A Gap in Governance?
Politics and Society in the Indo-Pacific

By Ralf Emmers | 17 September 2021

At the heart of the Indo-Pacific region lie emerging political and societal developments that will intensify over time. Identifying relevant trends will help lay the foundation and construct the policy parameters of the next decade. This brief aims to uncover specific political and societal trends out to 2030 with a view to informing the European Union's (EU) policy process. The main areas examined include demographics, democracy, governance, human rights, international law, climate change, ocean governance, and health sector co-operation. In some areas these trends are becoming more intense along with other factors that also intersect at other levels. For example, climate change implications and demographic changes may result in the rise of migration and displacement. Coupled with the gradual decline in democracy, these interactions are also likely to produce greater contestation at all levels, creating opportunities as well as challenges for societies, states, and international systems.

Demographics

A significant development in the next decade will be major demographic shifts as the world rapidly ages. The majority of the countries in the Indo-Pacific region, including China, Japan, South Korea, Hong Kong, Singapore, and Taiwan will age, affecting labour supply and economic growth. However, according to a research report released in 2020 by the China Population and Development Research Center, China's population is still expected to grow until 2027, after which the period of decline in population will set in. In contrast, India is set to be the world's most populous country by 2023. With larger working-age populations, India has the potential to become a predominant workforce in the region.

Different segments of society will face different challenges due to these changes in demographics. The ageing situation is stark in Australia, for instance. The country has long addressed the risks of an ageing workforce by offsetting this problem with large inflows of (younger) migrants. Likewise, Japan has implemented regulatory changes in its visas to attract younger immigrants. The Japanese government aims to admit more than 500,000 workers into the country by 2025. The continuation and intensification of migratory flows along with anticipated future migration due to climate change migrants will likely further intensify pre-existing

xenophobia. A [2018 Pew Research Center survey](#) on the perceptions of immigrants, immigration, and emigration found that four in 10 Japanese felt that migrants are more at fault for lawbreaking throughout Japan. This phenomenon of xenophobia has sparked political tensions, which are already evident today and will become more pronounced as the immigrant population increases.

A positive development is that the Indo-Pacific region will see the development of a more diverse and inclusive workforce in the next decade. For example, governments will turn to the under-utilised female workforce and cultivate diverse and inclusive workforces in anticipation of their ageing workforces. Governments are taking the lead to introduce legislative changes. Singapore recently introduced stiffer penalties for discriminatory hiring practises in 2020 to counter age- and gender-discriminatory hiring practises. The Japanese government made legislative revisions that set maximum limits on overtime hours, among other regulations. Aligned with former Japanese Prime Minister Shinzo Abe's 2013 vision for women in economic representation, the Japanese Business Federation aims to have women occupying more than 30% of the executive positions at major companies by 2030. These enabling factors underway will create greater workforce opportunities for women and develop healthy working hour practises for older workers. Within the region, the non-governmental organisations (NGOs) UN Women Regional Office for Asia and the Pacific launched the Women Empowerment Principles Awards, which recognise individuals and businesses that promote gender-inclusive business cultures. In sum, over the next decade, the region will observe rising female labour market participation, helping to close the gender gap.

In short, the projection for 2030 implies that the Indo-Pacific region will be home to both demographic spectrums, namely, the fastest ageing countries with declining workforces and the world's most populous country with the largest workforce. Countries within the region will be under tremendous pressure not just to effectively manage their ageing populations, but also to prepare for this demographic shift. Likewise, India will need to create sufficient jobs to employ its young workforce.

Democracy and governance

Most governments across the world, including many in the Indo-Pacific region, have stepped up surveillance and discriminatory restrictions on freedoms to respond to the COVID-19 pandemic. China ramped up its global disinformation and censorship campaign in response to its initial cover-up of the pandemic. Philippines President Rodrigo Duterte threatened those who refuse the COVID-19 vaccine with jail. The gap between society's expectations and how governments deliver in response to national and transnational challenges will most likely widen over the next decade as accountable governance no longer equates to democratic freedom. Thus, the isolation of non-democracies may not be a viable option in 2030.

We should expect a downward trend in democracy and freedom for countries within the Indo-Pacific region. The [trend](#) is already moving in that direction as seen from the decline in India's ranking in Freedom in the World 2021 from "free" to "partly free". India's Prime Minister Narendra Modi has continued to crack down on critics and his government's response to COVID-19 included a lockdown that resulted in the dangerous and unplanned displacement of millions of internal migrant workers. The relationships between societies and their governments are likely to experience persistent tensions as democracy and freedom decline.

The Carnegie Endowment for International Peace Global Tracker has recorded [a rise in protests](#) worldwide over the past 10 years. In the Indo-Pacific region, regular protests are taking place from India to Myanmar, Thailand to Indonesia. While protests indicate a general desire for good governance, future implications from the pandemic economic recession and deepening inequalities will likely fuel increased demonstrations. For example, Indonesians have signalled their anger at the unfair distribution of the COVID-19 vaccination drive. The disparity in vaccine roll-out reflects ongoing corruption and growing income inequality around the world. For instance, in India there is growing discontentment about how funds raised from public donations to combat COVID-19 have been allocated and spent.

Hence, as the gap between citizens' expectations and governments continue to widen, it is likely that in 2030,

democracy and freedom within the Indo-Pacific region will be caught in an even greater dilemma.

Human rights

As public needs and discontentment mount due to the disequilibrium between the public's expectations of their rights and privileges against the government's inability to deliver, there is likely to be an increase in calls to defend political freedom by external actors, private sector companies, NGOs, and civil society groups. The issue of human rights has also been again politicised at the highest diplomatic level. The Suga–Biden Summit 2021 framed the intended trajectory of democracy and human rights in the region. The mention of the human rights of the Uyghur minority in the Xinjiang region and actions concerning Hong Kong reflects Japan and the United States' persistent disposition towards the promotion of political freedom in the region. The Five Eyes Alliance statement in 2021 also urged China to keep its commitment to Hong Kong as promised under the "one country, two systems" formula.

On the business front, we can also expect greater integration of business interests and human rights. This is largely because the 2030 Sustainable Development Goals' (SDGs) mandatory corporate accountability frameworks and due diligence are gaining traction in the region. For example, the Thai Securities and Exchange Commission indicated that from 2022 all companies that request IPO approval must disclose data on human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the Thai National Action Plans on Business and Human Rights. Similarly, the Indian government introduced voluntary National Guidelines on Responsible Business Conduct, which seek to align business conduct with the UNGPs and SDGs. A greater integration between businesses and human rights concerns should be expected as businesses seek to remain in line with their consumers.

In short, the issue of human rights will be further politicised by 2030. One should expect increasing calls to action for human rights coupled with the emergence of increased awareness and attention towards democracy and freedom. By 2030 these trends will come together to place human rights higher on the business agenda as well.

International law

The increase in frequency of Freedom of Navigation Operations (FONOPs) may trigger confrontations in the Indo-Pacific. Indian authorities perceived the United States' FONOP conducted in 2021 as an infringement of India's exclusive economic zone challenging India's "excessive maritime claims". Similarly, the US 2020 FONOP in the Sea of Japan was perceived to have challenged Russia's claims to the Peter the Great Bay and Russia responded by chasing a US Navy destroyer off the contested waters. Even though FNOP operations seek to reinforce internationally recognised rights and freedoms by challenging excessive maritime claims, the scenario of confrontation may occur.

The increase in collaborative and diplomatic efforts towards the security of the oceans to promote respect for UNCLOS can be observed and these collaborations will be taking place in different formulas between now and 2030. Capacity-building partnerships to promote regional stability and rule of law will mostly take the form of flexible trilateral, mini-laterals and plus format. For instance, India, France, and Australia started the Paris–Delhi–Canberra axis, a regional security triangle to uphold the rules-based order and regularly convene the countries' respective defence and foreign ministers. Similarly, in France, Japan, and the US joint naval exercises and new dialogue on maritime co-operation have taken the form of trilateral co-operation. Japan has held "2-plus-2" dialogues with France and the UK. Likewise, Germany and Japan held "2-plus-2" talks, with the possibility of joint Indo-Pacific drills, while China participates in ASEAN-China maritime exercises. ASEAN-led platforms like the ASEAN Defence Ministers' Meeting Plus will likely be the pivotal platforms which bring most countries together, specifically the US and China, to facilitate confidence-building and norm creation in the region.

On the technological front, we can expect concrete establishment of comprehensive regional cybersecurity and privacy norms through international regional agreements and practises by 2030. The increase in developments and

collaborations on cybersecurity can be observed mainly due to digitalisation as a global trend. For example, in 2020, India and Japan signed a memorandum of co-operation in the field of cybersecurity. ASEAN-Singapore launched its Cybersecurity Centre of Excellence in 2019 which aims to develop the cybersecurity capabilities of ASEAN member states over the next five years.

In short, regional collaborative and diplomatic efforts to promote international law will continue into 2030. This will include maritime security and safety as well as the implementation of regional cybersecurity norms as countries within the region seek to leverage technological changes. Security in cyberspace will be dependent on nations coming together to defend against common cybersecurity threats.

Climate change

In terms of the environment, the physical effects of climate change will likely become exacerbated over the next decade. The 2021 Global Climate Risk Index ranked Japan and India as two of the top 10 countries most at risk of extreme weather events (storms, floods, and heatwaves). Aqueduct Floods (a tool co-developed by the World Resources Institute) has forecast that the frequency and intensity of river floods are expected to increase due to climate change.

With the outlook of increases in the frequency and intensity of climate disasters, an anticipated surge in climate-induced displacement will occur in the Indo-Pacific region. The prospect of displacement due to climate disasters in the South Asia region will face a steep rise over the next few decades. India and Bangladesh are particularly vulnerable in view of existing non-climate-induced migrants and internal displacement stemming from the COVID-19 pandemic lockdowns. Spurred on by the rise in climate displacement, the pace of poverty and inequality will rise due to food insecurity and disrupted education. The situation in India points to the overall increased possibility of widening inequality and poverty gap.

Given the urgency of the situation, governmental efforts to adapt to the new climate reality will further enhance and transform international co-operation. This can be observed from international efforts undertaken by industrialised countries in the region to incorporate a "green recovery agenda" into their COVID-19 pandemic economic recovery plans. Furthermore, Japan and US have pledged sharper cuts in carbon emissions by 2030. Similarly, India and the US have agreed on a US–India Climate and Clean Energy Agenda 2030 Partnership. China too has reaffirmed its goals to control carbon emissions by 2030 and achieve carbon neutrality by 2060. The Southeast Asian region also has invested significant efforts to enhance its energy-related climate policy and examine its SDGs through the ASEAN Centre for Energy. Stronger international collaborations between the ASEAN member states and external parties should also be expected. One notable example is the recent Cleaner Energy Future Initiative for ASEAN, signed with the Ministry of Economy, Trade and Industry of Japan and the Asian Development Bank (ADB).

There also has been a shift towards leveraging technology and innovation for disaster risk. Subtle signs that technology will play a greater role in disaster operations can be seen from NGOs' and for-profit funding/mentorships' newly launched initiatives like the SAFE STEPS D-Tech Awards awarded by the Asian Venture Philanthropy Network, the Prudence Foundation, and the International Federation of Red Cross and Red Crescent Societies. Governments within the region are expecting disaster technology to be the solution for the rising numbers of climate-induced disasters. There is a high possibility of increased government financing opportunities in the forms of multi-hazard early warning systems. India's Ministry of Commerce and Industry have highlighted in 2021 that the country is keen to cultivate drone start-ups, particularly technology used for the delivery of medicine and supplies during post-disaster situations or real-time monitoring. The same could be expected from Indonesia's Ministry of Industry's 4.0 development plan. The disaster-prone country aims to build 50 billion sensors by 2025.

Hence, with supportive governmental policies, the process of adoption of technology in disaster risk management will speed up by 2030. Likewise, the development of international co-operation on climate

change will intensify as states in the Indo-Pacific region aim to deliver outcomes in anticipation of the changing climate realities by 2030.

Ocean governance (marine protected areas)

NGOs are calling for intervention to finance marine protected areas to enhance the blue economy (sustainable blue finance) due to the intensity of marine degradation. In 2021, the ADB and the European Investment Bank formed a new Clean and Sustainable Ocean Partnership to support initiatives in the Asia and the Pacific. Moreover, one should expect greater development of international standards on marine renewable energy (MRE). Like other challenges, the existence of policy and regulatory frameworks coupled with a supportive political environment will encourage more investments. These are crucial factors conducive to the development of ocean renewables.

Renewable ocean power generation capacity has gained pace over the past few years in the Indo-Pacific region due to the race to transition to renewable energy. India and Vietnam have scaled up their trajectories towards clean energy, while Indonesia announced its plans to phase out coal plants from 2023. Singapore and Australia have each embarked on the development of International Marine Energy Standards. Multilateral initiatives like the ACE ASEAN Plan of Action for Energy Cooperation and the Southeast Asian Collaboration for Ocean Renewable Energy seek to implement effective marine governance to enhance co-operation towards renewable energy. A strong collaboration among regional stakeholders and supply chain players will be the key to strengthening the market of ocean renewable energy in the region. From the efforts taken by countries within the region in driving the development of MRE and International Marine Energy Standards, the establishment of regulatory standards will likely take place within the next decade. A better transition to sustainable ocean governance is therefore likely to happen by 2030.

Health sector co-operation

A higher burden on health sector and social support systems have driven developed countries like Japan

and China to pursue the digital transformation of their health sector. The demand for digitalisation of health services is expected to surge due to attempts to improve the quality of and access to affordable care. An increase in co-operation across and between private organisations, NGOs, and international organisations on sharing best practises on digital data and infrastructure in the region is progressively taking place through the Global Digital Health Partnership. Correspondingly, the 2020 Global Digital Health Index has seen countries like Bangladesh, Malaysia, and the Philippines scoring high in advancing in strategy and investment and infrastructure. India's National Health Information network is expected to be implemented by 2025. Critical regulations such as India's Ministry of Health and Family Welfare Digital Information Security in Healthcare Act draft is also underway. The overall regulatory changes will offer the potential for more integrated and accountable sharing of data. One example is Singapore's "trusted data sharing framework" introduced in 2019. In 2021, the Asia Pacific Health Working Group also formed a sub-working group, "Digital Health", to focus on the digital economy and technology in promoting health and smart living for ageing populations.

The 2030 SDG goal to end the epidemics of AIDS, tuberculosis, malaria, and other communicable diseases has driven governments and organisations in the region to strengthen healthcare networks and knowledge-sharing. This momentum will strengthen healthcare networks on communicable diseases over the next decade. Private actors like Abbott Laboratories will be bringing together a global network of expert collaborators designed to help prevent future pandemics. Various NGOs and research centres within the Indo-Pacific region are also included. Bilateral cross-border collaborations will encourage greater data-sharing efforts in the future. For instance, the ASEAN Plus Three (China, Korea, Japan) Health Ministers share their experiences with each other.

In short, healthcare networks on communicable diseases will be further strengthened by 2030. Similarly, healthcare systems in the Indo-Pacific region will see transformations in the designs of health systems. For example, the COVID-19 pandemic has already accelerated the digitalisation of healthcare in the region.

Conclusion

The areas discussed above fall under the category of global governance. In the Indo-Pacific as well as at the global level there is a growing gap between the challenges of governance and international responses to address them. This is partly due to contested norms and principles, for example, in the areas of international law, democracy, and human rights as well as rising power competitions and diversity in ideologies. International co-operation to address these challenges will continue to occur to 2030 but most likely at mini-lateral and trilateral levels rather than at a broader multilateral level that brings together all the key players in the Indo-Pacific.

Keeping this point in mind, the EU will need to pursue targeted co-operation to 2030 with smaller like-minded groups of countries on most issues related to political and societal trends in the Indo-Pacific. As a collaborative power amid rising geopolitical tensions, the EU will be a sought-after partner for Indo-Pacific states that are reluctant to choose sides between China and the United States or to be forced to pursue bilateral relations in a context marked by uncertainty and rising unilateralism. Thus, it is likely that the EU will play an important role in political and societal trends and act as a leader in critical areas like climate change.

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