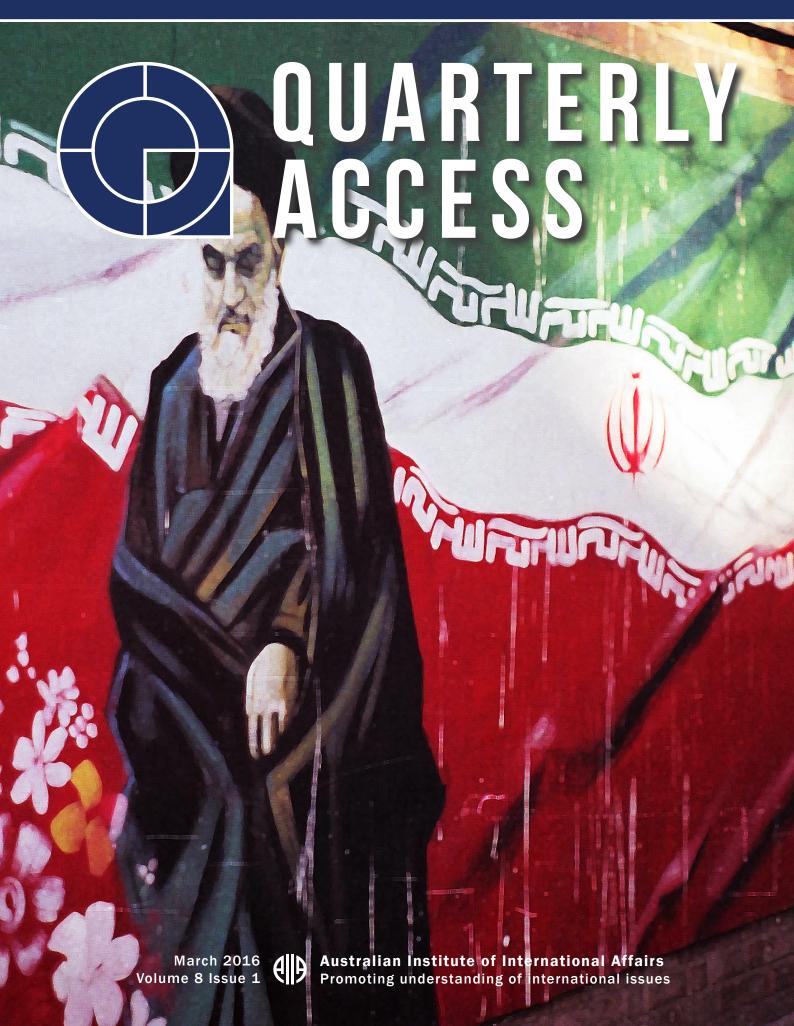
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# From The Editor-in-Chief

This issue of Quarterly Access introduces a sleek new style to the magazine, but we haven't let that distract us from publishing some great pieces of international analysis.

Jacqueline Fetchet offers a reflection on the historic Paris Agreement. In November of last year, the world met to discuss a long-term plan to combat climate change. Jacqueline asks the questions, what did we get and was it enough?

Sophie Gulliver then contemplates whether the so-called 'Pink Tide' of left leaning Latin American governments is on its way out. While leftist governments swept to power in Venezuela, Brazil Argentina, Uruguay, Bolivia, Ecuador, Paraguay, and Peru, recent approval ratings show a sharp decline in their popular support.

Dominic Williams provides an in-depth discussion of the Iranian political system and the concept of wilayat al-faqih. The Iranian elections held in March have heralded a small victory for the reformist camp in Iran. Dominic poses and considers the question of what changes this election may bring to Iran's foreign policies.

Julien Rosendahl discusses the mounting tensions at the South Pole. Antarctica has not escaped China's recent outward focus. Julian analyses what this means for Australia's interests down south.

Finally, Jack Greig explores the challenges facing Thailand in its effort to continue growing its Middle Class. With eight years of tumultuous politics under its belt, Thailand's growth has ground to a halt. Jack asks whether progress can be saved by institutional reform.

Many thanks to the contributing authors and dedicated editorial team. Our next submission date is the 6th of June and we look forward to reviewing many more great articles then.

Happy reading!

Hector Sharp, Editor-in-Chief

# The Key Outcomes Of The Paris Agreement: What Did We Get?

Jacqueline Fetchet



Jacqueline Fetchet was the recipient of the National Delegate Scholarship with Global Voices to represent the youth of Australia at the UNFCCC COP21 in Paris, December 2015. As a law graduate currently working in climate policy she is passionate about renewable energy as a solution to climate change.

The Paris Agreement was a momentous achievement for international politics, the global economy and the environment. The culmination of almost five years of multilateral negotiating delivered an ambitious, universal climate agreement signed by all 196 parties to the United Nations Framework Convention on Climate Change (UNFCCC). This was the largest signing of a binding international agreement and the biggest gathering of leaders in history. It will come into effect in 2020 and replace the 1997 Kyoto Protocol as the international law instrument for global emissions reduction.

The Paris Agreement sets the future framework for global 'collective action' on climate change. It is significant because it introduces a new approach to the UNFCCC that is more inclusive and drives self-determined state action. It also sends a major market signal to the global economy to shift towards a low emissions economy. The aim is to encourage 'political peer pressure' and motivate states to set ambitious targets. Yet the shift away from binding commitments and compliance suggests its efficacy will be determined by a system based on accountability, review and flexibility. The failure to get these processes right could be catastrophic for the planet's future, particularly for the most vulnerable states and their people.

# What can we take away from the Paris Agreement?

The Paris Agreement is a concise, efficient document that sets a framework for action, but provides little guidance or obligations for how to achieve it. There are five key outcomes from the Paris Agreement:

- Future direction sets a goal for individual commitments: A long term goal to limit global warming to below two degrees Celsius, aiming for 1.5 degrees Celsius, by the end of the century (Article 2),
- Regular review tracks progress and requires progression of commitments: A system of 'review and ratchet' determined by five year cycles of review where parties must revise targets and nationally determined contributions (NDCs) to ensure they 'reflect the highest possible ambition' and demonstrate progression over time (Articles 3 and 4),
- Self-differentiation and flexibility to dilute the split between developed and developing states: Many articles set obligations on 'all parties', with a caveat that action can be determined by their 'national circumstances', creating flexibility for states to opt out, but also the ability for states to take on responsibilities as much as possible,
- Accountability through a hybrid approach to compliance and transparent reporting

requirements: A transparency system that embeds monitoring, verification and reporting in national policy. This is to be communicated at the regular review intervals and enhanced through a 'global stocktake' every five years and a facilitative compliance committee (Articles 13, 14 and 15),

 Finance flows for mitigation and adaptation through an agreed amount to be contributed by developed and developing countries: States should contribute funds to meet a \$100 billion target by 2020 and include climate finance targets in nationally determined contributions (Article 5).

These elements interact to form the crucial mechanism for ambition that sets the Paris Agreement apart from other multilateral agreements under the UNFCCC. It aims to establish a precise balance using a rules-based system that steers a future direction for action, encourages participation and competition between parties, and requires regular reporting and accounting of performance.¹ This interaction is designed to drive ambition and accountability, if the balance is correct. However, the underlying question for this landmark agreement is how the minimal consequences for non-compliance and the voluntary targets for emissions reduction will impact its success. The current rate of climate change suggests there is not much room for error.

### 1. A Future Direction: The Long Term Goal

The long-term goal is to keep global warming to well below two degrees Celsius above pre-industrial levels and try to limit the increase to 1.5 degrees Celsius by the end of the century. Recognition of the two-degree limit was achieved at Copenhagen in 2009, however reference to 1.5 degrees is significant because it highlights the need to avoid the worst climate impacts and the reality that many countries will be severely affected by an increase. For this reason it was one of the most contentious issues at COP21 and is another symbol of differentiation in practice, as the most severe climate impacts will hit the most vulnerable countries.

# 2. Regular Review: Ratcheting Targets to Cut Emissions

Regular review periods, or 'cycles of contribution,' are a key mechanism for raising ambition. Cycles of contribution refer to the timeframe for parties to

J. Morgan, Y. Dagnet, N. Höhne, S. Oberthür & L. Li, (2015) 'Race to the top: Driving ambition in the post-2020 international climate agreement', Working Paper. Washington, DC: Agreement for Climate Transformation 2015, www.wri.org/our-work/project/ act-2015/publications.

regularly schedule future commitments.<sup>2</sup> The Paris Agreement introduced five-year cycles of review for countries to report on performance towards meeting targets and for increasing ambition by submitting new targets.<sup>3</sup> This is known as the 'review and ratchet' process.

The review process will require annual accounting and reporting, increasing accountability. 'Ratcheting' provides a chance to increase the visibility of ambition in the international spotlight. Morgan et al. suggest that having regular intervals for progression or 'strengthening' means that combined targets can come closer to achieving the long-term goal.<sup>4</sup> In this way, reporting and review processes can be a mechanism for inclusivity to push real 'collective action.'

# 3. **Differentiation:** Parties are the Same but Different

The Paris Agreement tries to approach differentiation with more flexibility than the Kyoto Protocol. This is to create fluidity between developing and developed countries, by encouraging developing countries to take on more responsibility over time. It also promotes 'collective action' by requiring all countries to submit NDCs and adhere to similar requirements of reporting, review and compliance.

A common framework can work towards the same requirements for review and compliance of all parties, while taking account of their capacities. This could lead to technical knowledge sharing and capacity building between developed and developing states. Van Asselt hopes the consistency of this framework will "ensure transparency and political feasibility." Softer differentiation should not alleviate the ongoing responsibilities and obligations of developed countries to play a leadership role in setting strong commitments, as well as providing adequate support for developing countries.

# 4. Accountability: Transparency and Political Peer Pressure

ADP. (2014) 'Parties' Views and Proposals on the Elements for a Draft Negotiating Text.' ADP.2014.6.Non-Paper, http://unfccc.int/resource/docs/2014/adp2/eng/6nonpap.pdf, 19 October, 2015,

- 3 Paris Agreement COP21/CMP21, Articles 4.9 and 4.11
- 4 Morgan et al., op. cit. p. 8.
- 5 U.S. Department of State, (2015) U.S. Submission: Certain Accountability Aspects of the Paris Agreement, p. 5. 2015http://www4.unf-ccc.int/submissions/Lists/OSPSubmissionUp-load/54\_99\_130618062605395814-Submission%20 on%20post%202020%20transparency%20system.docx, 20 October 2015.
- 6 Van Asselt, H, Sælen, H & Pauw, P (2015) 'Assessment and Review under a 2015 Climate Change Agreement' Nordic Council of Ministers, Denmark, p. 18.

Accountability is embedded in the Paris Agreement through the interaction of articles on transparency and compliance. Transparency informs monitoring and reporting, ensuring that there are consequences if parties do not do what they say they will. Compliance with the agreement will provide an institutional response if targets are not met.

Transparency can encourage competition and cooperation between states, while attempting to overcome differentiation. The Paris Agreement facilitates parties to adjust their self-determined targets in line with comparable states, recognising the key UNFCCC principle of 'common but differentiated responsibility.' Importantly, reporting requirements apply to all parties.

However, compliance powers under the Paris Agreement are weak. The compliance body must be transparent, non-adversarial and non-punitive and take account of differentiation. Byrnes and Lawrence posit whether this can be considered an adequate system of compliance when there is no enforcement mechanism, such as penalties for non-compliance or sanction rights by other parties. The rationale is that other elements of the agreement boost accountability and promote flexible participation, for example the interaction of review, reporting and 'ratcheting.'

# 5. Finance: Putting Money on the Table

Paris confirmed the extension of the current goal of contributing \$100 billion a year in support to 2025, when a new, higher goal will be set. This money is for mitigation and adaptation efforts in developing countries and will be subject to similar reporting and review requirements of mitigation targets, including projected contributions. It will be accounted for as part of the global stocktake.

The gathering of 150 state leaders led to the announcement of many new financial pledges. Developing countries collectively pledged \$19 billion, including a leadership statement by the United States that, by 2020, its support for adaptation efforts will double to \$800 million a year. Developing countries are also encouraged to make contributions, such as Vietnam's pledge of \$1 million to the Green Climate

<sup>7</sup> Paris Agreement, UFCCC/CP/2015/L.9 Article 15.2

<sup>8</sup> Byrnes, R and Lawrence, P (2015) 'Can 'Soft Law' Solve 'Hard Problems'? Justice, Legal Form and the Durban Mandated Climate Negotiations' The University of Tasmania Law Review 34(1)

ODI (2015) Climate finance pledges at COP21, http:// www.odi.org/opinion/10196-infographic-climate-finance-pledges-cop21-paris

Fund.<sup>10</sup> Yet will this be enough to support the hundreds of millions affected by climate change annually and shift the global economy towards a low emissions society? The global finance effort will require significant public funds and increasingly seek to leverage private funds: \$100 billion is just the beginning.

# What else did we get?

### A Goal for Adaptation

Mitigation through emissions reductions is the centrepiece of the Paris Agreement and the objective of the UNFCCC. At COP21, recognition of the need for global adaptation efforts was clear. This was driven by the emotive speeches of leaders from developing and vulnerable countries already experiencing the impacts of climate change. <sup>11</sup> The Paris Agreement introduced a global goal for adaptation of "enhancing adaptive capacity, strengthening resilience and reducing vulnerability to climate change." <sup>12</sup>

Adaptation will be included in the global stocktake. Subsequently, all parties are required to plan, implement and report on adaptation efforts. Recognition of the need for a global and coordinated response to adaptation is an important next step for building a resilient global community. The impacts of climate change are already in effect, with countries bearing significant economic, environmental and human costs from natural disasters, heat waves and drought. While the intellectual frameworks and mechanisms to adapt are not as evolved as mitigation, the Paris Agreement is a signal that global effort and resources need to be directed towards meaningful adaptation soon. Adequate climate finance will be crucial to ensure this happens.

### Saving the Trees

The Paris Agreement delivered a significant outcome

- 10 Centre for Climate and Energy Solutions (2015) Outcomes of the U.N. Climate Change Conference in Paris, http://www.c2es.org/international/negotiations/ cop21-paris/summary
- Statements made by world leaders at the Leaders Event at COP21, http://unfccc.int/meetings/paris\_nov\_2015/ items/9331.php.
- 12 Paris Agreement, UFCCC/CP/2015/L.9 Article 7.
- 13 IPCC, (2014): Summary for policymakers. In: Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Field, C.B., V.R. Barros, D.J. Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L.White (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 1-32.

for global forests. It articulated the crucial role forests play in carbon sequestration to reduce greenhouse gas emissions and recognised the need for finance resources to be directed towards forest management (Article 5). To date, the vehicle to achieve this has been REDD+ (Reducing Emissions from Deforestation and Forest Degradation), a results-based mechanism that incentivises developing countries to limit deforestation.

While the Paris Agreement does not explicitly institutionalise REDD+, it is implied that it will remain the central framework for delivering forest outcomes. REDD+ has limitations and raises issues for indigenous and local land rights, technical capacity for forest monitoring and the competing economic interests for land, such as agriculture or large-scale infrastructure. <sup>14</sup> The Paris Agreement is a catalyst to address these issues and promote global forest management that has equity and development at its core, on the way to reducing emissions.

### The Market for Carbon

The Paris Agreement sends a clear signal that carbon markets are here to stay, though what design features will be included are yet to be determined. Provisions were made for carbon trading across international borders to achieve NDCs and for markets to ensure transparent accounting by avoiding double counting (where two countries try to claim credit for the same emissions reduction). <sup>15</sup> A new mechanism was also introduced to replace the Clean Development Mechanism, an international, voluntary emissions offset system.

Carbon trading is important in order to put a price on carbon and take a market-based approach to emissions reduction. Emissions trading schemes exist across the EU, South Korea and New Zealand. California and Quebec also recently joined their sub-national schemes. However, serious issues relate to the accounting and verification process of credits and offsets, as well as the variance between state commitments and the government effort required to limit free riders. The design mechanics of carbon trading need to be refined and enhanced based on the lessons from ten years of international and national schemes to ensure carbon markets grow to deliver the meaningful emissions reductions required.

<sup>14</sup> See, for example: Larson, AM, (2011) 'Forest tenure reform in the age of climate change: Lessons for REDD+', Global Environmental Change, 21(2), pp. 540-549

<sup>15</sup> Paris Agreement, UFCCC/CP/2015/L.9 Article 6.

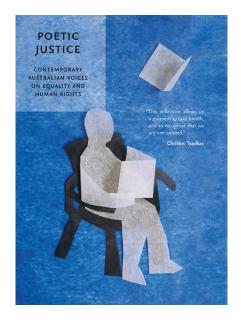
Upton, J, (23 February 2016) 'Paris Pact Promotes But Complicates Carbon Trading' Climate Central, http://www.climatecentral.org/news/paris-pact-promotes-but-complicates-carbon-trading-20058.

# Did we get enough?

The Paris Agreement attempts to pursue ambitious, 'collective action.' The mechanism to achieve ambition is ambitious in itself: a long term goal to set the direction, a system of national goal setting, compliance and review that is transparent and revisable, while requiring all states to make contributions, though levels of effort may vary. The strength, durability and robustness of how governments take action are central to achieving this ambition. Implementing climate adaptation, limiting deforestation and trading carbon in markets are important elements to get there.

The Paris Agreement uses flexibility as a priority to meet the differentiated capacities, targets, responsibilities and needs of all parties. However, there is a risk that too much flexibility could undermine the potential for 'collective action' or, far worse, fail to deliver the emissions reductions required to limit global warming to 1.5 degrees Celsius. The impacts of failing to meet this goal will likely be catastrophic for the economic, human and environmental systems of our planet.





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# Is The 'Pink Tide' Turning In Latin America?

Sophie Gulliver



Sophie Gulliver graduated from the Australian National University in 2014 with First Class Honours in Political Science. She is keenly interested in Latin American politics and wrote her thesis about the Indigenous Mapuche/state conflict in Chile after studying in Santiago on exchange in 2013.

Since 1998, a so-called 'Pink Tide' of popularly elected leftwing governments has swept across Latin America, winning 23 elections in nine countries. However, recent elections in Argentina and Venezuela have bucked this trend. On the 22nd November 2015, right-wing opposition candidate Mauricio Macri won the Argentinean Presidential election, ending twelve years of populist leftist politics embodied by former Presidents. Two weeks later – on December 6th – the centrist Democratic Unity Roundtable defeated the United Socialist Party of Venezuela in parliamentary elections, destroying their sixteen-year legislative majority but leaving socialist President Nicholas Maduro in power. The defeat of the left in these two elections, coupled with falling approval ratings for other regional leftists governments, led commentators from publications including The Economist, The Wall Street Journal and BBC to declare the end of the 'Pink Tide' and the death of the Latin American left.

Indeed, the defeat of the left in Argentina and Venezuela has temporarily weakened the 'Pink Tide' and revealed some important vulnerabilities. Yet to ring the death knell of the 'Pink Tide' and leftism more broadly based on these electoral losses is premature, especially given the overall perseverance of left-wing governments and the complexity of the 'Pink Tide.' Various 'Pink Tide' governments are suffering depressed approval ratings, however it remains to be seen whether these will translate into further electoral losses, given that most elections will not be held until 2017 or later when circumstances will have changed. Furthermore, if subsequent elections do propel more rightwing governments into power, these governments must maintain their influence and authority to prove that the 'Pink Tide' has truly 'gone out.'

While the electoral future of 'Pink Tide' governments is uncertain, there is little doubt that their political legacy will endure. Redistributive policies, state-administered social services and regional integration strategies remain popular with Latin American voters. To be electable, right-wing parties will have to retain these policies, as has happened in Argentina with President Macri promising to continue some Kirchner initiatives.

### The 'Pink Tide'

A common assumption that underpins the 'Pink Tide in decline' thesis is that the 'Pink Tide' is a uniform wave that rises and falls together, with one electoral loss creating a political domino effect across the continent. This portrayal obfuscates the diversity of the 'Pink Tide', which is comprised of many contextually different governments that utilise a range of styles and strategies. Common aims and antecedents loosely bind these governments together, but this does not mean they necessarily share a common fate. Before examining some of the challenges that left-wing governments face in Latin America, it is therefore important to understand the history and heterogeneity of the 'Pink Tide.'

Hugo Chavez's landslide election to the Venezuelan presidency in 1998 is generally considered as the

beginning of this era. The victory of the left in Venezuela continued the leftward trend in government already underway in Chile, and was followed by a wave of successive left-wing electoral victories in Brazil (2002), Argentina (2003), Uruguay (2005), Bolivia (2005), Ecuador (2006), Paraguay (2008), and Peru (2011). This diverse group of left and centre-left governments became known as the 'Pink Tide.'

This phenomenon emerged from the socio-political and economic flux that gripped Latin America in the 1980s and 1990s. Many countries during this period were undergoing difficult transitions from dictatorships to democratic, civilian governments. In addition, the continent was living under rigid neoliberal structural adjustment programs promulgated by the 'Washington Consensus' and suffering debilitating debt crises. These saw growth rates plunge to their lowest levels in a century, with income per person dropping by 3.1 per cent.¹ Inequality and poverty soared, with many blaming neoliberal economic structures.

Widespread discontent towards neoliberal policies pushed by right-wing incumbents primarily drove the election of left-wing governments in Latin America. Voters were tired of the economically austere 'oficialismo.' The left offered a novel approach, promising a more equitable, redistributive economic system and a shift away from the political stranglehold of the U.S. towards a more regional, autonomous outlook. Democratisation and the formation of viable opposition parties across Latin America, the rise of new social movements including Indigenous and workers' movements, and the end of the Cold War's 'real socialism'/ capitalism binary, further enabled left ascendancy.<sup>3</sup>

For many, the 'Pink Tide' became synonymous with 'populism' and 'radical leftism,' evoking images of Venezuelan 'Chavismo.' Overall, however, the 'Pink Tide' is more moderate. All 'Pink Tide' governments, even those with fiery, socialist rhetoric like Venezuela, have undertaken social reforms while preserving, to varying degrees, key elements of the neoliberal package including foreign investment, international trade and free market economics. It is a 'pink' diluted version of a 'red' socialist tide.<sup>4</sup>

Carr, Barry (2014), "Latin America: Changing Political Realities and Trends 2000 - 2014," in Carr, Barry and John Minns (eds.), Australia and Latin America: Challenges and Opportunities in the New Millenium, ANU Press: Canberra, p.6.

<sup>2</sup> Carr, Barry above n 1; Lind, Peter Lykke, "Has Latin America's Pink Tide Turned Muddy?" in The Argentina Independent, 7 December 2015; Kingstone, Peter (2011), The Political Economy of the Latin American Left: Reflections on Neoliberalism and Development, Routledge: New York: Routledge, p.100-01.

<sup>3</sup> Levistky, Steven and Kenneth M. Roberts (2011), "Latin America's "Left Turn" in Levistky, Steven and Kenneth M. Roberts (eds.), The Resurgence of the Latin American Left, John Hopkins University Press: Baltimore, p.8-9.

<sup>4</sup> Carr, Barry above n 1.

The approach of each of these countries was shaped by their own domestic political, social and historical factors. The 'Pink Tide' became a term that encompassed a variety of political styles and strategies, describing the more radical politics in Venezuela of nationalisation and price controls, to the moderate reforms in Chile that largely maintained neoliberal policies. While 'Pink Tide' countries do share similarities regarding their political goals and strategies, and face comparable economic, political and social challenges as discussed below, the heterogeneity of the movement must not be forgotten.

Indeed it is this heterogeneity that makes it difficult to predict the future of the 'Pink Tide', given the vast array of situational factors at play.

# Argentina, Venezuela, and the Challenges that Confront the 'Pink Tide'

The two consecutive losses of the left in Argentina and Venezuela exposed some of the challenges confronting 'Pink Tide' governments. Poor economic conditions, corruption scandals, voter fatigue, and the loss of charismatic leaders not only contributed to these recent electoral wipe-outs, but are also feeding lower polling numbers among other regional left-wing governments.

Political scientists Steven Levistky and Martha Lagos link the left's electoral losses in Argentina and Venezuela to voter dissatisfaction with worsening economic conditions. In Argentina the economy grew 0.4 per cent in 2015 and is forecast to recede 0.7 per cent this year. Inflation is sitting at 16.8 per cent. Meanwhile, Venezuela is experiencing the worst economic downturn in two centuries with its economy contracting 10 per cent in 2015 and an estimated 6 per cent in 2016. Inflation is worryingly high at 159.1 per cent, as is unemployment at 7.9 per cent. Economic growth has slowed across the continent, although it is the Atlantic facing economies like Argentina, Venezuela and Brazil that have been hit hardest.

This economic stagnation can be attributed to poor fiscal management by the left. However, as Levistky posits, most 'Pink Tide' governments are not necessarily to blame for these difficult conditions. Worsening commodity prices and greater social service demands from a burgeoning middle

5 Lind, Peter Lykke above n 2; Levistky and Roberts above n 3. class exerted pressure upon left and right governments, although the left is more exposed to this due to higher social spending commitments. <sup>10</sup> Regardless of the cause, this economic decline is fuelling social discontent and poses a problem for the survival of left-wing governments.

Another difficulty the left faces is voter fatigue with corruption and the status quo. Most 'Pink Tide' governments have held power for ten years or more. As governments become more entrenched, the potential for corruption grows as stakeholders gain and maintain government influence outside of official channels. 11 In Argentina, the Kirchners were implicated in many scandals including the unexplained death of prosecutor Alberto Nisman in 2015, only days after he accused the President of conspiring to suppress Iran's involvement in the 1994 bombing of a Jewish community centre. Only weeks before the Venezuelan election, President Maduro's nephew was detained in Haiti for planning to traffic 800 kilograms of cocaine, feeding U.S. accusations that the narcotics trade has infiltrated the Venezuelan government. Voters are wearied by corruption scandals and the well-worn 'oficialismo' of the left who are no longer novel reformers. The normal desire in democracies for the alteration of power threatens 'Pink Tide' in the coming years.12

A third difficulty for many left governments is the loss of charismatic leaders. In Argentina and Venezuela, Presidents Christina Kirchner and Nicolas Maduro were unable to match the immense popularity of their predecessors – Nestor Kirchner and Hugo Chavez. Similarly, in Brazil, President Dilma Rouseff has received nowhere near the popular support of her predecessor Lula de Silva. In Uruguay, President Tabaré Vázquez sits in the shadow of former President Jose Mujica. As Presidents Evo Morales and Rafael Correa approach the end of their term limits in Bolivia and Ecuador respectively, it is unclear whether their successors will command the same levels of popular support to gain re-election.

As in Argentina and Venezuela, other 'Pink Tide' governments also confront pressing economic and political challenges. In Brazil, President Rouseff is fighting for her political life with an approval rating of 9 per cent. <sup>13</sup> A worsening economy set to contract by 1 per cent and the continuing fallout from the Petrobras scandal and possible impeachment have all contributed to popular

<sup>6 &</sup>quot;World Economic Outlook Database Latin America and the Caribbean," (2015) in World Economic Outlook Database, International Monetary Fund.

<sup>7 &</sup>quot;World Economic Outlook Database Latin America and the Caribbean," above n 6.

World Economic Outlook Database Latin America and the Caribbean," above n 6.; Luhnow, David and Juan Forero, "A Populist 'Pink Tide' is Ebbing in South America, Argentine Vote Suggests" in The Wall Street Journal, 24 November 2015.

<sup>9 &</sup>quot;World Economic Outlook Database Latin America and the Caribbean," above n 6.

<sup>10</sup> Lind, Peter Lykke above n 2.

Hoff, Karla, Horowitz, Shale and Branko Milanovic, (2005), "Political Alternation, Regardless of Ideology, Diminishes Influence Buying," in Policy Outlook, Carnegie Endowment for International Peace, p.1.

<sup>&</sup>quot;Is the "Pink Tide" Turning?" in The Economist, 14 December 2015, available at <a href="http://country.eiu.com/article.aspx?articleid=433753427&Country=Brazil&topic=Economy>.</a>

L3 Trevisani, Paulo, "Brazil's Rousseff Administration Popularity Falls to 9%" in The Wall Street Journal, 15 December 2015.

dissatisfaction. Peruvian President Ollanta Humala is suffering a 12 per cent approval rating, with over 151 of his members elected in the midterm being investigated by narcotics police. Conservative candidate Keiko Fujimori is polling ahead of opposing candidates for the upcoming Peruvian presidential elections in April.

The Presidents of Chile and Uruguay have both dropped to their lowest levels of support on record. Michelle Bachelet of Chile registered a 24 per cent approval in December following corruption scandals involving her son (although this rating was still higher than that of her rightwing counterparts at 18 per cent). In Uruguay, Vázquez recorded a 29 per cent approval as confidence in the economy continued to decrease. In The leaders of Bolivia and Ecuador, though still polling comparatively well, have also slipped in the polls over the past year.

These sinking approval ratings combined with the multifarious challenges confronting left-wing governments in Latin America are concerning. Yet do they really signal the end of the 'Pink Tide'?

### Is the 'Pink Tide' Really Going Out?

Whilst the left-wing governments are facing a decline, it is still too early to declare the 'Pink Tide' is over based on only two elections and fallible popularity ratings.

Declining approval ratings are given as evidence that the left is heading towards more electoral defeats. However, approval ratings for heads-of-state have fallen by 7 per cent continent wide, including among right-wing governments. For example, Colombia's centre-right President Juan Manuel Santos recorded approval ratings of 36 per cent in September 2015 and Paraguay's conservative President Horacio Cartés held a 25 per cent approval rating in July. Cartés was further dealt a blow this November when the left defeated the incumbent right-of-centre Mayor in municipal elections in what was seen as a litmus test for the President. Increasing dissatisfaction is not solely a problem of the left. It may be tied more closely to poor economic conditions, and may not translate into more leftist electoral defeats. Seen as a litmus test for the President.

Approval ratings for leftist leaders may have fallen in 2015, but over the past two years the left has also claimed significant victories. In 2015, former Uruguayan President

"Chilean President Bachelet's Approval Rating at All-Time Low in December" in Business Insider, 7 January 2015. Jose Mujica left office with a 70 per cent approval rating before handing over to his leftist successor. <sup>19</sup> In 2014, leftwing parties in Bolivia, Brazil, and Ecuador were returned comfortably to government. This followed the win of the Chilean socialist Concertación in 2013 after a term in opposition. Bolivian and Ecuadorean leaders continue to receive high public approval ratings, with President Morales and President Correa sitting at 65 per cent and 41 per cent respectively. <sup>20</sup> Not only does Morales hold the highest approval rating on the continent, he has also earned praise from institutions like the World Bank for growing the Bolivian economy and decreasing extreme poverty by 43 per cent. <sup>21</sup>

Evidently, approval ratings are fluid and only give a snapshot of a government's popularity at a particular time. Considering that the majority of 'Pink Tide' countries will next hold elections in 2017 or beyond, current measures of popularity cannot accurately predict whether present dissatisfaction will endure and translate into electoral losses, particularly if the economic climate improves.

Only Peru will hold an election in 2016, which the conservatives may win. If they do, their victory could give more credence to the 'Pink Tide in decline' thesis. However, it will take years for the political trajectory of the 'Pink Tide' to truly unfold. As Mark Weisbrot notes, what could transpire in Argentina, Venezuela and other countries is what happened in Chile, where Sebastian Piñera's rightwing government (2010-2014) served one term before being voted out in favour of the left.<sup>22</sup> If this were to happen, it would not represent the end of the 'Pink Tide' but a temporary lull, mostly resultant from unpopular politicians.

Whether or not 'Pink Tide' governments are voted out, the left will live on in Latin America. Leftist governments have been successful in lessening social inequality, fostering diversity, and creating a more politically and economically integrated continent.<sup>23</sup> Under the 'Pink Tide', 56 million people have been lifted out of poverty.<sup>24</sup>

<sup>15</sup> Fernández, Nelson, "La Aprobación Popular de Tabaré Vázquez Cayó 25% en el Ultimo Año" in La Nación, 8 October 2015.

<sup>16 &</sup>quot;Géstion de Cartes Solo Tiene 25% de Aprobación" in Extra Press, 20 July 2015.

<sup>17 &</sup>quot;Two-Thirds of Colombians Disapprove of President Santos" in Telesur, 7 September 2015.

<sup>18</sup> Laiani, Azzura, "Paraguay: Left Wins Asuncion in Local Elections" in The Argentina Independent, 17 November 2015.

<sup>19</sup> Sabin, Lamiat, "Uruguay's Cannabis-Friendly President Jose Mujica Hands over Power to New Leader" in Independent, 2 March 2015.

<sup>20 &</sup>quot;Aprobación de Morales Llega a 65% al Cierre de 2015," HispanTV, 24 December 2015; Cabrera, Mercedes, "Rafael Correa Closes the Year with a Low Approval and Credibility According to a Study Conducted by Cedatos" in Ecuador Times. 29 December 2015.

<sup>21</sup> Mauricio, Jose P and Santiago Garriga, (2015) "Explaining Inequality and Poverty Reduction in Bolivia," in IMF Working Paper. The International Monetary Fund. p.5.

<sup>22</sup> Weisbrot, Mark, "Why Macri's Win is Bad News for Argentina" in Fortune, 24 November 2014 2015.

<sup>23</sup> Navaro, Luis Hernández, "Will South America's Right Sink the Progresive Pirates of the Caribbean?" in The Guardian, 12 December 2015.

<sup>24</sup> Chodor, Tom, "Understanding and Misunderstanding the Pink Tide in Latin America," Progress in Political Economy. 2 December 2015.

The key pillars of the left agenda that brought about these changes remain immensely popular. They include redistributive reforms and policy shifts towards a more integrated and autonomous Latin America. The Latinobarometro 2013 survey found, for example, that 75 per cent of the population still believe wealth distribution is unfair, indicating the continuing relevance of redistributive policies. To be elected, right-wing parties will likely have to continue some leftist policies.

Indeed, in previous elections where the right has taken office, they have not made sweeping changes. When the conservatives won in Chile in 2010 they continued most of the social programs from the previous left-wing government.<sup>27</sup> Similarly, while newly elected Argentinean President Macri pushes economic conservatism, he has pledged to maintain some of the most popular Kirchner era reforms including child support. As Weisbrot asserts, "Argentina and the surrounding region have changed too

much to go back to the neoliberal past."<sup>28</sup> The future is sure to be marked by the legacy of the 'Pink Tide.'

### Conclusion

The 'Pink Tide' faces tough future hurdles, including difficult economic conditions, corruption scandals, voter fatigue with long-serving governments, and the loss of charismatic leaders among other issues. While recent losses for the left in Argentina and Venezuela represent a short-term weakening of leftist popularity, they do not necessarily signify that the end is nigh, especially given the overall perseverance and complexity of the 'Pink Tide.' Lower approval ratings for many Latin American left-wing governments have been used as proof that the 'Pink Tide' is declining, yet these approval ratings are fickle and unreliable for predicting elections that are mostly over a year away. Even if these elections, especially the upcoming one in Peru, propel right-wing governments into power, these governments must maintain their leadership to prove that the tide has truly turned and not momentarily lulled.

Whatever happens to 'Pink Tide' governments in the future, it is certain that the left will not die in Latin America. Leftist policies and principles have permeated the political fabric of the continent and remain popular with voters, compelling right-leaning parties to adopt and continue leftist policies.

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<sup>25</sup> Carr, Barry above n 1; Patlow, Joshua and Irene Caselli, "Does Argentina's Pro-Business Vote Mean the Latin American Left is Dead?" in The Washington Post, 23 November 2015.

<sup>26 &</sup>quot;Informe 2013," Corporación Latinobarómetro,: Santiago, 2013. p.77.

<sup>27</sup> Semán, Ernesto, "The Taming of the Argentine Right?" in NACLA, 2 December 2015.

<sup>28</sup> Weisbrot, "Why Macri's Win is Bad News for Argentina."



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The Joint Comprehensive Plan of Action (JCPOA) was signed in Vienna on 14 July 2015 by Iran, the five permanent members of the United Nations Security Council and Germany (P5+1). In exchange for cooperation on its nuclear programme, involving regular inspections by the International Atomic Agency (IAEA), nuclear-related sanctions imposed by the United States and the European Union are being lifted in stages. On 16 January 2016, Implementation Day, this process began, though the United States did impose new, albeit limited, sanctions after an Iranian ballistic missile test.¹

The JCPOA potentially signifies Iran's re-integration into the global economy. For instance, Iran can now access the international banking system, and deal in US dollars. However, internal tensions have the potential to hold Iran back. Many of those in power, especially in the army and the clerical establishment, want to retain the status quo to defend their own interests. Coupled with the country's prevailing conservatism and its deep distrust of America and the West, there is no guarantee that Iran will open up smoothly to international business in the near future.

The elections that took place on 26 February 2016 were a litmus test for President Rouhani's nuclear deal. Ballots were held for the 290-seat legislative body, the Majlis, and for the Assembly of Experts, which selects the Supreme Leader and is made up of 88 clerics. There is vigorous political debate in Iran, and though there have been severe crackdowns on freedom of speech in the last eighteen months, elections are generally regarded to be free within certain parameters. In the weeks leading up to the election the Guardian Council, a 12-man religious body selected by the Majlis and the Supreme Leader, disqualified a number of candidates supportive of Rouhani, including Hassan Khomeini, the grandson of the founder of the Islamic Republic of Iran.<sup>2</sup> This was emblematic of the continuing tension between the conservative hardliners and the more outward-looking reformists.

Although official election results have not been released, and there will be run-offs in 68 constituencies where candidates won less than 25% of the vote, the reformist-moderate grouping appear to have secured an increased proportion of seats in the Majlis and the Assembly of Experts.<sup>3</sup> Reuters have estimated that conservatives won 112 seats, reformists and centrists

BBC (2016) "Iran: US imposes new sanctions over missile test," BBC News, 17 January 2016, http://www.bbc.com/news/world-us-canada-35338901.

90, and independents and religious minorities 29.4 In Tehran, the reformist group, the "List of Hope" won all 30 parliamentary seats.5 Even if Tehran is traditionally the least conservative area, it is still an impressive victory. Thus the election may have resulted in a parliament that is more acquiescent to a foreign policy which engages Western nations.

In order to understand the election results, one must appreciate Iran's political history and governance structures. One of the central aspects of the Iranian political system is the concept of wilayat al-faqih, the Guardianship of the Jurist, which legitimises the Supreme Leader's power using Shi'ite Islamic theology.

The Shi'ite-Sunni split derives from a disagreement over the successor of the Prophet Muhammad (570-632 A.D.). Sunnis believe that the leaders of the community who followed him were legitimate. In contrast, Shi'ites believe that the Prophet's cousin, 'Ali Abi Talib, should have been his immediate successor. Instead, there were three leaders before 'Ali, leaders that Sunnis describe as the four "Rightly Guided Caliphs". Eventually, in the eyes of the Shi'a, Ali took possession of Muhammad's religious and temporal authority, wilaya, which gave him the right to lead the Muslim community. Thus 'Ali was a wali, one vested with the authority of God.<sup>6</sup> This power was passed down through 'Ali's male line of descent until it reached the Twelfth Imam, known as the Mahdi, in the late ninth century.7 However, the Mahdi disappeared in 973, leaving what became known as the Twelver Shi'ite community without a recognised leader. The absence is known as the Occultation of the Hidden Imam. The Twelvers expect him to re-appear in the future, though they have been waiting for him for rather a long time. Consequently, Shi'ite religious scholars or clerics, the 'ulama,8 regarded all temporal authority as illegitimate, though they retained the religious

<sup>2</sup> Hafezi, Parisa (2016) "Iran clerics criticise mass disqualification of candidates – website," Reuters, 21 January 2016, http://uk.reuters.com/article/uk-iran-election-candidates-idUKKCNOUZ2XZ.

<sup>3</sup> Erdbrink, Thomas (2016) "Doubts Rise in Iran About Conclusive Election results," The New York Times, 2 March 2016, http://www.nytimes.com/2016/03/03/ world/middleeast/iran-elections.html?\_r=0.

<sup>4</sup> BBC (2016) "Election results show Iranians want end to confrontation – Rouhani," BBC News, 1 March 2016, http://www.bbc.com/news/world-middle-east-35695689.

It should be noted that candidates do not run in parties, but loose coalitions or lists (and possibly several), so it is often difficult to classify them. Kishi, Katayoun (2016) "Iran's Election Coalitions," The Iran Primer, United States Institute of Peace, 24 February 2016, http:// iranprimer.usip.org/blog/2016/feb/24/irans-election-coalitions.

Wali can also be translated as "friend", "custodian", or "protector". In a theological or political context it is usually understood as one who has God's authority. Isfahani, A. (1954 [1874]) Tafsir Mi'at al-Anwar was Mishkat al-Asrar, Tehran: Chapkhaneh A/-tab, 336.

<sup>7</sup> Lawson, Todd (2001) "Fatima's religious authority in an early work by the Bab" in Walbridge, Linda S. (ed.) The Most Learned of the Shi'a, Oxford: Oxford University Press, 96-7.

Note that 'ulama can refer to any group of Islamic religious scholars, irrespective of their sect.

authority of wilaya.9 The jurists had to consider what would happen to the Mahdi's political power during his occultation.

The 'ulama had divergent opinions on whether political authority could be justified given the Occultation. 10 In this respect, Shi'ite political thought in this respect is disjointed and contradictory. During the Safavid period (1501-1736) scholars generally took three positions: wholesale rejection; compromise; or enthusiastic endorsement. Even if they took the latter stance, they never envisioned themselves, the holders of the religious authority of wilaya, as rulers. 11 The majority attempted to justify the monarchy without bringing it within the Shi'ite religious framework. This Shi'ite political quietism was traditional, and continued in the Oajar era (1785-1925), but there were more instances of religious scholars and jurists behaving politically. For instance, the clergy opposed the rulers during the 1890-1 Tobacco Protest and the 1905-11 Iranian Constitutional Revolution, even though the notion of wilayat al-fagih was not used in any of the disputes.12 Throughout these dynasties the 'ulama always held some degree of political power, acting as a check upon the ruling powers, but they never explicitly sought to implement religious rule.

To begin with, Ayatollah Rudhollah Khomeini, the figurehead of the 1979 revolution, worked within this quietist tradition, writing on mysticism, gnostic spirituality, and philosophy. Martin has argued that in Kashf al-asrar (Revealing the Secret), Khomeini's first political work published in 1943, he does not present a theory of the state. 13 In fact, he presents the notion of wilayat al-faqih as the widely-recognised role of the 'ulama as spiritual leaders and advisors about religious law to the ruler. Throughout the text, Khomeini states that the qualified Islamic jurists, fugaha, should not rule; rather they should guide the monarch with the interests of Islam and the nation in mind.14 In this sense Khomeini was acting within the traditional paradigm that the clerics should supervise the sovereign whilst upholding the status quo.

However, Khomeini's ultimate conception of wilayat

- 9 Turner, Colin (1995) "Still waiting for the Imam? The unresolved question of Intizar in Twelver Shi'ism" in Persica
- 10 Akhavi, Shahrough (1996) "Contending discourse in Shi'i law on the doctrine of wilayat al-fagih" in Iranian Studies
- Ghamari-Tabrizi, Behrooz (2014) 'The Divine, the People and the Fagih: On Khomeini's Theory of Sovereignty' in Adib-Moghaddam, Arshin (ed.) A Critical Introduction to Khomeini, 225.
- 12 Akhavi (1996), 236.
- Martin, Vanessa (1993) "Religion and State in Khumaini's "Kashf al-asrar"" in Bulletin of the School of Oriental and African Studies, University of London 56 (1), 39.42.
- 14 Ghamari-Tabrizi (2014), 215.

al-faqih is substantially different to historical Shi'ite political theory. Like all political actors he was shaped by events. He radically altered his quietist position after he was exiled in 1964 and the Shah continued his close relationships with Britain and the United States. He began to regard Islam as inherently political, "Islam is a political religion, every aspect of it is political, even worship."15 This led to his claim prior to the revolution that, "the fugaha are entitled to exercise all the worldly functions of the Prophet".16 He began to argue forcefully that a faqih (an Islamic jurist, singular of fuqaha) should take on substantive political power. Khomeini explicitly redefined the concept of wilayat al-faqih to include state power, which overcame the split between temporal and spiritual authority.

Accordingly Khomeini's doctrine appears to place the authority of the fagih on the same level as the Prophet and the Mahdi.17 However, Khomeini tried to make clear that he was referring to the functions of the fagih rather than their status<sup>18</sup>. He was allowing the faqih to assume the governing responsibilities of the Mahdi, whilst excluding the idea that they had to be infallible. This meant Khomeini's wilayat al-fagih included "worldly" powers, yet excluded jurists from holding any "substantive" or "existential" (takwiniyyah) wilaya.19 Ultimately, Khomeini's wilayat al-faqih was an innovative response to the question of who is legitimately qualified to rule during the Occultation of the Mahdi, and provided the theoretical foundation for the 1979 revolution.

Though 'Islamic government' (hokumat-l Islami) was one of the most conspicuous slogans of the revolution, Khomeini did not publicly advocate wilayat al-faqih, nor was there any discussion of it during the constitution's drafting.<sup>20</sup> Despite this, the final draft, which remains in use today, relies on the concept. Article 5 demonstrates this, "During the Occultation of the Lord of the Age (may God hasten his renewed manifestation!), the governance and leadership of the nation devolve

- Khomeini, Ruhollah (1994) Sahifeh-ye Nur, vol. ix (Tehran: The Institute for the Publication of Imam's Works), 136.
- 16 Khomeini, Ruhollah (1980) Velayat-e faqih, Tehran: Amir Kabir, 172.
- Mavani, Hamid (2001) 'Analysis of Khomeini's proofs for al-wilaya al-mutlaqa (comprehensive authority) of the jurist' in Walbridge, Linda S. (ed.) The Most Learned of the Shi'a, Oxford: Oxford University Press, 183.
- 18 Khomeini (1988), 162,
- 19 Akhavi (1996), 240.
- Milani, Mohsen M. (1992) "The transformation of the velayat-e faqih institution: from Khomeini to Khamenei" in Muslim World 82 (3), 176. See Rahnema, Ali (2014) 'Ayatollah Khomeini's Rule of the Guardian Jurist: From Theory to Practice' in Adib-Moghaddam, Arshin (ed.) A Critical Introduction to Khomeini, 88-114 for a comprehensive examination of the drafting process.

upon the just and pious faqih".<sup>21</sup> Article 110 gives the faqih the power to declare war and peace, mobilise the armed forces, and appoint the supreme judicial authorities,<sup>22</sup> giving him similar powers to the President of the United States as laid out in their constitution. For the first time, the clergy had taken control of the state.

Khomeini had a large degree of control over the country after the revolution. He was named personally in Article 107 of the Constitution as the universally recognised faqih who took on the wilaya of the Mahdi.<sup>23</sup> In this sense the state's legitimacy relied upon Khomeini's vast popularity, stemming from his opposition to the Shah's government, and his large networks within the army and other institutions.<sup>24</sup> As Mavani has noted, rather than relying upon an explicit legal structure, new legislation depended on Khomeini's seal of approval, 'his fatwa was law'.<sup>25</sup> With an arm of the army dedicated to him, the Revolutionary Guards, whilst sitting above the Guardian Council, made up of Islamic clerics and jurists, and the 290-member Majlis, Supreme Leader Khomeini really was supreme.

The clergy have managed to retain political power even after his death in 1989. Importantly, the constitution's definition of wilayat al-faqih had been altered, removing the conditions that the faqih was a mujtahid, an original authority in Islamic law, and accepted by the majority of the population. This allowed Ali Khamenei, the incumbent President, to be appointed by the Assembly of Experts as faqih without necessarily having adequate

Islamic legal credentials and avoiding a popular vote.<sup>26</sup> This is a clear modification of Khomeini's view in his 1970 lectures Vilayat al-faqih,<sup>27</sup> where he spoke of the incumbent faqih as the one with the greatest knowledge of Shi'ite jurisprudence. This demonstrates that political concerns are prioritised above doctrinal or religious purity.

In practice, the concept of wilayat al-faqih means that the Iranian Shi'ite clergy continue to hold the balance of power in Iran. It provides the constitutional basis for the Supreme Leader and ascribes many of the executive functions to him. Furthermore, it gives the 'ulama ultimate control over the Guardian Council and the Assembly of Experts. This is Khomeini's legacy; he insisted that only an Islamic government could implement the sacred laws of the shari'a.<sup>28</sup>

However, the lifting of sanctions is a clear sign that the reformist powers have made significant progress. The elections were the visible battleground for a complicated, fragmented conflict between reformists and hard-liners that has been on-going since Khomeini's death.<sup>29</sup> States and businesses will have to negotiate this shifting landscape cautiously, which includes a political establishment fraught with internal tension, partly down to the concept of wilayat al-faqih.

<sup>21</sup> Iran and Algar, Hamid (trans.) (1980) Constitution of the Islamic Republic of Iran, Berkeley: Mizan Press, 29.

<sup>22</sup> Ibid., 71.

<sup>23</sup> Ibid., 66.

<sup>24</sup> Algar, Hamid (1972) 'The oppositional role of the ulama in twentieth-century Iran' in Keddie, Nikki R. (ed.) Scholars, Saints and Sufis: Muslim Religious Institutions since 1500, California: University of California Press, 245.

<sup>25</sup> Mavani (2001), 180.

<sup>26</sup> Milani 1992, 185.

<sup>27</sup> Khomeini referred to wilayat al-faqih using the Iranian spelling, replacing the "w" with a "v".

<sup>28</sup> Khomeini, Ruhollah and Algar, Hamid (trans.) (1981) Islam and Revolution: Writings and Declarations of Imam Khomeini, Berkeley: Mizan Press, 62.

Ignatius, David (2016) "A political prize fight looms in Tehran," The Washington Post, 7 January 2016, https:// www.washingtonpost.com/opinions/a-political-prizefight-in-tehran/2016/01/07/822bc8c2-b584-11e5-9388-466021d971de\_story.html; Ignatius, David (2015) "Despite the nuclear deal, Iran continues its economic sabotage," The Washington Post, 19 December 2015, https://www.washingtonpost.com/opinions/iran-is-notyet-open-for-business/2015/12/29/83deab38-ae42-11e5-9ab0-884d1cc4b33e\_story.html.

# Antarctica:

A Blank Canvas For Protecting Australia's Interests And Reframing The Rise Of China

Julien Rosendahl

Julien Rosendahl is a final year Arts/Law (Honours) student at Griffith University. His passion for polar security will now shape his Honours thesis, focusing on issues of sovereignty and governance in the Antarctic. Julien's passion for diplomacy has also seen him travel to the 2013 OECD Forum with Global Voices, and attend the 2014 APEC CEO Summit in Beijing, on invitation from the Chinese Ministry of Foreign Affairs.

### **Prelude To Antarctica**

'Men go out into the void spaces of the world for various reasons. Some are actuated simply by a love of adventure, some have the keen thirst for scientific knowledge, and others again are drawn away from the trodden paths by the "lure of little voices," the mysterious fascination of the unknown.'

 Ernest Shackleton, The Heart of the Antarctic: Chapter I The Expedition

'Unknowns' can be as exhilarating as they can be unnerving. Shackleton's words read as if he himself could not identify his primary motivation for exploring the Antarctic: the final, untouched frontier of Earth. More than one hundred years later, this barren, ice-covered landmass is still a host of unknowns. How does one govern a region that has never had an indigenous population, yet remains 'claimed' by a dozen countries? How does one protect its environment from human exploits? And how does one assess what a rising power, such as China, thinks of this barren, wind-swept landscape?

Until the late eighteenth century, the Antarctic remained the last undiscovered continent.¹ That is not to say that there has never been any subsequent interest in the region; on the contrary, the nineteenth century saw the surrounding Southern Ocean become a mise en scène "of large-scale marine exploitation."² The turn of the twentieth century was a golden age for pioneers of the Antarctic: Shackleton, Scott, and Amundsen, to name a few. With each explorer came an opportunistic chance for flags to be placed on barren ice sheets, and territorial claims to be made.

Tensions between the United States and the Soviet Union during the 1950s – and the fear of an arms race to the South Pole – brought all Antarctic claimants, including Australia, together to ratify the Antarctic Treaty, governed by an Antarctic Treaty Secretariat; the most successful example of international cooperation during the Cold War era. The Treaty has succeeded in freezing sovereignty claims to where they stood on 19th December 1959. Whilst various land claims overlap, the adherence by claimant states to the Antarctic Treaty's requirements that no further claims be made,

or allowing for the development on existing claims, has brokered peace in the region.<sup>4</sup>

Non-claimant states, such as Malaysia, Russia and China, have gradually joined as observer states to the Antarctic Treaty Secretariat over the past few decades.

Non-claimant states have sought to wield influence on the governance and policies generated by the Antarctic Treaty Secretariat. The Organisation for Petroleum Exporting Countries (OPEC) oil embargo of 1973-74 saw renewed interest by the private sector and emerging countries such as Malaysia in prospecting the Antarctic for minerals and offshore oil reserves.<sup>5</sup> This worldview clashed with preconceptions, often romanticised in the journals of Shackleton and Amundsen, of the Antarctic as being an untouched landscape. In 1988, the Antarctic Treaty Secretariat gave way to the demands by developing countries to open the region to mineral exploration. This policy shift coincided with the Bahia Paraiso oil spill, which saw over 600,000 litres of oil spilled onto the Antarctic Peninsula.<sup>6</sup> After a high-profile campaign by the renowned diver Jacques Cousteau, Australia and France buckled under public pressure to keep the Antarctic free from such catastrophic environmental damage. They successfully lobbied Antarctic Treaty Secretariat nations to ratify the Madrid Protocol in 1991, placing a short-term moratorium on mineral resource exploration and exploitation. Expeditions would still be permitted purely under the auspices of scientific exploration in geology and biology. Currently, the moratorium on resource exploration remains in effect until 2048.7

China acceded to the Antarctic Treaty in 1983, and its first scientific base Zhongshan, named after revered leader Dr. Sun-Yat Sen, opened in 1989. <sup>8</sup> Until the last decade, China's involvement in the region was largely seen as symbolic, with little physical presence in the form of scientific expeditions. The turn of the twenty-first century, however, has seen an unprecedented investment in Chinese scientific exploration bases and logistic support. In 2014, the country's fourth scientific station opened, with the site of a fifth base already chosen by May 2015. On the logistics side, there is investment in a second icebreaker as well as "ice-

Zarankin, A and M, Senatore (2005) 'Archaeology in Antarctica: Nineteenth-Century Capitalism Expansion Strategies' in International Journal of Historical Archaeology, vol. 9, no.1, p. 44.

McColloch, R (1992) 'Protocol on Environmental Protection to the Antarctic Treaty – The Antarctic Treaty – Antarctic Minerals Convention – Wellington Convention – Convention on the Regulation of Antarctic Mineral Resource Activities' in Georgia Journal of International and Comparative Law, vol. 192, p.214.

<sup>3</sup> Haward, M and T, Griffiths (2011) 'Introduction' in Hayward, M and Griffiths, T, Australia and the Antarctic Treaty System: 50 years of influence. University of New South Wales Press: Sydney, p.2.

Haward, M and T, Griffiths, above 3, p.2

<sup>5</sup> McColloch, R, above 2, p. 212.

<sup>6</sup> McColloch, R, above 2, p. 212.

Bergin, A (2013) 'Cold Calculations- Australia's Antarctic challenges' in Strategic Insights, Australian Strategic Policy Institute, Available: https://www.aspi.org.au/ publications/strategic-insights-66-cold-calculations-australias-antarctic-challenges/SI66\_Antarctic.pdf Accessed (10/04/15), p.3.

<sup>8</sup> Brady, cited in Brady, A.M (2013) 'China's Antarctic Interests' in Brady, A.M (ed), The Emerging Politics of Antarctica. Routledge: New York, p. 33.

capable planes and helicopters."9 China's five bases on the Antarctic will be within reach of six U.S. and three Australian bases.<sup>10</sup>

More importantly for Australia, President Xi's historic visit in 2014 included Hobart, one of the few icebreaker-capable ports and a strategic stop for both vessels and aircraft destined for the Antarctic. A Memorandum of Understanding was signed by both nations, pledging for the creation of a Joint Committee to oversee cooperation on "environmental, policy, scientific and operational cooperation" as well as "official and academic exchanges" relating to the region. The memorandum also highlighted a "commitment to the Antarctic Treaty system, which enables the designation of Antarctica as a natural reserve, devoted to peace and science. The support of the service of the ser

### **What China Really Wants**

As far back as 1984, China's rapporteurs to the United Nations were known to signal their interest in the Antarctic region's "rich mineral and living resources." While these ambitions have only been revived in the last decade, China's vague articulation of its Antarctic ambitions is seen as furthering long-term goals – "keeping other states guessing about its true intentions... are part of its poker hand." Outwardly, it would appear that China's scientific goals are squarely focused on "climate and environmental change... [encompassing] oceanography [and] geography." Western academics, however, sense that an effort has been made to choose "Chinese international scholars who could be relied on to present an orthodox view... to international audiences." Within Chinese domestic

- 9 Perlez, J (2015), 'China, Pursuing Strategic Interests, Builds Presence in Antarctica' in New York Times, 4 April, Available: http://www.nytimes.com/2015/05/04/world/asia/
  - http://www.nytimes.com/2015/05/04/world/asia/china-pursuing-strategic-interests-builds-presence-in-ant-arctica.html?\_r=0, Accessed (04-09-15).
- 10 Perlez, J, above 9.
- 11 Australian Antarctic Division (ed.) (2014) 'In Brief' in Australian Antarctic Magazine, no. 27,, p.30.
- 12 Australian Antarctic Division, above 11.
- 13 Keyuan, Z (1993) 'China's Antarctic policy and the Antarctic Treaty System' in Ocean Development & International Law, Vol. 24, No. 3, p.248.
- 14 Perlez, J, above 9.
- DeGeorges, D and S, Ali (2015) 'Connecting China through "Creative Diplomacy" Greenalnd, Australia and Climate Cooperation in Polar Regions' in Pincus, R., Ali, S. (eds.) Diplomacy on Ice: Energy and the Environment in the Arctic and Antarctic. Yale University Press: United States, p.156.
- Brady, A.M (2012) 'The Emerging Economies of Asia and Antarctica: Challenges and Opportunities' in Jabour J, Haward M & Press AJ (eds), Australia's Antarctica: Proceedings of a Symposium to mark 75 years of the Australian Antarctic Territory. University of Tasmania: Hobart, p.105.

politics, the account for Chinese investment in the Antarctic could not be any more different:

"Scholars, (some) government officials and journalistic commentators all appear to agree that the exploitation of Antarctica is only a matter of time and China should (so) prepare itself." <sup>17</sup>

Official Chinese government statements refer to the Antarctic as a "treasure house for all human beings" 18 but there is seldom an explicit reference as to what exactly would be so valuable in the region. There is great interest in the Antarctica because it is a rich untapped fishing ground, and is considered important for China's future marine policy. 19 Indeed, the political and strategic underpinnings for China's growing interest in the Antarctic may be a domestic display of might and patriotism, sending scientific expeditions into the most remote, desolate corner of the Earth. 20

There is also, however, the view that China's Antarctic rise is an extension of a 'mercantilist approach' of the Xi administration that focuses on a continuing energy and resource supply.<sup>21</sup> Such an assessment would also provide context for the opening of a division in the Polar Research Institute of China dedicated to Antarctic resources and governance.<sup>22</sup> Additionally, there are historical records from the Polar Research Institute dating back to 2005 stating the potential for oil, mineral and gas deposits as a primary reason for scientific exploration.<sup>23</sup> The technology for viable resource extraction does not yet exist.<sup>24</sup> However it is not considered an impossible goal should climate change encourage thawing of the Antarctic ice shelf.<sup>25</sup>

# Where To From Here?

At the signing of the Memorandum of Understanding during President Xi's visit to Hobart in 2014, Australian Environment Minister Greg Hunt reaffirmed the commitment between China and Australia towards the "peaceful use and environmental protection of Antarctica." <sup>26</sup> If Australia is to ensure that such goals and aspirations can continue beyond 2048, leading polar security researcher Dr. Anne-Marie Brady says

- 17 Brady, A.M, above 16, p. 105.
- 18 Perlez, J, above 9.
- 19 Keyuan, Z, above 13.
- Atkin, M (2015) 'China's interest in mining Antarctica revealed as evidence points to country's desire to become "Polar Great Power"' ABC News, Available: http://www.abc.net.au/news/2015-01-20/chinas-desire-for-antarctic-mining-despite-international-ban/6029414. Accessed (05-02-15)
- 21 Perlez, J, above 9
- 22 Perlez, J, above 9
- 23 Atkin, M above 20; Brady, A.M above 8, p.42.
- 24 Chaturvedi, cited in Brady, A.M above 8, p.51.
- 25 Chaturvedi, cited in Brady, A.M above 8, p.51.
- 26 Atkin, M, above 20.

it needs to strive to advocate Antarctica as an entity requiring protection for the international community.  $^{\rm 27}$ 

In the Antarctic paradigm, the bilateral relation should encompass cooperation on scientific, academic and logistic operations. The growth in licensed Antarctic tours is another sign of potential cooperation between both nations, and would provide the opportunity for highlighting the fragile ecosystem and importance of conservation to a growing pool of Chinese tourists.<sup>28</sup> President Xi's visit to Australia, and the South Pacific, is a sign of strategy for Xi's government in securing ties relating to China's role in Antartica's future.<sup>29</sup> Australia needs to fortify its own strategy, bringing China into an Antarctica it both views, and actively promotes, en masse as an ecological wilderness. Hobart is strategically located to be a possible hub for 'Antarctic tourism', providing an opportunity to draw in the growing number of Chinese tourists to an Australian narrative that values Antarctica's ecology.

Pragmatists would decry the shortcomings of relying on soft power within the context of a defence or security dispute. In their view, rarely can it rise above acute weaknesses that would otherwise be resolved through economic or militaristic power. Interestingly, China itself relies on soft power. As its prowess in economic and militaristic growth "risks scaring its neighbours into forming counter-balancing coalitions, a smart strategy must include efforts to appear less frightening."<sup>30</sup>

Australia's first Ambassador to China, Stephen Fitzgerald, views Australia's foremost challenge in the Asian Century as the protection of "ideals and values" enmeshed in society, and remaining "uncompromising in their defence... from any encroachment from abroad." Australia's responsibility to defend the current environmental protocols in place is best fulfilled by sharing its views and values with other cultures.

- 27 Atkin, M, above 20.
- 28 Perlez, J, above 9.
- 29 Fitzgerald, S (2015) Comrade Ambassador: Whitlam's Beijing Envoy. Melbourne University Press: Australia , p.249.
- 30 Nye, J (2015) 'The Limits of Chinese Soft Power" Belfer Center, Available: http://belfercenter.ksg.harvard.edu/publication/25543/limits\_of\_chinese\_soft\_power.html. Accessed (04-09-15)
- 31 Fitzgerald, S, above 30, p.257.

Soft diplomacy can foster a consensus of Antarctica's destiny in the coming decades. There is no harm in Australia bringing Chinese tourism and science into its own Antarctic security strategy, by actively promoting the successes of both Chinese and Australian scientists under a governance system that emphasises multilateralism, transparency and protection of the environment. This may go far in altering the domestic perception of China's place in the Antarctic, reaffirming the view among its society of the ecological value of this last frontier on Earth.

The ultimate challenge for Australia's Antarctic interests, and the broader security interests of the West, is to see a rising China that 'practices what it preaches' in terms of its international norms of behaviour. One only has to look to China's unilateral actions in the South China Sea as an example of its arrogance towards a multilateral solution. Of importance for Australia is to influence the narrative in which the future of the Antarctic is discussed before potential conflict arises. Francis Fukuyama suggests that the United States' refusal to join the Asian Infrastructure and Investment Bank was a missed opportunity to shape the governance, transparency and accountability mechanisms of an institution that China hopes to use for its economic diplomacy.<sup>32</sup> By the same token, shaping the narrative of China's diplomatic commitments to a pristine Antarctica should be one piece of a broader security strategy undertaken by the West that seeks to maintain international cooperation and norms of behaviour in the face of a rising China.

Implementing this cultural shift should prove, if anything, a forté in Australia's diplomatic arsenal. It can already boast to being the "lifestyle superpower of the world" 33 with millions of Chinese tourists enjoying Australia's natural wonders. Promoting the Antarctic as a global national park whose beauty is to be seen - not tampered with – is an extension to that thesis.

<sup>32</sup> Fukuyama, F (2016) 'Whose development model will prevail – the West's or China's?' World Economic Forum, Available: https://www.weforum.org/agenda/2016/01/whose-global-development-model-will-prevail-the-west-sor-china-s?utm\_content=buffer6c23e&utm\_medium=social&utm\_source=facebook.com&utm\_campaign=buffer

<sup>33</sup> Bryant, N (2014) The Rise and Fall of Australia: How A Great Nation Lost its Way. Bantam Press: Sydney, p.4.

# Thailand And The Middle Income Trap: Economic Growth Achievements And Challenges

Jack Greig



Considered one of the world's poorest nations following World War II, Thailand has recorded remarkable levels of economic growth, making it one of the fastest growing economies among developing countries from 1952 to 2005 with an average rate of growth of 6.3 per cent. <sup>1</sup> The largest contributor to this remarkable turnaround has been growth in industry, and particularly the manufacturing sector. Additionally, structural changes to its economy made during the 1960s have been credited for bringing Thailand into the international marketplace, laying the foundations for long-term economic growth. Thailand's export-oriented manufacturing model spurred productivity by attracting increased investment to physical capital while deriving cheap labour from its traditional agriculture sector.

When viewed in light of Thailand's long history of political instability, this record of growth seems even more remarkable. Thailand has experienced 19 coup attempts since the revolution in 1932 ended its absolute monarchy system of government. Farrelly² describes this trend as Thailand's "elite coup culture": an institutionalised acceptance of coups as a legitimate means to affect political change. If left to continue, he argues, it could eventually topple Thailand – one of the most successful societies in Asia – from its perch."

# Binding constraints to future economic growth in Thailand

While Thailand's post-World War II record of growth is impressive, the nation must navigate a number of significant challenges if it hopes to continue developing on a similar trajectory.

Poverty incidence has declined and incomes improved in Thailand with steady upward growth of GDP per capita. Jitsuchon<sup>3</sup> explains "almost 40 per cent of Thais have escaped from absolute poverty since the 1980s." But while extreme poverty has declined and life expectancy rates improved, inequality within Thailand has increased.<sup>4</sup> Rural communities, particularly in the

- Jitsuchon, S. (2012), 'Thailand: Achieving Social-Economic Development Balance', Moving Toward a New Development Model for East Asia-The Role of Domestic Policy and Regional Cooperation, eds Zhang, Y, F. Kimura and S. Oum, ERIA Research Project Report 2011-10, Jakarta: ERIA. pp. 255-278.
- Farrelly, N (2014), 'Why democracy struggles, Thailand's elite coup culture', in Australian Journal of International Affairs 67, no.3, pp. 281-296.
- Jitsuchon, S. (2012), 'Thailand: Achieving Social-Economic Development Balance', Moving Toward a New Development Model for East Asia-The Role of Domestic Policy and Regional Cooperation, eds Zhang, Y, F. Kimura and S. Oum, ERIA Research Project Report 2011-10, Jakarta: ERIA. pp. 255-278.
- Warr, P (2011), 'Thailand, a nation caught in the middle-income trap', East Asia Forum, viewed 9 August 2014, accessed at: <a href="http://www.eastasiaforum.org/2011/12/18/thailand-a-nation-caught-in-the-mid-dle-income-trap/">http://www.eastasiaforum.org/2011/12/18/thailand-a-nation-caught-in-the-mid-dle-income-trap/</a>.

Northeast, continue to be disproportionately affected by poverty. Infrastructure and services located outside of major urban centres are neglected in comparison, indicating that populist policies promulgated by former Prime Minister Thaksin Shinawatra, designed to promote wealth distribution,<sup>5</sup> have not had a sustainable impact.

Since the East Asian Financial Crisis of 1997, Thailand has failed to produce rapid levels of economic growth. Thailand's growth model, driven by cheap labour intensive manufactured exports seems to be strongly correlated with persistent income inequality and underinvestment in education pathways. Elite political actors in Thailand have grown rich off this established growth model and therefore seek to maintain the institutional governance frameworks that prolong their advantage. The hierarchical and nepotistic nature of Thai politics has progressively caused deep divisions between opposing, geographically disparate elements of Thai society. This has obstructed national cohesion and diluted the Thai Government's incentive to invest in public welfare and equality. Sustained political instability has caused low investor confidence, which has slowed investment in capital stocks, inhibited technology transfer and prolonged the subsequent slowdown.<sup>6</sup> For example, economic growth contracted in the first quarter of 2014 due to political crises brought on by the May coup that ousted Prime Minister Yingluck Shinawatra, As a result, the World Bank slashed Thailand's growth forecast by 1.5 percentage points suggesting that "tourism receipts, public investment and investor confidence" would be damaged by the political unrest.7 Evidently, policies aimed at moving up the value chain to break into the world market for "knowledge-based and innovation based products" have not been prioritised, signaling that Thailand may have found itself caught in the Middle Income Trap.8

### Thailand caught in the middle-income trap?

The Middle Income Trap is a relatively new concept that has been used to explain why once rapidly growing lower-income economies stagnate once they reach

<sup>5</sup> Mostly in the form of agricultural subsidies, artificially lowering the cost of rice for example.

<sup>6</sup> Ibid

<sup>7</sup> The Guardian, 'World Bank cuts China and Thailand's growth forecasts', Guardian online, viewed 10 August 2014, accessed at: <a href="http://www.theguardian.com/business/2014/apr/07/world-bank-cuts-china-and-thai-lands-growth-forecasts-live">http://www.theguardian.com/business/2014/apr/07/world-bank-cuts-china-and-thai-lands-growth-forecasts-live</a>.

<sup>8</sup> Jitsuchon, S. (2012), 'Thailand: Achieving Social-Economic Development Balance', Moving Toward a New Development Model for East Asia-The Role of Domestic Policy and Regional Cooperation, eds Zhang, Y, F. Kimura and S. Oum, ERIA Research Project Report 2011-10, Jakarta: ERIA. pp. 255-278.

middle-income status and become unable to converge to high-income levels.9

While scholars admit there is not yet consensus on a single theory that explains the Middle Income Trap, of the generic determinants of growth slowdowns a number seem applicable to Thailand. An International Monetary Fund (IMF) Working Paper<sup>10</sup> identifies poor institutions as the most important among their seven determinants.<sup>11</sup> North defines institutions as the social norms and structures that "set the rules of the game in a society, or more formally, are the humanly devised constraints that shape human interaction."<sup>12</sup> Furthermore, Egawa identifies income inequality as a core determinant of growth slowdowns in upper middle-income countries like Thailand.<sup>13</sup>

Economists have suggested a number of reform measures to accelerate growth in Thailand. Warr's recommendation, for example, is to invest heavily in primary and secondary education in order to raise the standard of human capital and drive technology transfer and innovation in the long-term. <sup>14</sup> Such suggestions are laudable, yet the most significant strategy seeks to correct Thailand's most debilitating predicament head on: through institutional reform of the central political apparatus and its inequitable power structures.

# Accelerating economic growth in Thailand through institutional reform

Institutional reform is critical if Thailand is to accelerate growth and attempt to move towards high-income status. Using institutions to explain growth trends has become increasingly popular since the 1990s. Acemoglu et al. implore that good institutional development is a "fundamental cause of long run-

growth."<sup>15</sup> Rodrik, too, finds that the "quality of institutions" is key. He defines quality institutions as those that "provide dependable property rights, manage conflict, maintain law and order, and align economic incentives with social costs and benefits."<sup>16</sup>

As observed in Thailand's case, institutions can legitimate unequal distributions of power in the policy decision making process by pushing institutional development along a set of socially constructed paths; effectively structuring the choices of reform on offer.<sup>17</sup> In this context, March and Olsen stress that institutions can "produce unintended consequences and inefficiencies" reinforced by national narratives that, importantly, are difficult to reverse once set in motion.<sup>18</sup>

Successful institutional reform in Thailand would break down the power structures that have entrenched elite actors at the top of the Thai political hierarchy. Reform of this nature would consist of decentralising some of the functions and responsibilities of the central government to regional political authorities, including strengthening the role of oversight institutions and civil society organisations. Decentralising the authority of political functions and responsibilities, if undertaken with adequate checks and balances, would work to correct the wide gulf between political elites and citizens.

Nelson suggests that at the provincial level in Thailand, political structures are largely informal and invisible, lacking inclusive formal mechanisms that allow ordinary citizens to participate in or gain access to the institutions of political decision-making. <sup>19</sup> Constitutionally redistributing certain political powers and responsibilities (education, health services and transport infrastructure portfolios, for example) to provincial governments would afford greater access to political institutions. This would also energise the capacity and influence of civil society organisations and local interest groups that were previously marginalised. By way of comparison, decentralisation has been an

<sup>9</sup> Aiyer, S, Duval, R, Puy, D, Wy, Y and L Zhang (2013), 'Growth Slowdowns and the Middle-Income Trap', IMF Working Paper 13/17, accessed at: <a href="http://www.imf.org/external/pubs/ft/wp/2013/wp1371.pdf">http://www.imf.org/external/pubs/ft/wp/2013/wp1371.pdf</a>>.

<sup>10</sup> Ibid.

<sup>11</sup> The other six determinants presented are demography, nfrastructure, macroeconomic environment and policies, economic structure, trade structure and 'other'.

<sup>12</sup> North, D (1990), Institutions, Institutional Change and Economic Performance, Cambridge: Cambridge University Press

<sup>13</sup> Egawa, A (2013), 'Will income inequality cause a middle-income trap in Asia?, Archive of European Integration, Bruegel Working Paper 2013/06, accessed at: <a href="http://aei.pitt.edu/44892/">http://aei.pitt.edu/44892/</a>.

<sup>14</sup> Warr, P (2011), 'Thailand, a nation caught in the middle-income trap', East Asia Forum, viewed 9 August 2014, accessed at: <a href="http://www.eastasiaforum.">http://www.eastasiaforum.</a> org/2011/12/18/thailand-a-nation-caught-in-the-middle-income-trap/>.

L5 Acemoglu, D, Johnson, S and J Robinson (2004), 'Institutions as the Fundamental Cause of Long-Run Growth', in The Handbook of Economic Growth, National Bureau of Economic Research, Working Paper 10481, accessed at: <a href="http://www.nber.org/papers/w10481">http://www.nber.org/papers/w10481</a>.

<sup>16</sup> Rodrik, D (2000), Institutions for High-Quality Growth: What They are and How to Acquire Them, National Bureau of Economic Research, Working Paper 7540, accessed at: <a href="http://www.nber.org/papers/w7540">http://www.nber.org/papers/w7540</a>>.

<sup>17</sup> Collier, D (1991), Shaping the Political Arena, Princeton: Princeton University Press.

March, J and J Ohlsen (1984), 'The new institutionalism: organizational factors in political life', American Political Science Review 78, pp. 734 – 49.

<sup>19</sup> Nelson, M.H (2009), 'Political reform in Thailand: Structural and ideological issues', New Mandala, viewed 12 August 2014, accessed at: < http://asiapacific.anu.edu.au/newmandala/2009/05/18/political-reform-in-thailand-structural-and-ideological-issues/>.

essential ingredient of Indonesia's period of reformasi and has proven to be a relatively successful example of governance reform in Southeast Asian middle-income countries.<sup>20</sup>

The World Bank suggests "political decentralisation often requires constitutional or statutory reforms, the development of pluralistic political parties, the strengthening of legislatures, creation of local political units, and the encouragement of effective public interest groups."<sup>21</sup> Strengthened oversight institutions empowered by legislated authority would be necessary to ensure the transparency and equity of the decentralisation process, and to monitor corrupt and discriminatory practices.

### **Challenges to institutional reform in Thailand**

Apart from obvious opposition to reform by members of the political elite, institutional reform that penetrates the most entrenched power structures in the Thai bureaucracy will have to contend with a Thai public that is largely disenchanted with the state of public affairs. Populist policies have split the country into opposition groups: the predominantly southern yellow shirts on one side and the northern red shirts on the other. Any move would have to be genuinely apolitical and inclusive of both sides.

Furthermore, institutional reform would have to take into strong consideration the influence of the Thai royal family; such is the respect for the office in Thai society. For example, dismantling the influence of the military in civil-political affairs may prove difficult without first navigating the structural nuances of the relationship between the military and the monarchy. Consequently, institutional reform in Thailand would need to be both a 'bottom-up' and 'top-down' process. Pierson and Skocpol suggest that as institutional conventions become farther entrenched, the "path not taken", or the political alternatives that were once quite plausible may become irretrievably lost.<sup>22</sup> Evidently, Thailand cannot afford to allow a more time to pass without institutional change. The reform task will be arduous but has the ability to deliver significant long-term economic and social benefits.

After 35 years of remarkable growth Thailand is in the grips of a slowdown. Entrenched institutional inefficiencies exacerbate binding constraints making Thailand unable to progress from middle-income to high-income status. Institutional reform that aims to break down the power structures that have entrenched elite actors at the top of the Thai political hierarchy is a critical area of reform necessary to accelerate economic growth. The cumulative effect of institutional reform would be to assist in the restoration of investor confidence, encourage equitable welfare distribution across the country and modernise the economy through the establishment of an educated and innovative consumer class that has a direct stake in the preservation of a stable and genuinely democratic political system.

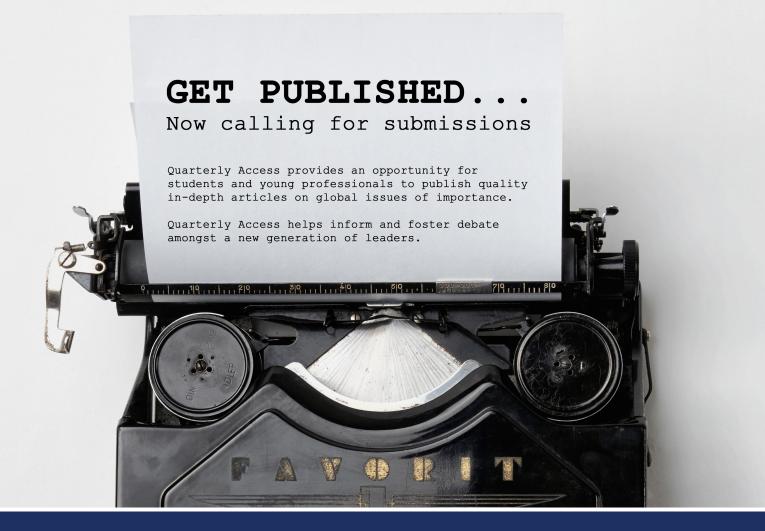
<sup>20</sup> Although decentralisation also has its sharp critics. I recommend viewing Meitzner, M (2013), 'Indonesia's Decentralisation: The Rise of Local Identities and the Survival of the Nation-State', Indonesia Update Conference, 20 September, ANU, accessed at: < https://crawford.anu.edu.au/acde/ip/pdf/update/2013/Indo. Update.13.I7.Mietzner.pdf >

<sup>21</sup> The World Bank, 'Political Decentralization', Decentralization of Subnational and Regional Economics, viewed 14 August 2014, accessed at <a href="http://www1.worldbank.org/publicsector/decentralization/political.htm">http://www1.worldbank.org/publicsector/decentralization/political.htm</a>.

<sup>22</sup> Pierson, P and T Skocpol (2002), 'Historical Institutionalism in Contemporary Political Science', in Political Science: State of the Discipline eds H.V Milner, New York: W.W Norton, pp. 693 – 721.



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