new players in crowdfunding that brought several implications on crowdfunding practice especially the existence of celebrities and influencers endorsement as a fundraiser. The existence of celebrity both as a fundraiser or endorser within a philanthropy campaign became a representative of peripheral cues that give a positive signal and evaluation to the potential donors which in turn will increase trustworthiness (Guo, Zhou, Chen, & Huy, 2015; Petty, Cacioppo, & Goldman, 1981). Celebrity serves as a key intangible asset for certain stakeholders such as firms and philanthropy organizations and provides some opportunities and advantages for instance boosts company image and stock market performance, as well as donation performance (in philanthropy context) (Ketchen, Adams, & Shook, 2008). In some literatures, all those things that explained above often to be called as celebrity capital (Driessens, 2013).

By leveraging celebrity capital, the attractiveness, trustworthiness, and likeability of celebrities and influencers are often to be used for endorsements (Erdogan, 1999). Attention and sales level of a product tends to increase when a spokespersons have celebrity capital. It’s also can be leveraged by crowdfunding platform companies in the world (Tom et al., 1992). Celebrities and influencers have some advantages compared to non-celebrity person (Creek, 2018). Especially for the close relationship on the media coverage they had that cannot be separated. Celebrities and influencers create their own brand image and positive personality that leveraged by firms, media, and the product they endorsed on and media will deploy and forms celebrities’ charms to increase their popularity (Creek, 2018; Hayward, Rindova, & Pollock, 2004; Zauner, Fink, Maresch, & Aschauer, 2012).

In the context of philanthropy, celebrity’s fames will attract potential donors to be triggered to participate in a campaign. It could be happened given the cognitive, behavioral, and psychological media effects contained in the propagation of news by mainstream and digital media (Potter, 2017). Celebrity news brought by digital news platforms is an effective communication technique that takes an urgent role to ensure the circulation of information regarding social projects posted running well and could be received by common people as a shared understanding (Giudici, Guerini, & Rossi-Lamastra, 2018; Robiady, Windasari, & Nita, 2020). People always curious about celebrities’ update as they have strong interest in the celebrity life which is considered

as the perfect life that many people dream of (Dubied & Hanitzsch, 2014). Celebrity news became a reflection on how celebrity and media could not be separated and always be a single unit thanks to their strong correlation.

Beside the close relationship between celebrities and news media, celebrities also have other advantage compared with non-celebrity fundraiser in which they have bigger social networks, fandom, and followers in social media (Arifianto et al., 2018). The huge followers on social media celebrities have like Instagram, helps to speed up the information diffusion and the deployment of celebrities’ news that be able to propagate information (Remy, Pervin, Toriumi, & Takeda, 2013). Empirically, social media networks like Twitter, Facebook, and Instagram are effective at passing information along during humanitarian or disaster crisis. Given the urgent nature of campaigns in social crowdfunding, the critical role of information diffusion in social media can also help fundraisers to speed up fundraising process (Altay & Pal, 2014; Liu, Suh, & Wagner, 2018; Remy et al., 2013; Yoo, Rand, Eftekhar, & Rabinovich, 2016).

The detail discourse about how celebrities or influencers as an endorser could influence the success of philanthropy program is actually not a new issue in the literature. Yet, to our best knowledge, the specific discourse about the role of celebrity on the digital social crowdfunding practice is still rare especially on the perspective outside China and western countries like UK or US. Therefore, this research tends to extend previous discussion regarding to what extent the influence of celebrities endorsement and their capital advantages which are media exposure and wider online social networks will affect donors’ participation and crowdfunding performance statistically. This study aims to explore the direct and indirect effect of celebrities or influencers endorsement as a fundraiser on donors’ participation and engagement as well as donation performance in digital social crowdfunding practice.

## 2. Literature Review

### 2.1 Celebrity Capital and Endorsement on Crowdfunding Philanthropy

The role of status embedded within an individual or organization as a fundraiser whether they are for-profit, nonprofit, celebrities, or individuals influences the crowdfunding performance (Kaartemo, 2017). Belleflamme, Lambert, & Schvienbacher (2013) have argued that every single type of fundraiser has its own characters, reputation levels, communication strategies, different level of focus in seeking personal



benefits, and different size of social network ties back them that lead to the campaign succeed. It will give difference implications to the donor’s decision to choose which type of fundraiser that be able to convince them.

As time goes by, philanthropy practice in social crowdfunding nowadays has favored by various groups of society and professional individuals such as scientists, freelancers, activists, politicians and athletes, including celebrities and influencers. Both celebrities and influencers have very huge followers on social media which could be maximized for marketing and advertising purposes (Schouten, Janssen, & Verspaget, 2020). This research doesn’t try to separate these two status since they have similar digital capital in the context of network size. Instead of focus on the differences of these kinds of status, this research combines them as a single unit and become one element of variable of celebrity endorsement (De Veirman, Hudders, & Nelson, 2019; Enke & Borchers, 2019; Schouten et al., 2020).

Celebrity philanthropy (celanthropy) and advocacy became apropos individual strategic philanthropy to influence intention to donate of the donors through co-branding alliance with charitable organizations as well as a new strategy of social crowdfunding across countries to enhance their brand image and organization legitimacy (Babiak, Mills, Tainsky, & Juravich, 2012). As we mentioned before, celebrity serves as a key intangible asset for certain stakeholders such as firms and philanthropy organizations and provides some opportunities and advantages for instance boosts company image and stock market performance, as well as donation performance (in philanthropy context) (Ketchen et al., 2008). In some literatures, all those beneficial things that explained above related on the celebrities often to be called as celebrity capital (Driessens, 2013). Celebrities and influencers more likely to raise much donation rather than any other types of fundraisers since their reputation, strong personality branding, and wider social network will easily attract customer engagement and intention to donate (Wheeler, 2009).

However, some people might have perspective that celebrities solely intend to increase their popularity and brand image and lack of sincerity when they try to make a social campaign in crowdfunding platform that lead donors to decrease their willingness to donate (Hassid & Jeffreys, 2015). Research from By Harris Interactive and Third Sector in 2018 revealed that 69 percent of respondents were less likely to donate in a campaign that has an endorsed celebrity. Two-third of respondent said that celebrity endorsement in a social campaign does not influence their willingness to donate

(Ricketts, 2018). Study of US millennial internet users from Roth Capital Partners in 2017 instead found that nearly four in ten millennial thought that paid endorsement will erode credibility of the product. 78% of millennial in US had a negative view on celebrity endorsements or were indifferent to the practice related to making a purchase (Chadha, 2017).

Through the socialization in social media and cognitive process of news media exposure, a campaign which brought by celebrities and influencers could be propagated, advertised, and explained broadly on the internet. We still believe that celebrity and influencer endorsement as a fundraiser in digital philanthropy activities influences donors’ participation and performance thanks to their embedded capital status as a celebrity that can be able to affect donors’ attention. Yet, depends on celebrity itself without any helps from those two critical aspect might less strong to influence donors’ attention and participation. Therefore, we set our first hypothesis as follow:

*H1: In a direct relationship, celebrities and influencers endorsement as a fundraiser will affect positively on donors’ participation but not in significant scale*

## **2.2 When News Media Coverage Bridging the Celebrity Endorsement to Influence Philanthropic Participation in Social Crowdfunding**

The important role of news media has been proven in the effort on influencing some economic and business performance such as stock market performance or investor decision making (Niederhoffer, 1971). While in the context of philanthropy, celebrity’s fames will attract people to be triggered to participate in a voluntary activities (Yörük, 2012). Media coverage on charitable fundraising activities could help related stakeholders to urge the fundraising performance in the period of disaster crisis (Waters & Tindall, 2011). The combination between celebrity and news media coverage would be very useful to urge the donation intention and even the crowdfunding performance.

Celebrity as a fundraiser or brand ambassador of social foundation will strengthen the social crowdfunding website or organization’s credibility (Babiak et al., 2012). Celebrities and influencers are often regarded as dedicated, disciplined, and have a strong soul to inspiring people, thus it would be easy to encourage people to put sympathy on the social campaigns of the foundation (Y. Yang, Zhou, & Zhang, 2019). The emergence of celebrity journalism or celebrity news becomes a reflection on how celebrity and media

could not be separated and always be a single unit thanks to their strong correlation (Dubied & Hanitzsch, 2014). Celebrity news brought by the digital news platforms is an effective communication could be a good technique for social crowdfunding and takes an urgent role to ensure the circulation of information regarding social projects posted running well and could be received by common people as a shared understanding (Giudici, Guerini, & Rossi-Lamastra, 2018; Robiady, Windasari, & Nita, 2020).

On the other hand, previous works have proven that informational effect on news media changes public's knowledge (Potter, 2017), market structure and investor attitude (Narayan & Narayan, 2017), and even consumer behavior (Sutherland & Galloway, 1981). The informational effect of news media was not just affecting public's behavior in the context of sociology and business, but also in the context of philanthropic manners. Since long time ago, mass media has widely used as a strategy to promote philanthropy causes (Thrall et al., 2008; Waters, 2013; Waters & Tindall, 2011; Yörük, 2012).

The existence of cognitive, behavioral, and psychological media effects contained in the propagation of news by mainstream and digital media affect people intention and decision making (Potter, 2017). The emotions evoked within the news coverage of national and international crisis can escalate the fundraising activities into the media's spotlight (Waters, 2013). Media succeed enough in influencing public awareness at least for the last 30 years. Media have been shown to have a positive correlation in the coverage of issues and their perceived importance by the public. Media salience of issues leads to the increased attention of the issues in public opinion (Waters, 2013).

In philanthropic cases, Waters & Tindall (2011) revealed that media coverage on charitable fundraising activities could help related stakeholders to urge the fundraising performance in the period of disaster crisis. Gene Zucker (1978) has argued since long time ago that the less time the issue has been shown in the media, and the less obtrusive an issue is, the greater is the news media's influence to affect public opinion about that. Scholars predicted that celebrity's fames will attract digital news media attention to make some coverage or exposure on their fundraising activities. At the same time, the media coverage would also attract people to participate in a voluntary activities thank to its effects. News media will bridging the popularity of celebrities and influencers to affect donors. Therefore, we set our next hypothesis as follows:

*H2: The news media coverage by digital news media related on the social campaign significantly mediates the relationship between celebrity endorsement and donors' participation*

Donors' participation and engagement is one of the media coverage's main goals. The success of celebrity endorsement activities to raise as much as donation is given their ability to attract donors' intention and participation to donate some money, buy some products, or give positive views or comments related to the products (Babiak et al., 2012; Tom et al., 1992; Wheeler, 2009; Xu, Jiang, & Zhou, 2020). The customer or donors' engagement believed would increase sales or donation performance in the end (Phua, Lin, & Lim, 2018; Robiady et al., 2020; Tom et al., 1992).

Within social and reward-based crowdfunding platforms such as Kickstarter or Kitabisa, donors allowed to be engaged in a campaign to give some comments either in a positive or negative precedence (Robiady et al., 2020) once after they are submitted as a donor. Virtual intimate interaction between fundraisers and donors in some extent would be converted into an action that can be monitored such as purchasing activities or donation participation (Ángeles Oviedo-García, Muñoz-Expósito, Castellanos-Verdugo, & Sancho-Mejías, 2014). Fundraisers can reply the comments from donors directly on the comments column or indirectly on the updates feature. Interestingly, in social crowdfunding platform especially in the targeted platform of this research ([www.kitabisa.com](http://www.kitabisa.com)), both donors' engagement and donors' participation incorporated into a single unit feature where donors who have submitted to donate their money could straightly make some comments on a campaign to make intimate interaction with fundraisers as free as they want.

This research will also contribute to examining the role of media coverage on fundraising activities in social crowdfunding platform. The attractiveness, trustworthiness, connections, involvement, motive attribution, and wider social network embedded on the celebrities and influencers will become media attention. Then, the media exposure on the fundraising activities of celebrities will bridging (mediate) celebrities and influencers to attract donors' participation and campaign performance. Based on the previous studies above, we believe that donors' participation will positively increase donation performance and therefore we set our next hypothesis as follow:

*H3: The news media coverage by digital news media related on the social campaign and donors' participation simultaneously mediates the relationship between celebrity endorsement and donation performance*

### **2.3 Important Role of Online Social Networks (OSNs) to Diffuse Charitable Fundraising Information in Social Media**

Online social networking systems allow individuals to exchange information with any number of peers simultaneously. Besides, social networks is a very substantial factor for mobilizing people. Digital or online social networks has proven for being very critical aspect for discovery, search, marketing, information dissemination, and news sharing. Social media like Instagram, Twitter, Facebook, and Flickr became a digital version of social networks omnipresent (Bakshy, Rosenn, Marlow, & Adamic, 2012). Tweeting behavior in turn will affect the information diffusion of some events in Twitter.

Online network structure is important to affect information diffusion in social media (Huang & Sun, 2014; Taxidou & Fischer, 2014; J. Yang & Counts, 2010). One of the valuable aspect of information diffusion in social media is the size of digital social networks or in some literatures called followers network which usually reflected by the number of followers (Huang & Sun, 2014). On the other side, recent events have demonstrated that exchanging news in social media has become a phenomena of growing social, economic and political significance, as individuals nowadays can engage in news creation and diffusion in vast virtual societies worldwide (Lee & Ma, 2012).

The activeness of social media users will determine how widely an information will be spread both inside and outside social media networks (Lee & Ma, 2012; Lerman & Ghosh, 2010; Stieglitz & Dang-Xuan, 2013). The longer the users are active on a social media, the greater their involvement in spreading information from a news (Lee & Ma, 2012). Yoo, Rand, Eftekhari, & Rabinovich (2016) revealed that information diffusion plays critical role to deal with extreme levels of complexity and uncertainty in disaster relief operation. J. Kim, Bae, & Hastak (2018) argued that social media plays critical role in deploying urgent information throughout disasters. Related stakeholders on disaster management have created social media accounts as a source of information and communication channels (Lee & Ma, 2012).

Yoo et al., (2016) added that internal sharing through social media networks is advancing at a significantly higher rate than information from external sources on these networks. The result reflects that social media networks are successful in delivering information during humanitarian emergencies that involve immediate distribution of information. Talking about philanthropy, platforms to conduct charitable fundraising activities have also been evolved. Traditional ways such as direct fundraising on the street or selling pre-loved stuffs nowadays has complemented by utilizing the digital media such as social crowdfunding (Gerber, Hui, & Kuo, 2012). Contemporary charitable fundraising instead utilizes social media to share their activities to public (Lu, Xie, Kong, & Yu, 2014).

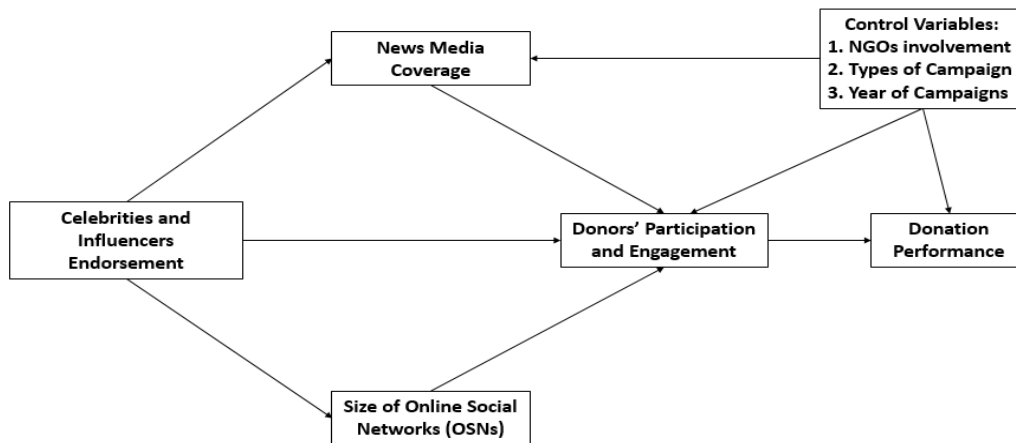
Social network size was found to be significantly influence to participation, deliberation, and conversation in a positive way (Shen, Wang, Guo, & Guo, 2009). The bigger fundraiser’s online social networks, the easier for them to share fundraising information. Online social interactions based on interpersonal networks proven to enhance participatory behavior (Shen et al., 2009). Celebrity’s size and quality of social network might be better as they have many close friendship with reputable businessman, legislators, other celebrities, and important persons in a country. Wider scope of social networks owned by celebrities allow them to maximize external donors (those who have relationships outside of kinship) than the internal one Zheng et al., (2014).

This research will examine the mediating role of online social networks as a driven factor of information diffusion in social media amid the relationship between celebrity endorsement on donors’ participation as well as donation performance. we follow research from Huang & Sun (2014) to use this aspect as the measurement which reflected by the number of followers. Hence, we set our next hypotheses as follows:

*H4: The online social networks (OSNs) size as a source of information diffusion significantly mediates relationship between celebrity endorsement and donors’ participation*

*H5: The online social networks (OSNs) size as a source of information diffusion and donors’ participation mediates the relationship between celebrity endorsement and donation performance*

Figure 1: Conceptual Framework (Research Model)



### 3. Research Methodology

#### 3.1 Context of the Study, Sample Construction, and Data Sources

This research is an explanatory study and will be conducted using quantitative approach by collecting numerical data that are processed through a statistical analysis (Marshall, 1996). We undertake the following criteria from the prior study conducted by Aprilia & Wibowo, (2017) and Mollick (2014) to construct the sample with a slight adjustment, which are:

- (1) We consider projects located inside Indonesia as our homeland to facilitate the course of the research
- (2) The selected campaigns must be started and finished since Kitabisa was established as a platform (January 2017) until the end of June 2020 and we excluded the campaigns that are still active at the time of data collection
- (3) Selected campaigns must have at least IDR 20.000 (around \$2) under the minimum regulatory donation of Kitabisa
- (4) The fundraiser whose campaigns are chosen must be known the size of the social networks that measured by how much friends they have on Instagram.

*Table 1: Summary of the Context of the Study, Sample Construction, and Data Sources*

<b>Research scope</b>	We focus on the campaign within Indonesia as one of the countries that has a huge social crowdfunding platform
<b>Research period</b>	3.5 years from January 2017 the inception year of targeted platform to June 2020. The reason behind is we set a procedure and standard when we choose a campaign to be a sample
<b>Targeted platform as a source of campaign sample</b>	www.kitabisa.com, this platform offers many advantages such as provides various and easily accessible data for testing our hypothesis, especially the data regarding fundraiser’s status.
<b>The number of sample</b>	The total samples on this study is 220. Use G-Power (statistical power) 0.80 with the parameter at $\alpha=0.26$ and $\beta= 0.26$ using bootstrap method in which the minimum sample required is 148 (Fritz & MacKinnon, 2007; Robiady et al., 2020)

### 3.2 Data Analysis

In this research, we set a research model based on multiple mediation principal in which there is a combination between two mediating variables in one research model (Edwards & Lambert, 2007). To test the effect of the variables, path analysis method was used on this research (Edwards & Lambert, 2007; Hayes, 2018; Shrout & Bolger, 2002). This method has been shown to have the greatest statistical performance (MacKinnon, Lockwood, Hoffman, West, & Sheets, 2002). The first step of data analysis on this research is analyzing the descriptive statistics. Descriptive statistic results general information about the data such as percentile values, central tendency (mean, modus, and median), dispersion values (standard deviation for example), and posterior distribution such as normality assumption for data distribution. Then, we test the normality assumption in order to figure out distribution pattern of the data by checking the kurtosis and skewness value for each observed variables. Normal data condition helps to boost the value of coefficient and the significant influence of the observed variables (Altay & Pal, 2014).

After the normality assumption test has finished, we will test the hypotheses using bias corrected bootstrap method to figure out the significant effect of direct and indirect influence in mediation paths of the model. We set alpha level of 0.05 as a standard error which consistent for a significant level in economic, business, and social sciences

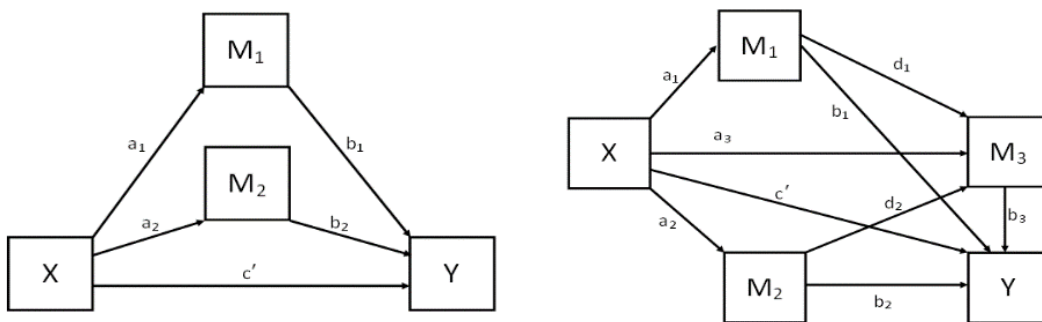


research. We use Process Macro 3.5 version on SPSS from Hayes to help us examine the hypotheses. We set 5000 bootstrapping using model 4b as it fit with our research model (Hayes, 2018).

Bootstrap will resample data thousand times and computed statistical parameters from resampled results. Thus, the assumption of normality is no longer required here (Hayes, 2018). We set conditioning values with standard deviation (SD) range in which there are -1SD, mean, and +1SD. To test the hypothesis with the bootstrap method, we need to look at the value of the confidence interval. Bootstrap will provide a lower (lower) and upper (upper) limit of the existing confidence levels. An analysis considered to be significant if the upper limit and lower limit are at the same pole, for example, both are positive or both are negative (Hayes, 2018). We set also the moderation and conditioning probe interactions with if  $p < .10$ . We don't use mean center of construction on all variables that define products to avoid multicollinearity among variables since we don't have any moderating variables inside.

We run two model of multiple mediation which are model 4b and 80. The first model will figure out the direct, indirect, and total effect of celebrities endorsement on donors' participation that mediated by news media coverage and online social network. While for the second model will figure out whether donors' participation also can mediate the previous predictor variables on donation performance. The equation of the research model could be seen as follows:

Figure 2: Research Model 4b and model 80 (Hayes, 2018)



Note: X = Celebrity status (celeb), M1 = News Media Coverage by digital news media (news), M2 = Size of online social network measured as number of Instagram followers (size), Y(M3) = Donors participation (donor), Y = Donation Performance (Pfmnc)

### Model 4b

Model Equation(s):  $Y=a+bX$

- donor =  $b_0 + b_1(\text{news}) + b_2(\text{size}) + c'(\text{celeb})$
- news =  $a_{01} + a_1(\text{celeb})$
- size =  $a_{02} + a_2(\text{celeb})$

### Model 80

Model Equation(s):  $Y=a+bX$

- $P_{fmnc} = b_0 + b_1(\text{news}) + b_2(\text{size}) + b_3(\text{donor}) + c'(\text{celeb})$
- news =  $a_{01} + a_1(\text{celeb})$
- size =  $a_{02} + a_2(\text{celeb})$
- donors =  $a_{03} + a_3(\text{celeb}) + d_1(\text{news}) + d_2(\text{size})$

### 3.3 Variable Definitions and Measurements

Variable	Definition	References	Measurements
<b>Donation performance</b>	Donation performance defined as how much donation that fundraisers received after the campaign raised on the platform and comparing with the funding target	Aprilia & Wibowo (2017), Kaartemo (2017), and Zheng et al., (2014)	Comparison of the real funding obtained through the crowdfunding project with the targeted project funding
<b>Donors' participation</b>	Donors' participation defined as the number of people who attracted to donate and participate on the campaign as well as give some comments as their engagement on the campaign activity.	Block, Homuf, & Moritz (2018) and Zvilichovsky and Danziger, & Steinhart (2018)	It measured crowdfunding participation by looking at the number of donors participate on a crowdfunding campaign
<b>Celebrities and Influencers Endorsement</b>	Celebrity is a person who has an attention capital from the public based on what they have been made on the entertainment achievement that made people curious about. we use the term of celebrity endorsement as a fundraiser of a campaign	We follow research from Creek (2018) and Belleflamme et al., (2013) who put fundraiser status as dichotomous independent variable such as non-profit and for-profit organizations or celebrity status.	This variable represented by categorical variable (dichotomous) where code "1" is for celebrity fundraiser and code "0" is for non-celebrity fundraiser
<b>News Media Coverage</b>	Media attention to expose some fundraising activities in crowdfunding which in turn will reported on the news line to people as a cognitive process	Narayan & Narayan (2017) and Wouters, Swert, & Walgrave (2009)	We follow the research from Narayan & Narayan (2017) by counting the total number of news spread by digital news platforms including social media platforms in some period (months, years, days). We seeking the news by utilizing digital search engine which is Google.

Variable	Definition	References	Measurements
Size of Online Social Networks	Degree of width social network in internet environment which can be conceived as a network resource equivalent to social capital that facilitates collaboration and conversation.	(Guo et al., 2015; Remy et al., 2013; Taxidou & Fischer, 2014; Zhou, Lu, Fan, & Wang, 2018)	We measured this variable by looking at the number of followers in social media. In this research we use <i>Instagram</i> as the most popular social media in Indonesia



#### 4. Hypotheses Results and Discussion

##### 4.1 Hypothesis Testing Results

Table 2: Statistical Results from Process Macro 3.5

	Ln_News (Model 4b)			Ln_size (Model 4b)			Donors (model 4b)			Pfmnc (model 80)		
	coeff	p	CI	coeff	p	CI	coeff	p	CI	coeff	p	CI
Ln_size				7.2543	.0000	5.8667,8.5800	.1299	.0167	.0069,2567	-.0062	.7814	-.4840,0366
Ln_pfmnc										-1.3512	.0000	-1.9534,-.7341
Ln_donor							1.6477	.0304	.1108,3.2002	.1110	.0002	.0548,1691
Ln_News	1.0752	.0016	.6081,1.6048			.0467,5730	.3206	.0190	.0467,5730	-.0496	.3791	-.1516,0487
Celebrity	.4560	.0064	.0988,8227	5.0154	.0000	4.1200,5.8137	.2539	.5422	-.6050,1.1547	.5099	.0031	.2117,8042
2018	-.2765	.3864	-.7636,1.791	1.8943	.0192	.6041,3.1613	1.7724	.0042	.6101,2.8897	.0265	.9175	.4866,5248
2019	.0440	.8883	-.3989,4874	1.2283	.1206	.0242,2.4248	2.6964	.0000	1.6042,3.7906	.0912	.7219	-.4178,5990
2020	.0541	.8592	-.3763,4704	1.2465	.1058	.0060,2.4325	2.9020	.0000	1.7862,3.9647	.0230	.9274	-.4285,4985
Natural Disaster and Emergency	.4921	.0171	.0810,8849	.7810	.1313	-.2305,1.8199	.5423	.1707	-.2443,1.3788	.1958	.2288	-.1104,5293
Education	-.1022	.6708	-.4510,2327	-.4594	.4484	-.15763,6931	.1534	.7361	-.8199,1.1169	-.0952	.6096	-.5156,3199
Medical Health Disability	-.3387	.0951	-.6851,-.0046	-.8066	.1105	-.18222,2165	.7351	.0562	-.0358,1.5444	.0255	.8721	-.3184,3746
International Humanitarian Relief	-.5307	.1199	-.10173,-.0575	1.0458	.2233	-.5872,2.7069	.6032	.3539	.4808,1.7165	-.5554	.0383	-.11933,0694
NGOs	-.0241	.8840	-.3445,2752	.9065	.0305	.0548,1.7343	1.4170	.0000	.7305,2.1239	.1219	.3707	-.1838,4136

---

Indirect Effect (X on Y) Model 4b	Celeb -> news -> donor: (coeff=.1462, SE=.0863, CI=[.0070,.3421])	Celeb -> size -> donor: (coeff=.6514, SE=.3165, CI=[.0329,1.2652])
Total Effect (X on Y) Model 4b	(coeff=1.0515, p=.0012, CI=[.4190,1.6841])	
Total Effect (X on Y) Model 80	(coeff=.5729, p=.0000, CI=[.8326,.7562])	
Indirect Effect (X on Y) Model 80		
Ind4 (a1b3d1): Celeb -> news -> donor -> pfmnc	(coeff=.0214, SE=.0140, CI=[.0012, .0548])	
Ind5 (a2b3d2): Celeb -> size -> donor -> pfmnc	(coeff=.0955, SE=.0503, CI=[.0044, .2021])	

---

## 4.2 Discussions and Contributions

First of all, we started our data analysis process by transforming our data into the form of natural logarithm. This measure must be taken to push the degree of normality distribution till the boundary value. Even though bias corrected bootstrap doesn't require normality assumption on data distribution, this measure still being crucial to improve the value of coefficient and avoid regression bias results. As we can see on the descriptive statistic table above, the ratio values of the *kurtosis* and *skewness* in pairs where the actual value divided by the standard error remain non-significant at a range of -2 and 2 (Brown, 1997). However, the ratio values in pairs has significantly increased and approaching the normal limit boundary compared to the original data. We also eliminated some outlier data on each variable and made our number of data reduced from 220 to 205 in order to push the *kurtosis* and *skewness* ratio. After we do all those things, we saw that the statistical values either in terms of coefficient, *p* values, or confidence interval of bootstrap have been changed better.

Afterwards, we tried to test the hypotheses we had by running the model 4b as our main model to answer the question whether news media coverage and exposure on the digital fundraising campaign in crowdfunding platforms brought by the celebrities and influencers as well as the wider size of online social networks will help the process of celebrities and influencers endorsements to attract as much as possible donors' participation and engagement. The results on the table 4.1 shows that celebrity endorsement positively affect news media coverage (coeff=.4560, *p*=.0064, CI= [.0988, .8227]) and size of online social networks (coeff=5.0154, *p*=.0000, CI= [4.1200, 5.8137]) in a significant direct relation. Besides, the direct effect of celebrity endorsement on donors' participation instead was non-significant (coeff= .2539, *p*=.5422, CI= [-.6050, 1.1547]). The direct effect between news media coverage (coeff= .3206, *p*=.0190, CI= [.0467, .5730]) and size of online social networks (coeff= .1299, *p*=.0167, CI= [.0069, .2567]) was also significant on donors' participation and engagement.

Move to indirect effects, news media coverage significantly mediates the relationship between celebrities endorsement and donors' participation in a positive way (coeff=.1462, SE=.0863, CI= [.0070, .3421]). This positive vibe also happened on the size of online social networks which succeed to mediate the relationship of celebrity endorsement on donors' participation (coeff=.6514, SE=.3165, CI= [.0329, 1.2652]). This means that we got partial multiple mediation effect in which the direct effect has non-significant contribution whereas the indirect effect instead do significant on the



outcomes. The contribution of the indirect effect from these two mediating variables was very significant. They contributed at least 75.85% from the total effect (coeff=1.0515). Therefore, the hypothesis 1, 2 and 4 in this research has been supported.

To answer the hypothesis 3 and 5, we run model 80 as an additional measure. As we mentioned before, at this stage we only focus on path **a1b3d1** and **a2b3d2** to figure out whether as the third mediating variable (not as an outcome variable) donors' participation also can mediate the celebrity endorsement on donation performance along with the rest two mediating variables (news coverage and OSNs). Looking to the table 4.1 above, the result shows that donors' participation indeed significantly influences donation performance either in direct or indirect effect. The number of donors' participation and engagement along with news media coverage simultaneously mediate celebrity endorsement on donation performance in significant scale (coeff=.0214, SE=.0140, CI= [.0012, .0548]) likewise with the size of OSNs (coeff=.0955, SE=.0503, CI= [.0044, .2021]). Therefore hypothesis 3 and 5 on this research have been supported.

This research supported research from Creek (2018), Budabin & Richey (2018), and Xu et al., (2020) who strengthen the arguments that the involvement of celebrities on digital philanthropic agenda has a beneficial effect and conversely rejected the research from Hassid & Jeffreys (2015) who have revealed that news media doing nothing in effort to help celebrities advertise their philanthropic activities. The strong relationship between celebrities and news media exposure reflected on the celebrity news nomenclature indeed proven to be an effective strategy to attract donors' participation. At the same time this research also rebutted the research from Crosson (2005) as cited on Waters (2013) and Yörük (2012) who revealed that people who were informed by news media about the social campaign did not increase their charitable giving activities. This research indeed has been proving that in the end celebrities' endorsement will increase donation performance thanks to the mediating role of news, OSNs, and donors' participation and engagement.

The second streamline strategy of celebrities to endorse some social campaign in crowdfunding platforms is leveraging the wider online social networks capital they had. We actually no wonder about the results since prior studies agreed that the size of social networks is the critical source of information diffusion and news propagation in social media (Dong, Li, Zhang, & Cai, 2018; Feng, Bai, & Chen, 2015; Lee & Ma, 2012; Tsagkias, De Rijke, & Weerkamp, 2011; Zauner et al., 2012). The wider size of online social networks owned by fundraisers especially celebrities, the bigger donors'

participation would be attracted. The wider OSNs helps the process of information diffusion and news propagation in social media running well.

The control variables also gave important contribution to the predictor and outcomes variables. Campaign in theme of Natural Disaster and Emergency Response (NDE) has significant effect on news media coverage (coeff= .4921,  $p=.0171$ , CI= [.0810, .8849]). This result implies that during disaster and emergency period, news media more often to expose the social and humanitarian activities either in terms of fundraising or volunteering. Whereas the nonprofit organizations (NGOs) involvement (coeff=1.4170,  $p=.0000$ , CI= [.7305, 2.1239]) and year of campaigns (in all years) was significantly affect donors' participation. Based on the statistical result, 2020 was the most crowded (coeff=2.9020) year compared to other years in terms of donation activities as the COVID-19 outbreak has been spreading all over the world. The issues of COVID-19 outbreak became excellence example how year has a strong effect on charitable fundraising activities. The NGOs involvement as a leader player in this industry was also significantly affect donors' participation. NGOs have a tons of experiences, humanitarian networks, strong volunteer and loyal donors that make whatever kinds of campaign handled by them would be significantly success.

## 5. Conclusion, Limitations, and Future Research Directions

Celebrities and influencers endorsement proven to be an effective strategy to attract donors' participation for campaigns in social crowdfunding platforms. The various capitals embedded on their status, especially themselves as a center of news media attention and the wider online social networks and followers according to the results of this research became the two main streamline effective method of celebrities and influencers to attract donors' participation and increase donation performance. However, this research conducted with a quite small number of samples (220). Compared to whole campaigns population on targeted platforms (22,401), at least this research should be able to running the samples in a range of 550-1000 samples. Future research might be do better to do so. Beside this research also didn't answer and deeply explained what kind of celebrities are most effective at attracting public attention in order to participate in a social campaign. I might be very useful for the theory construction if the future research can do so.

## References

- Ahlers, G. K. C., Cumming, D., Günther, C., & Schweizer, D. (2015). Signaling in Equity Crowdfunding. *Entrepreneurship: Theory and Practice*, 39(4), 955–980. <https://doi.org/10.1111/etap.12157>
- Altay, N., & Pal, R. (2014). Information diffusion among agents: Implications for humanitarian operations. *Production and Operations Management*, 23(6), 1015–1027. <https://doi.org/10.1111/poms.12102>
- Ángeles Oviedo-García, M., Muñoz-Expósito, M., Castellanos-Verdugo, M., & Sancho-Mejías, M. (2014). Metric proposal for customer engagement in Facebook. *Journal of Research in Interactive Marketing*, 8(4), 327–344. <https://doi.org/10.1108/JRIM-05-2014-0028>
- Aprilia, Lady, & Wibowo, S. S. (2017). The Impact of Social Capital on Crowdfunding Performance. *The South East Asian Journal of Management*, 11(1), 44–57. <https://doi.org/10.21002/seam.v11i1.7737>
- Arifianto, A., Bayu, Q. D. A. P., Sulistiyo, M. D., Ignatius Wendianto, N., Anwari, N. D., Satria, M. A., ... Putri, R. A. (2018). Endorsement recommendation using Instagram follower profiling. *2018 6th International Conference on Information and Communication Technology, ICoICT 2018*, 0(c), 470–475. <https://doi.org/10.1109/ICoICT.2018.8528724>
- Babiak, K., Mills, B., Tainsky, S., & Juravich, M. (2012). An investigation into professional athlete philanthropy: Why charity is part of the game. *Journal of Sport Management*, 26(2), 159–176. <https://doi.org/10.1123/jsm.26.2.159>
- Bakshy, E., Rosenn, I., Marlow, C., & Adamic, L. (2012). The Role of Social Networks in Information Diffusion. *International World Wide Web Conference Com- Mitte*, 519–528. <https://doi.org/10.1007/BF02889544>
- Belleflamme, P., Lambert, T., & Schwienbacher, A. (2013). Individual crowdfunding practices. *Venture Capital*, Vol. 15, pp. 313–333. <https://doi.org/10.1080/13691066.2013.785151>
- Block, J., Hornuf, L., & Moritz, A. (2018). Which updates during an equity crowdfunding campaign increase crowd participation? *Small Business Economics*, 50(1), 3–27. <https://doi.org/10.1007/s11187-017-9876-4>
- Brown, J. D. (1997). Skewness and kurtosis. *Shiken: JALT Testing & Evaluation SIG*.

- Budabin, A. C., & Richey, L. A. (2018). Advocacy narratives and celebrity engagement: The case of Ben Affleck in Congo. *Human Rights Quarterly*, 40(2), 260–286. <https://doi.org/10.1353/hrq.2018.0015>
- Chadha, R. (2017, November). Millennials Are Wary of Celebrity Endorsements. *Insider Intelligence*. Retrieved from <https://www.emarketer.com/content/millennials-are-wary-of-celebrity-endorsements>
- Creek, S. A. (2018). *The Dark Side of Entrepreneurial Crowdfunding*. Washington State University.
- De Veirman, M., Hudders, L., & Nelson, M. R. (2019). What Is Influencer Marketing and How Does It Target Children? A Review and Direction for Future Research. *Frontiers in Psychology*, 10(December). <https://doi.org/10.3389/fpsyg.2019.02685>
- Dong, R., Li, L., Zhang, Q., & Cai, G. (2018). Information Diffusion on Social Media during Natural Disasters. *IEEE Transactions on Computational Social Systems*, 5(1), 265–276. <https://doi.org/10.1109/TCSS.2017.2786545>
- Driessens, O. (2013). Celebrity capital: Redefining celebrity using field theory. *Theory and Society*, 42(5), 543–560. <https://doi.org/10.1007/s11186-013-9202-3>
- Dubied, A., & Hanitzsch, T. (2014). Studying celebrity news. *Journalism*, 15(2), 137–143. <https://doi.org/10.1177/1464884913488717>
- Edwards, J. R., & Lambert, L. S. (2007). Methods for integrating moderation and mediation: A general analytical framework using moderated path analysis. *Psychological Methods*, 12(1), 1–22. <https://doi.org/10.1037/1082-989X.12.1.1>
- Enke, N., & Borchers, N. S. (2019). Social Media Influencers in Strategic Communication: A Conceptual Framework for Strategic Social Media Influencer Communication. *International Journal of Strategic Communication*, 13(4), 261–277. <https://doi.org/10.1080/1553118X.2019.1620234>
- Erdogan, B. Z. (1999). Celebrity Endorsement: A Literature Review. *Journal of Marketing Management*, 15(4), 291–314. <https://doi.org/10.1362/026725799784870379>
- Feng, Y., Bai, B., & Chen, W. (2015). Information diffusion efficiency in online social networks. *International Conference on Digital Signal Processing, DSP, 2015-Septe*, 1138–1142. <https://doi.org/10.1109/ICDSP.2015.7252057>
- Fritz, M. S., & MacKinnon, D. P. (2007). Required sample size to detect the mediated effect. *Psychological Science*, 18(3), 233–239. <https://doi.org/10.1111/j.1467-9280.2007.01882.x>

- Gene Zucker, H. (1978). The Variable Nature of News Media Influence. *Annals of the International Communication Association*, 2(1), 225–240.  
<https://doi.org/10.1080/23808985.1978.11923728>
- Gerber, E. M., Hui, J. S., & Kuo, P.-Y. (2012). Crowdfunding: Why people are motivated to post and fund projects on crowdfunding platforms. *Proc. of the International Workshop on ...*, 10. <https://doi.org/http://dx.doi.org/10.1145/2530540>
- Giudici, G., Guerini, M., & Rossi-Lamastra, C. (2018). Reward-based crowdfunding of entrepreneurial projects: the effect of local altruism and localized social capital on proponents' success. *Small Business Economics*, 50(2), 307–324.  
<https://doi.org/10.1007/s11187-016-9830-x>
- Guo, L., Zhou, D., Chen, Y., & Huy, R. (2015). Platform Strategy and Market Response Impact on the Success of Crowdfunding: A Chinese Case. *Asian Journal of Innovation and Policy*, 4(3), 397–409. <https://doi.org/10.7545/ajip.2015.4.3.397>
- Hassid, J., & Jeffreys, E. (2015). Doing good or doing nothing? Celebrity, media and philanthropy in China. *Third World Quarterly*, 36(1), 75–93.  
<https://doi.org/10.1080/01436597.2015.976019>
- Hayes, A. F. (2018). *Introduction to Mediation, Moderation, and Conditional Process Analysis* (2nd ed.; T. D. Little, Ed.). New York: The Guilford Press.
- Hayward, M. L. A., Rindova, V. P., & Pollock, T. G. (2004). Believing one's own press: The causes and consequences of CEO celebrity. *Strategic Management Journal*, 25(7), 637–653. <https://doi.org/10.1002/smj.405>
- Huang, R., & Sun, X. (2014). Weibo network, information diffusion and implications for collective action in China. *Information Communication and Society*, 17(1), 86–104. <https://doi.org/10.1080/1369118X.2013.853817>
- Kaartemo, V. (2017). The elements of a successful crowdfunding campaign: a systematic literature review of crowdfunding performance. *International Review of Entrepreneurship*, 15(3), 291–318.
- Ketchen, D. J., Adams, G. L., & Shook, C. L. (2008). Understanding and managing CEO celebrity. *Business Horizons*, 51(6), 529–534.  
<https://doi.org/10.1016/j.bushor.2008.06.003>
- Kim, J., Bae, J., & Hastak, M. (2018). Emergency information diffusion on online social media during storm Cindy in U.S. *International Journal of Information Management*, 40(March), 153–165. <https://doi.org/10.1016/j.ijinfomgt.2018.02.003>

- Lee, C. S., & Ma, L. (2012). News sharing in social media: The effect of gratifications and prior experience. *Computers in Human Behavior*, 28(2), 331–339. <https://doi.org/10.1016/j.chb.2011.10.002>
- Lerman, K., & Ghosh, R. (2010). Information contagion: An empirical study of the spread of news on Digg and Twitter social networks. *ICWSM 2010 - Proceedings of the 4th International AAAI Conference on Weblogs and Social Media*, 90–97.
- Liu, L., Suh, A., & Wagner, C. (2018). Empathy or perceived credibility? An empirical study on individual donation behavior in charitable crowdfunding. *Internet Research*, 28(3), 623–651. <https://doi.org/10.1108/IntR-06-2017-0240>
- Lu, C.-T., Xie, S., Kong, X., & Yu, P. S. (2014). Inferring the impacts of social media on crowdfunding. *Proceedings of the 7th ACM International Conference on Web Search and Data Mining*, 573–582.
- Mackinnon, D. P., Lockwood, C. M., Hoffman, J. M., West, S. G., & Sheets, V. (2002). A comparison of methods to test mediation and other intervening variable effects. *Psychological Methods*, 7(1), 83–104. <https://doi.org/10.1037/1082-989X.7.1.83>
- Marshall, M. N. (1996). Sampling for Qualitative Research. *Family Parctice*, 13(6), 522–526. [https://doi.org/10.1016/S0001-2092\(06\)61990-X](https://doi.org/10.1016/S0001-2092(06)61990-X)
- Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1), 1–16. <https://doi.org/10.1016/j.jbusvent.2013.06.005>
- Narayan, S., & Narayan, P. K. (2017). Are Oil Price News Headlines Statistically and Economically Significant for Investors? *Journal of Behavioral Finance*, 18(3), 258–270. <https://doi.org/10.1080/15427560.2017.1308942>
- Niederhoffer, V. (1971). *The Analysis of World Events and Stock Prices* Author ( s ): Victor Niederhoffer Published by : The University of Chicago Press Stable URL : <http://www.jstor.com/stable/2351663> REFERENCES Linked references are available on JSTOR for this article : referenc. *The Journal of Business*, 44(2), 193–219.
- Petty, R. E., Cacioppo, J. T., & Goldman, R. (1981). Personal involvement as a determinant of argument-based persuasion. *Journal of Personality and Social Psychology*, 41(5), 847–855. <https://doi.org/10.1037//0022-3514.41.5.847>
- Phua, J., Lin, J. S. (Elaine), & Lim, D. J. (2018). Understanding consumer engagement with celebrity-endorsed E-Cigarette advertising on instagram. *Computers in Human Behavior*, 84, 93–102. <https://doi.org/10.1016/j.chb.2018.02.031>

- Potter, W. J. (2017). What is a Media Effect? In *Media Effects* (1st ed., pp. 33–50).  
<https://doi.org/10.4135/9781544308500.n3>
- Remy, C., Pervin, N., Toriumi, F., & Takeda, H. (2013). Information diffusion on twitter: Everyone has its chance, but all chances are not equal. *Proceedings - 2013 International Conference on Signal-Image Technology and Internet-Based Systems, SITIS 2013*, (December), 483–490. <https://doi.org/10.1109/SITIS.2013.84>
- Ricketts, A. (2018). Most people say celebrity endorsement does not affect donation decisions. *Third Sector*. Retrieved from <https://www.thirdsector.co.uk/people-say-celebrity-endorsement-does-not-affect-donation-decisions/fundraising/article/1459568>
- Robiady, N. D., Windasari, N. A., & Nita, A. (2020). Customer engagement in online social crowdfunding : The influence of storytelling technique on donation performance. *International Journal of Research in Marketing*, (xxxx), 1–9.  
<https://doi.org/10.1016/j.ijresmar.2020.03.001>
- Schouten, A. P., Janssen, L., & Verspaget, M. (2020). Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit. *International Journal of Advertising*, 39(2), 258–281.  
<https://doi.org/10.1080/02650487.2019.1634898>
- Shen, F., Wang, N., Guo, Z., & Guo, L. (2009). Online network size, efficacy, and opinion expression: Assessing the impacts of internet use in China. *International Journal of Public Opinion Research*, 21(4), 451–476. <https://doi.org/10.1093/ijpor/edp046>
- Shrout, P. E., & Bolger, N. (2002). Mediation in experimental and nonexperimental studies: New procedures and recommendations. *Psychological Methods*, 7(4), 422–445. <https://doi.org/10.1037/1082-989X.7.4.422>
- Stieglitz, S., & Dang-Xuan, L. (2013). Emotions and information diffusion in social media - Sentiment of microblogs and sharing behavior. *Journal of Management Information Systems*, 29(4), 217–248. <https://doi.org/10.2753/MIS0742-1222290408>
- Sutherland, M., & Galloway, J. (1981). Role of advertising: Persuasion or agenda setting. *Journal of Advertising Research*, 21(5), 25–29.
- Taxidou, I., & Fischer, P. M. (2014). Online analysis of information diffusion in twitter. *WWW 2014 Companion - Proceedings of the 23rd International Conference on World Wide Web*, 1313–1318. <https://doi.org/10.1145/2567948.2580050>

- Thrall, A. T., Lollo-Fakhreddine, J., Berent, J., Donnelly, L., Herrin, W., Paquette, Z., ... Wyatt, A. (2008). Star power: Celebrity advocacy and the evolution of the public sphere. *International Journal of Press/Politics*, 13(4), 362–385. <https://doi.org/10.1177/1940161208319098>
- Tom, G., Clark, R., Elmer, L., Grech, E., Masetti, J., & Sandhar, H. (1992). The use of created versus celebrity spokespersons in advertisements. *Journal of Consumer Marketing*, 9(4), 45–51. <https://doi.org/10.1108/07363769210037088>
- Tsagkias, M., De Rijke, M., & Weerkamp, W. (2011). Linking online news and social media. *Proceedings of the 4th ACM International Conference on Web Search and Data Mining, WSDM 2011*, 565–574. <https://doi.org/10.1145/1935826.1935906>
- Waters, R. D. (2013). Tracing the Impact of Media Relations and Television Coverage on U.S. Charitable Relief Fundraising: An Application of Agenda-Setting Theory across Three Natural Disasters. *Journal of Public Relations Research*, 25(4), 329–346. <https://doi.org/10.1080/1062726X.2013.806870>
- Waters, R. D., & Tindall, N. T. J. (2011). Exploring the Impact of American News Coverage on Crisis Fundraising: Using Media Theory to Explicate a New Model of Fundraising Communication. *Journal of Nonprofit and Public Sector Marketing*, 23(1), 20–40. <https://doi.org/10.1080/10495142.2010.494875>
- Wheeler, R. T. (2009). Nonprofit advertising: Impact of celebrity connection, involvement and gender on source credibility and intention to volunteer time or donate money. *Journal of Nonprofit and Public Sector Marketing*, 21(1), 80–107. <https://doi.org/10.1080/10495140802111984>
- Wouters, R., Swert, K. De, & Walgrave, S. (2009). *A Window on the World . The Status of Foreign News Coverage in the Media : Facts , Impact and.* (January).
- Xu, C., Jiang, Y., & Zhou, Y. (2020). The Impact of Celebrity Endorsers’ Attributes on Micro-auction Donation Crowdfunding: Evidence from Bidders’ Visual Attention Chen. *Available at SSRN 3675188*, 1(June), 1–14.
- Yang, J., & Counts, S. (2010). Predicting the speed, scale, and range of information diffusion in twitter. *Fourth International AAAI Conference on Weblogs and Social Media*. Citeseer.
- Yang, Y., Zhou, W., & Zhang, D. (2019). Celebrity Philanthropy in China: An Analysis of Social Network Effect on Philanthropic Engagement. *Voluntas*, 30(4), 693–708. <https://doi.org/10.1007/s11266-018-9997-7>



- Yoo, E., Rand, W., Eftekhari, M., & Rabinovich, E. (2016). Evaluating information diffusion speed and its determinants in social media networks during humanitarian crises. *Journal of Operations Management*, 45(July), 123–133. <https://doi.org/10.1016/j.jom.2016.05.007>
- Yörük, B. K. (2012). The Effect of Media on Charitable Giving and Volunteering: Evidence from the “Give Five” Campaign. *Journal of Policy Analysis and Management*, 31(4), 813–836. <https://doi.org/10.1002/pam.21634>
- Zauner, A., Fink, M., Maresch, D., & Aschauer, E. (2012). Community marketing in social media - Can marketers leverage Facebook groups of celebrities? *International Journal of Entrepreneurship and Small Business*, 16(4), 406–421. <https://doi.org/10.1504/IJESB.2012.047609>
- Zheng, H., Li, D., Wu, J., & Xu, Y. (2014). The role of multidimensional social capital in crowdfunding: A comparative study in China and US. *Information and Management*, 51(4), 488–496. <https://doi.org/10.1016/j.im.2014.03.003>
- Zhou, M. J., Lu, B., Fan, W. P., & Wang, G. A. (2018). Project description and crowdfunding success: an exploratory study. *Information Systems Frontiers*, 20(2), 259–274. <https://doi.org/10.1007/s10796-016-9723-1>
- Zvilichovsky, D., Danziger, S., & Steinhart, Y. (2018). Making-the-Product-Happen: A Driver of Crowdfunding Participation. *Journal of Interactive Marketing*, 41, 81–93. <https://doi.org/10.1016/j.intmar.2017.10.002>



# TU-CAPS

Thammasat Annual Academics and Postgraduate  
on Asia-pacific Studies

ISBN 978-616-488-203-4



THAMMASAT INSTITUTE OF AREA STUDIES (TIARA)  
TEL. +66 (0) 2564 3129, +66 (0) 2696 6605  
EMAIL : TASC@TU.AC.TH, MAPS.THAMMASAT@GMAIL.COM  
WEBSITE: WWW.TIARA-TU.AC.TH



# TU-CAPS 2020 “Multi-dimensional Disruption in the Asia-Pacific”