TRANSPARENCY AND AUTHORITARIAN RULE IN SOUTHEAST ASIA:
SINGAPORE AND MALAYSIA
by Garry Rodan (London: RoutledgeCurzon/City University of Hong Kong Southeast Asia Studies No. 4, 2004)

"Of all the claims about the functional need for institutional reforms" that were advanced when the East Asian "miracle" vanished in 1997, writes Garry Rodan, "none featured more prominently nor had wider appeal" than a "new mantra" that extolled the virtues of "transparency," "good governance" and the "free flow of information."

One can liken this "mantra" to being the slogan of two agenda. The first agenda belonged to neo-liberal, pro-market and pro-globalisation "multilateral financial institutions and business commentators" who prescribed "universal, rule-based procedures" to curtail East Asian state economic interventionism. The second agenda, which demanded democratic reform to curb arbitrary exercises of power, was borne by civil society's challenges to authoritarian rule.

In a time of crisis, the two agenda were often conflated so as to appear to have common goals. But, as Rodan contends, there was never an inexorable convergence of neo-liberal dreams of "sustainable capitalist market systems" with civil society's struggles for democracy and political reform. Indeed, the strength of Rodan's book derives from his original insight, and his rigorous demonstration, that the gaps between the two agenda offered vast variations in regime responses (to calls for transparency) which, playing one agenda against the other, kept intact established structures of repressive rule.

Perhaps, nowhere was a selective acceptance of "transparency," which neither dismantled authoritarian rule nor threatened regime survival, more deftly achieved than in Singapore and Malaysia. These two countries provide Rodan's case studies of "highly internationalised economies that, until the Asian crisis, were successfully reconciled with slightly different authoritarian regimes." Singapore, having an efficient bureaucracy bearing an "outward appearance of Weberian rationalism," weathered the East Asian "meltdown" rather well. Malaysia, where "state-private alliances made political influences over public administration more conspicuous," underwent recession and political turmoil in 1998–99 but not the "regime change" seen in Indonesia, Thailand and South Korea. In Singapore and Malaysia, however, despite their significant dissimilarities, the "reforms business has sought have centred around discrete and instrumental information needs rather than the freedom of the press and expression of political transparency that have a more systemic effect on what information is available."

In fact, since "transparency reform is intrinsically political," Rodan "cautions against the potential of neo-liberal constructs of [transparency] to supplant, rather than reinforce, [democracy]." Rodan reaches this conclusion, and other similarly persuasive ones, on the back of an absorbingly detailed comparative political economy of Singapore and Malaysia that is not limited to the period of the East Asian crisis. Rodan is nothing if not theoretically
subtle and empirically thorough. (The documentation of his abundant archival material and extensive interviews with politicians, business people, journalists, activists, in and out of Singapore and Malaysia, runs to a quarter of the actual text of the book!) Thus, he is able to show systematically how each regime consistently demarcated the permissible boundaries of major actors in pre- and post-crisis struggles for transparency and democracy, namely, the media, the judiciary, opposition parties and civil society.

By highlighting various, unresolved, tensions between transparency and democracy, Rodan debunks many simplistic notions, not least those that pass for academic arguments. For example, the East Asian crisis popularized the idea that transparency (and its “good governance” twin) only needs to be anchored in a “free flow of information.” In response, Rodan observes that “ironically, the immediate background to the Asian crisis, and widespread claims of information voids responsible for poor investment decisions, was a major expansion in the region of media products and a range of business information and related services.” Rodan repeatedly exposes not merely authoritarian regimes’ predilection for containing press freedom but also the complicity of an international media that regularly preferred market shares to journalistic principles. As for the likelihood that transparency manifest in bureaucratic rationalism will lead to liberal democracy, Rodan warns, simply and correctly, that “a free market in business does not automatically equate to a free market in politics or in ideas and information.”

The value of Rodan’s work goes beyond such debunking exercises. He presents several general propositions that will usefully inform other comparative studies of the relationships between transparency, governance, market development, new forms of electronic media, and the political interventions of state and civil society. Three such propositions deserve a brief mention here. First, given its “complex and ambivalent” stances, business support for transparency reform should be analysed according to its “particularistic” needs for information and its sensitivity to “social and political analysis in investment decisions.” Second, the importance of transparency to investors is “relative rather than absolute,” especially during economic and political crises that pit investors’ “faith in the wider system of governance” against their expectations of regime predictability and the stability of the political system. And, third, it is not “market considerations” that offer “the best prospects of comprehensive transparency reform” but social forces “trying to expand the political space of civil society.”

While these propositions are broadly suggestive, Rodan has forcefully applied them in his analysis of state-civil society contestations over the role and promise of alternative electronic media, of the Internet most of all. Rather than imagine “the Internet as an inherently liberating technology,” for example, Rodan uses the Singaporean and Malaysian cases to chart the likely spectrum of Internet utilisation. At one end of the spectrum lies a barely contested superimposition of existing political and legal mechanisms on new electronic media. At the other end, collectively organised civil society initiatives may rise to dismantle existing media controls as part of a broader challenge to authoritarian rule. With a final, but not altogether gloomy, twist that casts Singapore and Malaysia as models for other (and not just East Asian) states seeking to experiment with more transparency without more democracy, Rodan’s “political economy of transparency” cautions that
"transparency can thus be deployed as a technique for reorganising institutions to insulate them from democratic forces, just as it can to reflect those forces."

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REORGANISING POWER IN INDONESIA: THE POLITICS OF OLIGARCHY IN AN AGE OF MARKETS by Richard Robison and Vedi R. Hadiz (London: RoutledgeCurzon/City University of Hong Kong Southeast Asian Studies no. 3. 2004)

The collapse of Soeharto's New Order in 1997-98 was swift and unexpected. The spontaneous but disciplined upsurge of mass protest demanding the President's resignation and immediate and far-reaching reform was exhilarating. Resolute student demonstrators confronted notoriously vicious military units, undeterred by kidnappings, snipers, agents provocateurs, and the full repertoire of repressive technologies finely honed by over thirty years of authoritarian rule. The demands for reformasi were taken up across the country. The action in the capital and major cities was intense, but in the regions too movements sprang up proclaiming the necessity of naming and confronting elites notorious for corruption, collusion and nepotism. In numerous instances corrupt officials were driven from office. Soeharto resigned in May 1998, handing the presidency over to his Vice-President, B.J. Habibie.

Habibie understood the political momentum of the times. He surprised many by promising early elections. He introduced important reforms, including press freedom, freedom to associate, to form political parties, trade unions, civil society groups of all kinds, including those with social welfare and human rights agenda. The military was discredited, forced into retreat from its self-appointed roles in society, economy and politics. Crony capitalists and the conglomerates that had prospered under Soeharto had been shaken to their foundations by the 1997-98 economic crisis and the vulnerability of lucrative rents secured through their relationships with the New Order state and the Presidential family.

Inspite of Indonesia's many problems, and the depredations of an economic crisis deepened by poorly conceived IMF demands, this was a moment of considerable hope. The elections of 1999 were well conducted, and the new parliament was populated to a significant extent by parties led by figures who had previously opposed Soeharto and advocated reform.

Yet, after five years, a great deal of that initial hope has dissipated. What happened to reform? What went wrong? Is this merely transitional — a confusing phase in a longer process that will see the realisation of the vision of the reformists? Were the problems those of inadequate policy, idiosyncratic leadership, faults in the technical design of institutions, and therefore merely a disorganised interlude from which a just, prosperous and democratic society will arise?