Pacific Asia after ‘Asian values’: authoritarianism, democracy, and ‘good governance’

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ABSTRACT The 1997 Asian economic crisis discredited the international discussion about ‘Asian values’ in Pacific Asia, replacing it with a globalised ‘good governance’ discourse. The financial breakdown undermined claims by Asian autocrats that government should be based on authoritarian ‘Asian values’, not ‘Western democracy’. Yet, seven years later, authoritarian regimes in the region are flourishing while the new democracies flounder. Why have dictatorships, not democracies, prospered politically since the Asian financial crisis? Pacific Asia began as an ‘imagined community’ of developmental dictatorships, making authoritarian development the ‘original position’ against which democratic governance is judged. While the demise of ‘Asian values’ contributed to the fall of the Suharto regime in Indonesia, it did less harm to authoritarian regimes in more economically developed Malaysia and Singapore. The US-led anti-terror coalition provided several authoritarian rulers in Pacific Asia with welcome support from the West, while allowing them to weaken internal opposition. The new democracies, by contrast, faced international pressures to combat terrorism, often arousing local protest. Finally, middle class-based reformist movements have risked destabilising the region’s new democracies in the name of good governance.

The 1997 Asian economic crisis discredited the international discussion about whether authoritarian ‘Asian values’ in Pacific Asia (East and Southeast Asia) explained the region’s economic ‘miracle’.1 Tommy Koh, a senior Singaporean government official and long-time advocate of ‘Asian values’, was reduced to pleading that they were not to blame for the recent economic downturn.2 A globalised ‘good governance’ discourse forced developmental dictatorships in the region further onto the defensive. International financial institutions argued that corruption and cronyism had made these non-democratic regimes vulnerable to financial breakdown.3 The volte-face of the IMF and World Bank about the now wayward ‘Asian way’ was particularly striking. Having once endorsed the ‘East Asian miracle’, it now propagated reforms in governance which, in the largely authoritarian Pacific Asian context, were a thinly veiled critique of the region’s autocrats.4

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Calls for ‘good governance’ were not confined to international high finance, however. Within the region anger at corruption sparked off massive civil societal protest. At a time when developmental dictators could no longer deliver rapid rates of development, this represented a deadly danger for authoritarianism in Pacific Asia. Opposition activists in Indonesia and Malaysia demanded reformasi (reform), blaming corruption, collusion and nepotism for their countries’ economic ills. The globalised ‘good governance’ discourse and its regional counterpart pinned blame for the financial misery squarely on autocrats.

Formerly developmental dictatorships appeared doomed, promising a regional wave of democratisation like the one which had swept Latin America or Eastern Europe after economic crises there. The Suharto regime in Indonesia had long been praised by international finance for its developmental policies, despite massive human rights violations. But it was toppled by the reformasi movement in May 1998—not long after the once friendly IMF had forced the Suharto regime to its knees with tough conditionality demands for desperately needed loans. The photograph of IMF director Michel Camdessus looking down on the seated Suharto with arms crossed, as a Dutch governor-general would have done during the colonial era with a subordinated local ruler, symbolised the reversal of the international institution’s policy towards the country. A revolutionary situation also arose in pseudo-democratic Malaysia after the resignation and arrest of the former Deputy Prime Minister, Anwar Ibrahim, on trumped-up charges in 1998 led to major societal protests. In the face of a mounting economic crisis Malaysian Prime Minister Mahathir Mohamad imposed capital controls, lurching into international financial isolation.

Yet just seven years after the demise of ‘Asian values’ and the rise of the ‘good governance’ discourse, authoritarian regimes flourish while the new democracies flounder. China and Vietnam escaped the worst effects of the financial meltdown and remain stable Market–Leninist dictatorships. International finance is again effusive. The World Bank has held up China as a model, both for its rapid growth and poverty elimination efforts. A 1999 World Bank survey which pointed to a sharp decrease in poverty in Vietnam in the mid-1990s made the country the international financial community’s latest ‘poster child’, which other developing countries should imitate. Singapore is still the richest non-oil producing country in the world that is not a democracy. Foreign investors crave it as a safe haven, free from democratic ‘excesses’ (particularly organised labour). In Malaysia the post-Mahathir era has been made safe for continued pseudo-democratic rule. A smooth political succession has been completed while capital controls have been lifted and foreign investors have begun to return, contributing to rapid economic recovery.

Only Burma and North Korea have failed to become stable capitalist dictatorships. In Burma the ham-fisted military regime was silly enough to arrest the Nobel Peace Prize winner Aung San Suu Kyi after massacring 100 or so of her followers in May 2003, causing predictable international outrage. There was even regional condemnation of the junta, as the once cosy club of autocrats, the Association of Southeast Nations (ASEAN) briefly criticised the Burmese junta. Yet the regime’s well proven willingness to shoot protesters makes it unlikely that its rule will be seriously challenged in the near future, despite the country’s
disappointing economic performance since capitalist development began in 1988. In North Korea, Stalinist leader Kim Jong Il offered belated praise for China’s economic transformation after years of vehement criticism. He even attempted to establish a special economic zone of his own (but naively chose a Chinese capitalist who was jailed in China after daring to undertake the project without consulting Beijing). More successful was the leadership’s loosening of rigid economic controls that led to the blossoming of local markets, at least in Pyongyang. Despite the continued nuclear showdown with Washington, some South Korean analysts are cautiously optimistic that North Korea can successfully achieve a transition to developmental authoritarianism in the near future.

While most Pacific Asian authoritarian regime have emerged stronger after the Asian financial crisis, the region’s new democracies (Indonesia, the Philippines, South Korea, Taiwan and Thailand) have been politically unstable and slower to recover economically. Why have dictatorships, not democracies, prospered politically since the Asian crisis? Given space limitations, this paper concentrates on the contrast between the ‘successes’ of authoritarian Malaysia and Singapore and the ‘failures’ of democratic Indonesia, the Philippines and Thailand. (In a larger effort the experience of non-democratic Burma, China, North Korea and Vietnam, as well liberal South Korea and Taiwan, will be added to this author’s analysis of ‘late’ democratisation in the region.)

In the first part of this paper it will be argued that Pacific Asia began as an ‘imagined community’ of developmental dictatorships. This made authoritarian development the region’s ‘original position’ for the middle classes that grew up under a ‘disciplined’ political economy against which democracy is critically judged. The second section suggests that, while the demise of ‘Asian values’ contributed to the fall of the Suharto regime in Indonesia, it did less harm to authoritarian rulers in more economically developed Malaysia and fully modernised Singapore who could still claim to be governing well. In the midst of financial crisis, appeals to cultural ‘otherness’ became largely superfluous in the effort to thwart democratisation. Contributing mightily to this sense of danger is the US-led hunt for al-Qaeda terrorists, the subject of section three. The US-led anti-terror coalition provided several authoritarian rulers in Pacific Asia with welcome support from the West, while allowing them to weaken internal opposition. The new democracies, by contrast, faced international pressures to combat terrorism that aroused local protest. Finally, middle class-based reformist movements calling for good governance have contributed to the destabilisation of the region’s new democracies.

Pacific Asia as an imagined community of developmental dictatorships

Pacific Asia as a region is neither geographically nor culturally convincing. Covering East (China, Japan, Korea and Taiwan) and Southeast Asia (the 10 ASEAN states), it is difficult to distinguish it geographically in any meaningful way from the borders of South Asia, the South Pacific, Australia, Russia or Central Asia. Culturally all the major religions of the world are represented in the region: Confucianism (in its various forms, often mixed with Daoism and Buddhism), Buddhism (Theravada and Mahayana), Islam (Indonesia is the
world’s most populous predominantly Muslim country), Catholicism (primarily the Philippines, but there are large minorities in China, South Korea and Vietnam), Hinduism (Bali), not to mention Daoism and Shintoism as well as many local animist religions. There is no single ‘Pacific Asian’ culture, only ‘orientalists’ and ‘reverse orientalists’ (the latter including authoritarian Asian leaders who turn old stereotypes into useful claims of cultural distinctiveness).15

One common historical tradition that holds this region together is the legacy of the Chinese empire, to which smaller states paid tribute.16 Another, less politically correct tradition, is the ‘Greater East Asian Co-Prosperity Sphere’ of militarist Japan during the Second World War.17 Although this left a network of elites in place that served many a dictator well after the war through close ties to Japan (particularly in South Korea under Park and Burma under the Generals), it is hardly the basis for a public affirmation of a regional identity. Japanese imperial rule was too brutal, and the memories too painful for it to be invoked as the foundation of ‘Pacific Asia’ (although both geographical and ideological parallels are striking).

ASEAN is the formal political association of Southeast Asia.18 Political conflict has hindered the founding of a similar organisation in East Asia (initially between communists and anti-communists, more recently between China and Taiwan). The ‘Asia-Pacific Economic Cooperation’ (APEC)—whose founders in 1989 seemed to have forgotten that an organisational name requires a noun—has not effectively embodied a regional identity. The inclusion of North America and some of Latin America as well as Australia makes it too broad, and too Western. More to the regional point was Malaysia’s Prime Minister Mahathir’s attempt to form the ‘East Asian Economic Caucus’, which would have been centred on Japan, but excluded the Americans (North and South) and the Australians. Only the veto by a Japan that could not say yes in the face of US disapproval kept the idea from gaining ground. (The founding of the ASEAN + 3 grouping which included Japan, China and South Korea was a step toward such a region-wide association, however.)

What is ‘Pacific Asia’ when its geographical arbitrariness, cultural diversity, limited historical precedents, and weak regional organisations make the drawing of regional borders an arbitrary undertaking? The region has been defined economically. It was the fastest growing region in the world between 1965 and 1997.19 Its economic growth has commonly been described in terms of a ‘flying geese formation’.20 Japan, the region’s economic superpower (although this leadership was weakened by over a decade of stagnation), has taken the lead, followed by the ‘four dragon’ (alternatively ‘tiger’) economies (Hong Kong, Singapore, South Korea and Taiwan), then the ‘little dragons’/ ‘tigers’ of Southeast Asia (Indonesia, Malaysia, the Philippines and Thailand), and finally by the communist converts to capitalism (China and Vietnam, as well, to a lesser extent, as anti-communist but state socialist Burma and Stalinist North Korea). Through so-called production cycles, older, more labour-intensive technologies were transferred down from leader countries to follower ones. Foreign capital (particularly Japanese but later also Taiwanese and ethnic Chinese in Southeast Asia) played a major role in this process. Only later did extra-regional international financial flows become significant (which speeded but ultimately
doomed the financial boom, as discussed below). Networked with major corporations, developing country affiliates of more modernised states shared in a region-wide, export-orientated industrialisation strategy, which stretched from raw materials to high tech. Bruce Cumings speaks of a ‘fallacy of disaggregation’ if one attempts to observe economic success of a particular country in the region in isolation. Without noting the networking among firms, the exchange of technology or ‘developmental assistance’, one cannot understand how economic growth has taken place.

Interestingly, at the height of the recent Asian economic boom, an effort was made to trace these economic networks back to the tributary system of imperial China. In fact, Pacific Asia is a creation of the post-Second World War period with some precedents in the Greater East Asia Co-Prosperity Sphere but formed within the context of the anti-communist crusade of the Cold War. US new-style imperialism (above all in Japan, Indochina, South Korea and Taiwan) replaced old-style European colonialism. The Korean and Vietnam wars were the military side of this equation, developmentalism the economic. Capitalist growth that would fend off the communist danger was successfully spread from Japan to other countries through an expanding regional financial network. Protected by US military power, one authoritarian state after another turned to mercantilist policies of export promotion integrated through production cycles. Despite the war and its heavy dependence on US foreign aid, even South Vietnam may have been on its way to developmental success before the North Vietnamese so unkindly overran it. But capital was to have its revenge: Vietnam followed China half a decade later (in the mid-1980s with the doi moi economic reforms) in converting from state socialism to venture capitalism, with the growth being particularly fast in the South, which was well versed in capitalist ways.

Region-wide boom was followed by a regional economic crisis. Nothing shows the extent of capitalist networks better than their failure. A currency crisis in insignificant Bangkok had no business causing economic havoc from Jakarta to Seoul. But the ties that bind in good times can rebound during the bad patches. Having lost its cold war significance, the Pacific Asian financial situation was not saved by a Washington-led financial posse as had been the case for neighbouring Mexico in the mid-1990s. Instead, one country after another—regardless of whether it ran budget deficits or had a ‘bubble economy’—succumbed to the regional snowball effect. Because they perceived their investments to be within a common region, foreign investors withdrew their money regionally, even if the crisis had originally been localised.

Capitalist development is not apolitical (regardless of what most economic textbooks imply). In Pacific Asia it was profoundly politicised: developmentalism justified authoritarian rule in the region. Once discredited modernisation theory—which claimed that economic development leads to social and then political mobilisation that ultimately results in democratisation—was revived in the region. Autocrats instrumentalised such arguments, declaring democracy an unaffordable luxury until sufficient economic prosperity was achieved. This provided a snug fit into the cold war ideological context. Capitalism was still better than communism even if the former was also practised dictatorially. At
least capitalist authoritarianism would (after sufficient modernisation) lead to
democratisation, while the communism would remain forever totalitarian.29

One after another developmental dictatorships were established in the region,
replacing either weak democracies or economically lagging authoritarian
regimes. They were sometimes military (in South Korea, Thailand and Indone-
sia), sometimes civilian regimes (in Malaysia, the Philippines and Taiwan). Later
the cold war divide was bridged (earlier than in Europe) when capitalist-style
development was promoted by still officially communist regimes (China in the
late 1970s and Vietnam in the mid-1980s), by state socialist (Burma in 1988) or
even by Stalinist ones (North Korea in the past two years). The ‘flying geese’
of Pacific Asia were developmental dictatorships.

These developmental authoritarian regimes established a kind of ‘original
position’ for political discourse in the region (far different, of course, from that
from which the Rawlsian concept of justice derived). These dictatorships set
standards of rapid economic development against which future regimes would be
judged. While organised labour was demobilised and industrialists made depen-
dent on the state, the middle classes acquired a sense of entitlement. Owing their
very existence to successful developmentalism, they came to expect a techno-
cratic style of politics that put considerations of economic efficiency above
social justice. For the middle classes the pursuit of rapid growth without a
corresponding increase in workers’ wages and even in capitalists’ profits
(market-share was prioritised) was the natural order of things. This point requires
brief elaboration.

Developmental authoritarian regimes effectively demobilised civil society. A
history of the Left in Pacific Asia requires demanding political archaeology, as
few traces of it remain (brutally destroyed after a genocidal massacre of
communists in Indonesia in 1965, more subtly erased in Singapore and
Malaysia).30 In particular, developmental dictatorships targeted unions. Through-
out the region organised labour was repressed, its leaders jailed and state-corpo-
ratist unions put in its place.31 Although wages rose, they did not keep pace with
productivity gains. The famous query after 1989—‘what is left (of the Left)’—
applies as much to Pacific Asia as it does to Europe.

While workers were demobilised, capitalists were made economically depen-
dent on the developmentalist state. In Southeast Asia the Chinese capitalist
minority could be intimidated by state elites. This was particularly the case in
Malaysia and Indonesia, where the ethnic Chinese were a ‘pariah’ group; it was
less so in the Philippines and Thailand, where ‘mestizo’ Chinese or Sino-Thais
were better integrated into society.32 It is telling that, although there were several
prominent ‘cronies’ of ethnic Chinese origin under Suharto’s rule in Indonesia,
his regime also tolerated periodic pogroms against the ethnic Chinese. In
ethnically homogenous South Korea, complicated incentives and punishments
were used by the Park government to keep the owners of the powerful chaebols
in line (including the death penalty for foreign currency violations, meaning that
the government threatened not just militant workers but also errant capitalists
with extreme punishment).33 Dependent on the goodwill of the state for their
capitalist accumulation, the industrial bourgeoisie posed little threat to the
authoritarian system.
The rise of the middle classes was the most significant social by-product of successful developmental dictatorships. Despite periodic support for democracy movements (with the middle class vanguard being the student activists who have protested throughout the region—from Singapore in the 1960s to Malaysia in the 1970s, and from Beijing in the 1980s to Jakarta in the 1990s), they remained primarily concerned with their financial well-being. (The rapid withdrawal of middle class support for anti-government protests after the fall of the South Korean dictatorship in the mid-1980s, once the economic situation began deteriorating is revealing in this regard.) The repression that accompanied developmental authoritarianism targeted the working classes, leaving the middle classes to enjoy their new-found consumerism. Yet the middle classes posed a potential danger to the regime if they could not be co-opted, as they could not be jailed, manipulated or threatened en masse. If developmental regimes were not careful, middle class activists might take modernisation theory too seriously, demanding democratisation once some degree of economic prosperity had been achieved.

The ideology of ‘Asian values’: developmentalism and middle class co-optation

In Indonesia ‘Asian values’ were invoked as a form of developmentalism, with the claim that, until prosperity is achieved, democracy remains an unaffordable luxury. This Protestant-ethic-like form of ‘Asian values’ attributed high growth rates to hard work, frugality, discipline and teamwork which only a ‘disciplined’ (ie authoritarian) regime could provide during the early stages of development. Indonesia’s strongman Suharto’s ‘New Order’ government emphasised deliberation (musyawarah) instead of opposition in order to reach consensus (mufakat), excluding the masses from politics except during brief ‘election’ campaigns through the ‘floating mass principle’. The regime claimed that such a political system was necessary to create the stability required for rapid economic growth. The military junta of Burma (renamed Myanmar by the Generals) tried to imitate the ‘Indonesian model’ of a developmentalist dictatorship with a similar culturalist justification.

Indonesia’s economic crisis, which began in late 1997, was the catalyst that led to the overthrow of the Suharto dictatorship by a student-led popular movement. With the economy in crisis and ‘crony capitalism’ widespread, no culturalist argument could cover over the fact that the would-be developmentalist dictator had lost legitimacy. The fall of Suharto in May 1998 removed the chief ideologue of the developmentalist type of ‘Asian values’ from power. With the Indonesian New Order now an ancien régime and Burma also badly hit by the regional economic crisis, the Burmese Generals returned to the familiar pattern of relying on brute force without any ideological pretence.

In Malaysia and Singapore, by contrast, the ‘Asian values’ discourse was an attempt to justify authoritarianism after economic development to help co-opt their large middle classes. The co-existence of high living standards and illiberal politics make Singapore and Malaysia international exceptions to the ‘rule’ that democracy follows economic ripeness thanks to the rise of large middle
classes.\textsuperscript{36} Yet high-income levels and the growth of the middle classes have not led to political liberalisation in either country. On the contrary, the Freedom House ratings of political rights and civil liberties in Malaysia and Singapore stagnated or declined in the late 1980s and 1990s.\textsuperscript{37} It is striking that the claim of distinctive ‘Asian values’ by highly Westernised government officials in Singapore and Malaysia coincided with the rise of middle class-based democracy movements as well as growing individualism in the early 1980s. ‘Asian values’ were offered as the antidote to all that was wrong with Westernisation: rising crime and divorce rates—as well as new tastes in music, television and film. Such ideological claims should be treated with scepticism. The ‘Asian values’ discourse did not necessarily enjoy a high degree of popular support in Malaysia and Singapore. But the claim of distinctive ‘Asian values’ helped to set the political agenda, marginalising dissidents who made ‘radical’ demands for Western-style democracy.

At the height of the region’s financial crisis, Malaysian Prime Minister Mahathir did not feel the need to invoke ‘Asian values’; thinly veiled anti-Semitism and crude xenophobia sufficed. The Singaporean government avoided such polemics, but the economic crisis allowed it to renew calls for discipline and order, recalling the good old days in which sacrifices could be demanded in the name of rapid development. Moreover, high levels of per capita income and the rapid restoration of economic growth enabled both governments to claim that they continued to govern well, undermining the impact of the ‘good governance’ discourse directed against them.

\textbf{Anti-terrorism as a windfall for authoritarians in Pacific Asia}

In an atmosphere of crisis the de-politicisation of the middle classes is less pressing because the fear of instability increases appreciation for a hard authoritarian hand. It is thus not surprising that in Pacific Asia, the US-initiated ‘war against terrorism’ has been a windfall for authoritarians in the region.\textsuperscript{38} In Singapore several suspected al-Qaeda terrorists were arrested in 2001–02.\textsuperscript{39} This allowed the government to spread panic about the danger to national security in a way that it had failed to do in years.\textsuperscript{40} Singaporean officials revealed that terrorists planned to attack US interests in the island-state, hoped to establish an Islamicist regime in Malaysia and were attempting to portray a Chinese-populated Singapore as threatening Malay Muslims in Malaysia.\textsuperscript{41} This terrorist threat provided a new justification for the retention of the Internal Security Act, which gives the government wide-ranging powers of arrest and detention.

In Malaysia after ‘9/11’, Mahathir and his successor (since November 2003), Abdullah Badawi, have discovered another means of manipulating the ethno-religious polarisation in Malaysia to the liking of the government. A ‘divide and conquer’ strategy had already served Mahathir well when facing the popular \textit{reformasi} movement after Anwar Ibrahim’s arrest. Having rapidly lost support in the Malay community (which makes up roughly half the country’s population), he played up the Islamic extremism of the \textit{Parti Islam Semalaysia (PAS)} opposition party. This enabled him to win a much larger share of the minority Chinese vote in the 1999 elections than the ruling \textit{UMNO} party had previously
gained (less than subtle electoral manipulation also contributed to the government victory).\(^\text{42}\)

Safely re-elected, Mahathir was able to profit from the changed post-Septem-
ber 11 international context. Long at loggerheads with the West (Mahathir is 
little liked by the British tabloids and was openly criticised by then US Vice 
President Al Gore at the 1998 APEC meeting in Kuala Lumpur), he was suddenly 
celebrated as a moderate Muslim leader allied with Washington against the Islamicist terror threat. Although some of this goodwill was lost with his heated 
attack against the Bush–Blair Iraq war and a return to anti-Semitic rhetoric, he 
was strengthened by this manoeuvring at home.\(^\text{43}\) Crackdowns against terrorists 
and their supporters (the September 11 attacks were organised in Kuala Lumpur 
as much as in Hamburg) were so extensive that the suspicion arose that they 
were directed at opposition politicians demanding greater democracy as much as 
against dangerous terrorists.

The most effective government tactic was to claim that PAS, the largest 
opposition party, was linked to the al-Qaeda network.\(^\text{44}\) Although there are 
extremists within the party who praised the September 11 attacks, PAS, along 
with the Justice Party led by Anwar’s wife, Wan Azizah Wan Ismail, represented 
the best chance for democratisation in Malaysia in decades. But the hopes of the 
Malaysian opposition to unseat Mahathir and democratise the country collapsed 
along with the World Trade Center Towers. Having weakened PAS with charges 
of supporting terrorism and making ‘liberal’ use of draconian internal security 
laws, Mahathir arranged a smooth succession to Abdullah Badawi. With vague 
promises of political reform, Abdullah overwhelmingly won the parliamentary 
elections of March 2004 (with the help of an eight-day campaign period and 
repressive press controls).\(^\text{45}\)

While providing authoritarian regimes with a convenient justification for 
further repressing opposition, the international anti-terrorist campaign has weak-
ened several of Pacific Asia’s new democracies. This is most obviously the case 
in Indonesia, but it has also destabilised Thailand and the Philippines. US 
pressure to step up the fight against terrorism has increased military dependence 
on American assistance while creating domestic opposition to outside interfer-
ence. While internal conflicts mount in these new democracies, the terrorist 
threat itself has not subsided.

The US government had long accused Indonesia of laxity in combating 
Islamic extremism. The 2002 Bali bombing confirmed these fears, as have 
several other attacks attributed to Jemaah Islamiyah.\(^\text{46}\) Despite an impressive 
effort by the government of President Megawati Sukarnoputri to bring the Bali 
bombers to justice, the Bush administration remained sceptical.\(^\text{47}\) The Megawati 
government was caught between popular opinion, highly critical of US policy, 
particularly after the Iraq war, and the government’s desire for economic and, 
above all military, aid from the West.\(^\text{48}\) Facing a ‘secessionist’ (read libera-
tionist) struggle in Aceh, the Indonesian military launched a ‘counter-insurgency 
campaign’ in 2003, the bloodiest since the massacre of East Timorese civilians. 
The Megawati government dares not cross the military, which remains reliant on 
Western assistance. Poor relations with the West thus pose a grave danger in a 
country still recovering from three decades of military-dominated rule.\(^\text{49}\) At the
same time terrorism remains an ominous prospect during the current fragile electoral process (legislative elections were held in April, presidential polls were scheduled for July 2004).

In Thailand the populist prime minister, Thaksin Shinawatra, has been pressured by the USA to step up the campaign against international terrorism. But this has led to understandable worries among human rights groups concerned about the behaviour of the Thai government, already responsible for an estimated 2000 deaths during a violent crackdown against alleged drug lords in 2003. Thaksin has quietly aided the US anti-terrorist campaign, while trying to keep it hidden from a critical Thai public. But the flare-up of terrorist activity in Muslim-dominated southern Thailand (with the Thai military killing over 100 lightly armed rebels in April 2004) suggests that the country has nonetheless become a new ‘front’ in the anti-terrorism campaign. A kind of Thai Berlusconi (he is Thailand’s richest man, having made a fortune in telecommunications), Thaksin’s democratic credentials are questionable. In the name of national security and populism, Thailand’s fragile democratic institutions are under threat.

In the Philippines the government seemed to have profited from the US anti-terror campaign. Despite constitutional obstacles the government of Gloria Macapagal-Arroyo invited US troops to the southern Philippines, where Muslim secessionists have long been fighting the government. Although there are ties between the Abu Sayyaf gang and al-Qaeda (Bin Laden’s brother-in-law helped found the organisation), the former had evolved into a lucrative kidnapping operation. It has been questioned whether strategic considerations justified the stationing of 600 US soldiers on the island of Basilan in 2002. But one justification was evident: they were simply not welcome anywhere in the region except in this former US colony (although Filipino nationalists have protested against American involvement).

During a July 2003 coup attempt in Manila, the putschists charged that high-ranking military officials had been selling US-supplied weapons and ammunition to the Muslim rebels, suggesting that fee-for-service anti-terrorism can have its drawbacks. Worse, they claimed that the military had arranged a bombing in the southern Philippines to justify increased US anti-terror aid (the defence minister subsequently resigned). A terror bombing in February 2004 of a ferry, which killed over 100 passengers—the worst act of Islamist terror in Southeast Asia since Bali and comparable to the Spanish train attack 13 days later—shows that the government may have underestimated the actual danger of terrorism while fighting over the spoils of the US anti-terror drive. Good governance has not been promoted by the anti-terrorism campaign in the Philippines.

Reform after reformasi

Although the globalised ‘good governance’ discourse was originally aimed against autocrats in the Pacific Asian context, it soon boomeranged against the region’s democrats. In the Philippines, in Thailand and in Indonesia middle class-based societal movements have tried to topple democratic leaders in the
name of better governance. In South Korea and Taiwan debates about governance have also recently led to political instability.\textsuperscript{60} Even though middle class activists had often turned against dictatorships after economic crises, they remained dedicated to developmentalism. They were often joined by the industrial bourgeoisie which, while freed of its dependence on developmental authoritarian regimes, remained ideologically committed to rapid growth at the expense of the working class. (A rapidly re-mobilising labour movement scared the middle class and the industrialists alike, particularly in South Korea, but also in the new Southeast Asian democracies.) The rise of reformist movements within new democracies after the original reformasi struggles against dictatorships showed the ambivalent stance of the middle classes and the industrialists towards democracy: governments which failed to deliver rapid economic growth were disliked even if they were legitimised by a democratic vote.

In the heyday of ‘people power’ in the Philippines (1986) or reformasi in Indonesia (1998), elite groups believed that development and democracy were compatible, or even that democratisation was necessary to restore economic growth. The poor financial performance of these new democracies falsified this assumption: the Philippines has been considered the ‘sick man’ of industrialising Asia since the mid-1980s, while Indonesia has lost the status of developmental star which it enjoyed during the 1970s and 1980s. In the name of good governance, reformist movements have turned against democratically elected presidents or prime ministers in the Philippines (Joseph E Estrada), Indonesia (Abdurrahman Wahid) and Thailand (Thaksin Shinawatra). These reformers often fought against populist politicians who appealed to the lower classes.

This was particularly obvious in the Philippines where Estrada, a former action star, appealed to the poor Filipino masa (masses). In his movies he had played the role of tough guy defending the socially downtrodden victimised by the elite.\textsuperscript{61} As a politician he seemlessly transformed his star appeal into populist slogans directed at the poor. Although he comes from an elite family, Estrada is a black sheep of the Philippine oligarchy. Speaking broken English in a country in which the educated classes pride themselves on their command of American slang, he spent most of his time in the presidential palace gambling while building extravagant houses for his mistresses.\textsuperscript{62} Personal morality is not practised rigidly in the folk-Catholic Philippines, but Estrada went too far with his transgressions. He gambled too openly (into the late hours, leading him to miss early diplomatic appointments). He tried to forcefully monopolise the country’s lucrative jueteng operations (a Chinese-style lottery system).\textsuperscript{63} Having mistresses was one thing, but building them swimming pools with rolling tides and white sand was something else.\textsuperscript{64} Worse, the economy, which had finally begun to grow at a rate that matched regional standards under his predecessor, Fidel V Ramos, slowed abruptly under Estrada. Although the country was not as badly affected by the Asian crisis as its neighbours, Estrada’s erratic behaviour sent stock prices and the Philippine peso spiralling downwards. A renewed economic crisis, as had occurred at the end of the Marcos dictatorship, loomed.

When Estrada moved to curb the talkative Manila elite’s favourite news-
papers and apparently tried to have a former political ally killed in the rivalry over gambling operations, the ‘people power’ coalition re-emerged.\textsuperscript{65} Led by the then Manila Archbishop, the ironically named Cardinal Sin, and the ‘Makati crowd’ from the Manila business district, hundreds of thousands poured out onto the main freeways of Manila, demanding Estrada step down, as Marcos had been forced to do a decade and a half earlier. Lacking the lower class support of then opposition challenger Corazon C Aquino, student demonstrators exchanging text messages on their mobile phones became the ersatz mass base of the anti-Estrada protests.

With the help of the turncoat Philippine military they brought down Estrada (he is now on trial for corruption), but set off a short-lived class war by his outraged followers. In May 2001, just five months after Estrada’s fall, his supporters nearly toppled the successor regime of President Gloria Macapagal-Arroyo.\textsuperscript{66} However questionable their cause, the supporters of Estrada had a point, defending a democratically elected president who had been removed unconstitutionally.\textsuperscript{67} In the name of promoting good governance, the middle class-based reform movement had destabilised the democratic system.

The constitutionally legitimated removal of Abdurrahman Wahid in Indonesia—as well as the survival of Thaksin Shinawatra in Thailand through judicial manipulation—was less dramatic, but fit the pattern of middle class reformers risking democratic instability in the name of good governance. In Indonesia Wahid was removed from office by parliament on corruption charges. But it was obvious that Wahid’s real crime was losing the support of the Jakarta elite with his erratic behaviour and populist gestures. The economy had shown no sign of recovering from the Asian crisis under Wahid. His one time elite allies in the other Muslim parties turned against him, while the military and the former ruling party \textit{Golkar} worried he might actually follow up on his promises of change. Wahid was unable to mobilise his supporters to counteract these elite attacks, allowing him to be bloodlessly impeached out of office by constitutional means (instead of his removal leading to a bloodbath as he had threatened).\textsuperscript{68}

In Thailand Thaksin won an overwhelming victory in the elections of early 2001 through populist promises. But his Bangkok-based, middle class reformist opponents, who had just rewritten the constitution, nearly forced him from office on corruption charges. Thaksin, who was caught shifting his assets to his relatives rather than declaring them openly as required by the new constitution, was ordered to resign by the governmental commission on good governance. Only a narrow Supreme Court decision (after rumours of financial influence) saved the populist prime minister (election slogan: ‘a million Baht per village’).\textsuperscript{69} Thaksin’s turn toward increasingly authoritarian methods, discussed above, can also be related to this struggle with his reformist opponents. With a populist platform of low interest rates and cheap loans to farmers that have spurred high growth rates since 2002, Thaksin has enjoyed high popularity ratings despite his many transgressions against democratic procedures (recently including pressure on the independent press).\textsuperscript{70} He has publicly stated his admiration for the authoritarian politics of Mahathir Mohamad of Malaysia and Lee Kuan Yew of Singapore, while denigrating the importance of democracy.\textsuperscript{71} Popular with the people but not the elite, Thaksin seems determined to weaken democracy in pursuit of his populist goals.
Conclusion

‘Good governance’ played a brief cameo role in the anti-dictatorship struggle in Pacific Asia after financial crisis rocked the region in 1997–98. But it has since helped authoritarians, while penalising democratic rulers. Reformist movements within the region have made this globalised discourse their own. Having arisen under developmental dictatorships, rapid economic growth was the ‘original position’ from which the middle classes judged regimes, even after the introduction of democracy. They had little tolerance for populist politicians who promised to represent the ‘little people’ who had profited less from so-called developmentalism. Estrada, Thaksin and Wahid all tried to appeal to the lower classes over the heads of their respective elites. This earned them the ire of the oligarchy (particularly when it was seen as a cynical strategy to cover up corruption). Middle and upper class reformists invoked the rhetoric of good governance, which corresponded to their own commitment to developmentalism acquired during the prosperous years of dictatorship. In the name of good governance reformist movements in these countries destabilised fragile democratisation processes.

The loss of ‘Asian values’ as a justification for dictatorship was not a major ideological loss in either rapidly modernising Malaysia or highly developed Singapore. In these two countries the ‘Asian values’ discourse was not an ideology of economic development (as in Suharto’s Indonesia). Rather, it justified authoritarianism after developmental goals had been substantially achieved. The outbreak of economic crisis limited the need to justify authoritarianism in such relatively advanced industrial countries through claims of cultural difference. When economic growth resumed, both governments could again claim to be practitioners of good governance.

The US-led ‘anti-terror coalition’ also helped Malaysia and Singapore justify continued authoritarianism at home in the face of this new threat, while winning welcome Western support. By contrast, several of the region’s new democracies—in Indonesia, the Philippines and Thailand—have found the fight against terrorism to be politically destabilising. The region’s new democracies were judged wanting both in the fight against terrorism and, in Indonesia and the Philippines, in their ability to restore rapid economic growth.

It is for these reasons that the globalised discourse of ‘good governance’ has not benefited democratising countries at the expense of authoritarian rule as it once seemed destined to do. Rather, while authoritarianism in Malaysia and Singapore has been stabilised, technocratic demands for good governance continue to compete with claims of democratic legitimacy in Indonesia, the Philippines and Thailand.

Notes

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in Jena. In Marburg thanks go to Jeffrey Haynes, for organising a fruitful section, and to Jörg Faust for his valuable discussion, as well as to other members of the section for their comments.


7 The World Bank’s Chief Representative, Huang Yuchuan, called China the organisation’s most successful partner, which has set a good example from which other countries could learn. ‘World Bank praises China’s poverty alleviation efforts’, CRI Online News, 24 February 2003, at http://web12.cri.com.cn/english/2003/Feb/87328.htm.


9 The Malaysian prime minister even threatened in July 2003 to throw Burma out of ASEAN if Aung Sang Suu Kyi was not quickly released. ‘Burma “faces ASEAN expulsion”’, BBC News, UK edition, 20 July 2003, at http://news.bbc.co.uk/1/hi/world/asia-pacific/3081557.stm. But by the ASEAN summit meeting in October 2003 the group had returned to its old dictator-friendly policy of ‘non-interference’ in other state’s affairs, offering not a word of criticism of the Burmese junta, although Suu Kyi remained imprisoned.


14 A brave attempt is made in D Drakakis-Smith, Pacific Asia, London: Routledge, 1992.


19 World Bank, The East Asian Miracle.

M Bernard & J Ravenhill, ‘Beyond product cycles and flying geese: regionalisation, hierarchy, and the

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23 For a good overview, see Haggard, Asian Financial Crisis.


25 Thompson, ‘Late industrialisers, late democratisers’.


27 The classic discussion remains Deyo, The Political Economy of the New Asian Industrialism.


32 See the Freedom House country ratings for Malaysia and Singapore since 1972, at www.freedomhouse.org.


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47 Particularly because Indonesian courts refused to hand down a long jail sentence against Abu Bakar Ba’asyar, the alleged leader of Jemaah Islamiyah.


53 ‘Thaksin’s Thailand: the country is safer and richer under the Prime Minister’, Business Week, 28 July 2003, at http://www.businessweek.com/magazine/content/03_30/b3843013.mz046.htm.


55 R Bonner, ‘Terror in the Philippines: what is the US doing there?’, International Herald Tribune, 11 June 2002, p 4. While the writ of US troops was restricted to training the Philippine military, they were undoubtedly crucial in driving the Abu Sayyaf gang out of Basilan island (though not elsewhere in Mindanao). An American official claimed the major gain was the restoration of close relations with the Philippines after a decade of tension following the forced closure of US bases. ‘Done with Basilan, US avoids Jolo’, Far Eastern Economic Review, 1 August 2002, at http://www.feer.com/articles/2002/0208_01/p080intell.html.


58 J Hookway, ‘A dangerous new alliance: officials now say the sinking of the Superferry 14 was a terrorist attack’, Far Eastern Economic Review, 6 May 2004, at http://www.feer.com/articles/2004/0405_06/p012region.html. This bombing provided evidence that Abu Sayyaf is finally turning into the kind of terror organisation that its al-Qaeda founders had hoped for.

59 As of this writing (May 2004), President Macapagal Arroyo seems headed for re-election, but not without charges of electoral fraud and the massive use of government patronage, accompanied by thinly veiled threats of a military coup or another popular uprising. The Philippine political situation remains highly volatile.

60 But in South Korea middle class activism helped strengthen democracy. Roh Moo Hyun was temporarily removed from office on flimsy impeachment charges by the conservative opposition that has its roots in the developmentalist dictatorships. This led to a middle class-led protest movement that swept the pro-Roh Uri Party to victory in the legislative elections of April 2004, with Roh restored to the presidency soon thereafter.


64 A typical Philippine newspaper article on Estrada’s ‘improper’ lifestyle is ‘Decadence’, Philippine Daily


In a March 2001 decision the Supreme Court ruled Macapagal-Arroyo was the legitimate president because Estrada had ‘effectively resigned by his acts and statements’, although he had been forced out of office by the unconstitutional means of a popular uprising and military intervention. It Crisostomo, *The Power and the Gloria: Gloria Macapagal-Arroyo and Her Presidency*, Quezon City: J Criz Publishing, 2002, pp 102–104.


