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PROCEEDINGS

SOUTH EAST ASIA 2

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The persons responsible for selecting, translating and editing the materials we now present have respected the style of the authors to the extent possible, although they have made certain changes necessary for publication. The editors were especially concerned with the problem of transliteration, preference always being given to each author's own system.

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Southeast Asia 2

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Political Science in Indonesia

Alfian

Before Independence

To the best of my knowledge no Indonesian had graduated from a university with a degree in political science when this country proclaimed her independence in 1945. The explanation of this must be sought not only in the slow development of higher education in the colonial era but also in the Dutch education system itself. In the Netherlands degrees in political science were not offered until the establishment of the faculty of social and political sciences, also known as the seventh faculty, the first of which was at the University of Amsterdam in 1947.[1] By that time Indonesia was no longer a Dutch colony.

Since the turn of this century small groups of Indonesian students had the privilege of continuing their studies in the Netherlands. From 1920 up to 1940 their average number was only 21 annually. The large majority of them studied law, *Indologie*. (Indonesian studies) or economics at the University of Leiden. Most of them were able to conclude their studies satisfactorily, and some even succeeded in achieving doctoral degrees.[2]

The study of law became more prominent among Indonesians when the Dutch colonial government established a law school, called *Rechtshogeschool*, in Batavia (now Jakarta) in 1924. Several years later a *Bestuursacademie* (Academy for Government Administrators) was also established, 1938, to be followed by a faculty of letters and philosophy

[1] J. Barents, *Ilmu Politika* (translated from the Dutch by L.M. Sitorus), Djakarta, Pembangunan, 1965, pp. 13 and 106.

[2] Koentjaraninggrat and Harsya W. Bachtiar, "Pendidikan Tinggi dalam Ilmu-Ilmu Sosial di Indonesia", *Masyarakat Indonesia*, Juni 1975, p. 4.

I would like to thank my colleague Lance Castles for his valuable comments after reading the draft of this article. I am also very grateful to a number of my Indonesian colleagues for having assisted me in collecting the data during my brief visit to their universities in 1972 or 1973.

Faculteit de Letteren en Wijsbegeerte) in 1940.[3] Thus, on the eve of World War II the study of law remained as the most favored discipline in the social sciences in Indonesia. Although the large majority of Indonesian social scientists at that time were, by training, lawyers, their number was still very small. Up to 1941 there were only 166 native Indonesians known to have obtained law degrees, both from the Netherlands and Indonesia.[4]

As in the Netherlands, courses related to political science were also taught at the *Rechtshogeschool*. These courses were of an introductory nature, especially designed to give some basic knowledge of the field as necessary background to the study of law. Two such courses were *Staatsrecht* (Law of the State or Constitutional Law) and *Administratief Recht* (Administrative Law). The titles of the two courses strongly suggest their direct ties with the study of law. Two other courses seemed to be more closely related to political science. One of them was called *Historische Ontwikkeling van Hedendaagse Staatsinstellingen* (History of Contemporary State Institutions). The influence of law was still apparent in this course, especially in its formal-legal approach.[5] Another course was called *Algemene Staatsleer* (General Theory of the State), a course which was closely related to R. Kranenburg who happened to teach it for many years at the University of Leiden. This course basically dealt with the philosophical problems concerning the idea, the formation, and the purpose of the state. As such, it was within the boundary of what is known today as political theory or political philosophy. However, the formal-legal approach was also apparent from its normative stress or concern for the idea of a just state, a state based on law. This approach is known to have been strongly influenced by the works of German scholars, notably G. Jellinek who was considered by some as the father

[3] *Ibid*, pp. 5-7.

[4] Alfian, *Islamic Modernism in Indonesian Politics: The Muhammadijah Movement During the Dutch Colonial Period (1912-1942)*. Madison, University of Wisconsin, unpublished dissertation, 1969, p. 53; R. Subekti, "Duapuluh Tahun Perkembangan Ilmu Pengetahuan Hukum di Indonesia" in M. Makagiansar and Widjojo Nitisastra, eds., *Research di Indonesia, 1945-1965, IV, Bidang Ekonomi, Sosial dan Budaja*, Djakarta, Departemen Urusan Research Nasional Republik Indonesia, 1965, pp. 243-45. See also S.L. van der Wal, *Some Information on Education in Indonesia up to 1942*, The Hague, Nuffic, 1961.

[5] Soelaeman Soemardi, "Ilmu Politik di Indonesia" in M. Makagiansar and Widjojo Nitisastra, *op cit.*, p. 320.

of this school of study, also known in Germany as *Allgemeine Staatslehre*.[6]

A few Indonesians also had the opportunity to continue their studies in the Middle East, notably Egypt. Most of them went to Al-Azhar (Cairo) and Mecca where they studied Islamic religion, and none of them is known to have studied political science. However, like many of those who studied in Holland and Indonesia, a significant number of them, especially those who were strongly influenced by the ideas of Islamic reformism, became actively involved in Indonesia's nationalist movement.[7]

The rise of these new young intellectuals, Western educated or religious reformists, to prominent positions in the nationalist movement persuaded them to study politics in an amateur way and for their own practical purpose. Some of them established study clubs where politics was heavily discussed. Some of them became publicists or journalists, writers, and a few emerged as leading contemporary Indonesian social and political thinkers. Their importance to the students of Indonesian politics lies not only in their being active political figures, but also in the quality of their political thought. We shall come back to elaborate this point later.

Western Works on Indonesian politics before 1945

Understandably, it was the Dutch who took a serious interest in studying the various aspects of Indonesian society, partly of course for the purpose of securing their own colonial power. Initially, this was included in the curriculum of the training courses for colonial administrators, established in 1842, which became an academy in 1864, and finally a department at the University of Leiden in 1891. As it developed, in addition to the essential courses for the civil servant such as law and public administration, the curriculum was to concentrate on courses closely related to Indonesia like Indonesian geography, languages, cultures, and history. Due to the heavy concentration on Indonesia, these courses were then called *Indologie* or Indonesian studies.[8]

[6] See, Miriam Budiardjo, *Dasar-dasar Ilmu Politik*, Djakarta, Dian Rakjat, 1972, pp. 20-23; F. Isjwara, *Pengantar Ilmu Politik*, Bandung Dhiwantara, 1967, pp. 22-28; Deliar Noer, *Pengantar Ke Pemikiran Politik*, Medan, Dwipa, 1965, pp. 56-57.

[7] See, Deliar Noer, *The Modernist Muslim Movement in Indonesia 1900-1942*, Singapore Kuala Lumpur, Oxford University Press, 1973; William R. Roff, "Indonesian and Malay Students in Cairo in the 1920's", *Indonesia*, April 1972.

[8] See, Koentjaraninggrat, The State of Anthropology and Sociology in Indonesia" in Koentjaraninggrat, ed., *The State of the Social Science in Indonesia*, vol. I, Jakarta, 1975.

Courses on Indonesian geography, cultures and languages were also taught at the Dutch military academy. These courses were then jointly called *Taal-, Land - en Volkenkunde van Nederlandsch - Indie*[9] Another branch of study where one would have also had the opportunity to know and learn about Indonesian society was Islamic studies or *Islamologie*. While Indologists were regarded as generalists, Islamologists appeared to have been trained more as specialists. At any rate, (both) branches contributed tremendously to our understanding of the various aspects of Indonesian society during the Dutch colonial period.

Even though Dutch universities had not offered degrees in political science at that time, Dutch Indologists and Islamologists, as scholars or colonial administrators, contributed numerous scholarly works and official reports which are important for our understanding of Indonesian politics. In their official capacity, many of the colonial administrators wrote reports containing detailed descriptions and serious analyses of Indonesian political matters. Some of these reports dealt with colony-wide problems, while others observed local matters, depending on who wrote them. There were reports on the various congresses of the *Sarekat Islam*, for example, as well as those concerning the political situation in a particular region such as Aceh, West Sumatra, East Java or South Sulawesi.[10]

Occasionally, the Dutch colonial government also established a special commission to undertake a serious and thorough study on important matters, usually following the occurrence of political disturbances or after the appearance of systematic political demands from Indonesian nationalists. Such a commission was established, for example, in early 1927 for the specific purpose of studying the communist-inspired disturbances in Banten (West Java) and West Sumatra. Another example was the commission for the study of constitutional reform, established in 1940, for the sole purpose of investigating the increasing political demands voiced by Indonesian nationalists, notably their desire to have a parliament for Indonesia. Each commission completed its assignment by submitting lengthy reports, very often consisting of several parts of volumes.[11]

[9] *Ibid.*

[10] Some of these reports can be found in the bibliographies of several works on Indonesian politics. See, for example, Harry J. Benda, *The Crescent and the Rising Sun*. The Hague and Bandung, van Hoeve, 1958, p. 291; Alfian, *op cit*, pp. 586-597; Robert van Niel, *The Emergence of the Modern Indonesian Elite*, The Hague, van Hoeve, 1970, pp. 289-90.

[11] See, Harry J. Benda and Ruth T. McVey, eds., *The Communist Uprisings of 1926-1927*

Some of these reports were labeled *geheim* or confidental (now already available for scholarly research), but some had been published for public knowledge. To students of Indonesian politics, especially those who take a special interest in the Dutch colonial period, these reports, whether by an unknown civil servant assigned in a remote area or by a highly respected commission, would become an invaluable treasure. Any serious study on pre-World War II Indonesian politics would seem, somehow, inadequate without having access to them. A number of recent scholarly works, including those written by Indonesians, appear to have utilized these data-filled reports.

Our knowledge of Indonesian politics is also substantially assisted by a number of Dutch scholars who wrote distinguished works. Some of these scholars, after graduating from Dutch universities, notably Leiden, were able to continue their scientific interests while serving the colonial government as administrators or political advisers. They had contributed a number of articles to several periodicals or journals in their times such as *Tijdschrift voor Nederlandsch-Indie, De Indische Gids, Kolinialle Studien, Tijdschrift voor Indische Taal-, Land - en Volkenkunde* and *Adatrechtbundels*. The most understanding ones were able to publish several scholarly works of high quality, some of them even appeared in two or more volumes.[12]

The few who had acquired such prominent reputations and who, at the same time, happened to hold important positions in the power structure seem to have possessed considerable influence in the decision-making network within the colonial political system. Such influence was apparent during the formulation of the Ethical Policy at the turn of this century.[13] Another example was in the legal system developed by the colonial authority in which one could easily trace the decisive impact of

in Indonesia : Key Documents, Ithaca, Cornell University, Modern Indonesia Project, 1960; *Verslag van de Commissie tot Bestudering van Staatsrechatlijke Hervormingen, Ingesteld Bij Gouvernementhesluit van 14 September 1940, No. IX/KAB*, 2 vols., Weltevreden, Landsdrukkerij, 1942.

[12] Some of the works written by Dutch scholars before World War II can also be found in the bibliographies of several books/works. See, for example, Harry J. Benda, *The Crescent and...*; Alfian, *op cit;* Robert van Niel, *op cit;* Deliar Noer, *The Modernist Muslim...*

[13] For example, Snouck Hurgronje's strong influence in the formulation of the Dutch Islamic Policy in Indonesia at the turn of this century. See Harry J. Benda, *The Crescent and...*, Chapter I; Alfian, *op cit*, Chapter II.

the works written by scholars specializing in *Hukum Adat* (Custom Law) and Islamic studies.[14]

Even though these influential scholars were not political scientists by training and profession, their official duties had often buried them deep down into the core of political matters. The official reports they submitted or the advisory memoranda they wrote were often immensely political. By the nature of their works or official assignments they were drawn to study and analyze seriously Indonesian political problems in their times.

Christiaan Snouck Hurgronje was undoubtedly among the first Dutch scholars who stood up as imposing figures in the colonial system. His emergence as a young scholar of Islam at Leiden coincided with the Dutch frustration caused by endless Muslim revolts against their colonial authority.[15] In 1889, he published his first major work, *Mecca in the Latter Part of the Nineteenth Century*, and the second part of this study discusses the Indonesian colony in that Muslim Holy City. Today the book could easily pass as the work of a cultural anthropologist who tried to explain the roots of the political behavior of those Indonesian Muslims he met in Mecca. At about the same time he became the head of the newly created *Office for Arabic and Native Affairs* and sailed for Indonesia. Through this office he would render his advice on political and religious matters to the colonial decision makers.

In 1891 he went to Acheh with an official assignment to investigate the influence of the religious elements in the political conditions there. Through this opportunity he was to play a very important role, in his capacity as political adviser, in the successful termination of the famous "Acheh War" several years later, while at the same time he was also able to pursue his scholarly interest by conducting intensive research on Achehnese society. Not long after that the result of the research appeared in two thick volumes under the title, *De Atjehers*, later published in English in 1906. In this important study, Snouck Hurgronje shows us very convincingly the cultural roots of Achehnese political behavior, especially through his analysis of the influence of Islam and tradition (*adat*) in their actual daily life. With that, he established himself as one of the first important scholars who successfully utilized the cultural

[14] R. Subekti, *op cit*, pp. 239-41; Daniel S. Lev, *Islamic Courts in Indonesia*, Berkeley, University of California Press, 1972, Chapter I.

[15] See footnote 13. See also W.F. Wertheim, "Counter-insurgency Research at the Turn of the Century — Snouck Hurgronje and the Acheh War" in his *Dawning of an Asian Dream*, Amsterdam, Universiteit van Amsterdam, 1973, pp. 136-48.

approach for the purpose of explaining and understanding Indonesian politics.

In addition to his published works, Snouck Hurgronje's political analyses can also be found in his various official recommendations to the Dutch colonial government. A collection of these recommendations was posthumously published in 1957.[16] His important position in the colonial political system, his writings and his official advice, all show the influence of that great scholar in influencing the formulation of the Dutch Islamic policy in Indonesia at the turn of this century. It seems appropriate to consider him as its father.[17]

Several other scholars also took a serious interest in studying the role of Islam in Indonesian politics. Some of them were his former students at Leiden, like G.F. Pijper, who also followed his steps by working at his former Office for Arabic and Native Affairs.[18]

Works containing analyses of Indonesian politics were by no means limited to those written in Islamologists. There was, for example, B. Schrieke, a philologist and historian by training, who had also produced excellent works. His article "The Causes and Effects of Communism on the West Coast of Sumatra" could be considered today as the work of a political scientist.[19] This article originated from a part of the official report written by a commission specifically set up to investigate the communist-inspired revolt in Minangkabau in 1926. Schrieke, who was at that time a professor at the *Rechtshogeschool* in Jakarta, was appointed as the chairman of the commission. The other part of the official report, which was then labeled *geheim* (confidential), contained even sharper political analysis. Harry J. Benda and Ruth T. McVey translated it into English in 1960.[20] Another important contribution of Schrieke was a book he edited, *The Effect of Western Influence on the Native Civilization in the Malay Archipelago*, published in 1929.

Another important contributor was J. Th. Petrus Blumberger, an

[16] E. Gobee and C. Adriaanse, eds., *Ambtelijke Adviezen van C. Snouck Hurgronje, 1889-1936*, vol. I, The Hague, Nijhoff, 1957.

[17] Harry J. Benda, *The Crescent and...*, p. 21.

[18] One of the early works written by G.F. Pijper was *Pragmenta Islamica*, Leiden, Brill, 1934.

[19] As an article in his *Indonesian Sociological Studies*, vol. I, The Hague, van Houve, 1955.

[20] See footnote 11.

historian by training. Some of his works mainly dealt with the Indonesian nationalist movement such as *De Nationalistische Beweging in Nederlandsche-Indie* (The Nationalist Movement in Netherlands-India), 1931, *Politieke Partijen en Stroomingen in Nederlandsche-Indie* (Political Parties and Currents in Netherlands-India), 1934 and *De Communistische Beweging in Nederlandsche-Indie* (The Communist Movement in Netherlands India), 1935. In 1939 F.L. Rutgers published his *Indenburg en de Sarekat Islam in 1913* (Indenburg and the Sarekat Islam in 1913), while Ch. O. van der Plas wrote his *Nationalism in the Netherlands East India* in 1942.

Several works discussing Dutch colonial policy had also appeared from time to time. In 1901, P. Brooshooft published his *De Ethische Koers in de Koloniale Politiek* (Ethical Considerations in Colonial Policy). H. Coliju wrote his *Staatskundige Hervormingen in Nederlandsche-Indie* (Political System Reforms in Netherlands India) in 1918, to be followed by D.M.G. Koch's *Indische Koloniale Vraagstukken* (Indies Colonial Problems) in 1919. In 1930, A.D. de Kat Angelino published his three volume major work, *Staatkundige Beleid en Bestuurszorg in Nederlandsche-Indie* (Government Policy and Administrative Problems in Netherlands India) which was also probably the most extensive work on the subject. This work was also translated into English under the title of *Colonial Policy*, 2 volumes, in 1931.

A few non-Dutch foreign (Western) scholars also contributed a few serious works dealing with Indonesian politics. The first major work of significance to political scientists was probably Clive Day's *The Policy and Administration of the Dutch in Java* which appeared in 1904. The author was by training an economic historian and was professor in that field at Yale University. Another American who had also made a notable contribution was Rupert Emerson, a well-known political scientist at Harvard. His book, *Malaysia*, which first appeared in 1937, was a careful comparative study of British rule in Malaysia and that of the Dutch in Indonesia. However, the most important contribution from the United States before 1945 was probably Amry Vandenbosch's *The Dutch East Indies:* Its Government, *Problems and Politics*, published in 1944, which was in itself a detailed study of the subject.

From Great Britain it was probably J.S. Furnivall, a civil servant by profession, who contributed most significantly. One of his early writings was *Netherlands India: A Study of Plural Economy*, 1939, which despite its title also discusses the administrative and political aspects. However, his most important contribution was *Colonial Policy and Practice*, a comparative study between Burma and Indonesia under two colonial

administrations, British and Dutch. This work came out, however, after World War II in 1948. France's significant contribution to the study of Indonesian politics before 1945 came from the pen of G.H. Bousquet, notably his *La Politique Musulmane et Coloniale des Pays-Bas*, published in 1938, which was translated into English under the title of *A French View of the Netherlands Indies*, 1940.

Indonesian contributions

It is indeed very difficult to find a significant work written by an Indonesian before 1945 which offered high quality scientific analyses of Indonesian politics. However, there were several writings which indicated the seriousness of the writers. In 1913, for example G.S.S.J. Ratulangi contributed an article on *Sarekat Islam* to a book edited by R.A. van Sandwick, *Onze Kolonien: Een Serie Monographieen* (Our Colonies: A Series of Monographs). Another example was S. Mangoensarkoro's "De Taman Siswa Beweging" (The Taman Siswa Movement) which appeared in the June 1937 issue of *Koloniale Studien*. The memoir of P.A.A. Djajadiningrat, a leading figure in his time, *Herinneringen van Pangeran Aria Achmad Djajadiningrat*, published simultaneously with its Indonesian version in 1936, gives us some insights into the colonial political system.

It was probably in the field of social and political thinking that several leading Indonesians contributed the most to our study of Indonesian politics. They were able to develop their own thoughts and ideas about their society and its future. In different degrees, they had been undoubtedly influenced by the ideas or philosophies orginating from the West, like liberal democracy and Marxism, from the Islamic world in the Middle East, like Islamic reformism, or from the treasure of their own tradition and culture. An interesting aspect of this was the fact that, despite those influences, they seem to have succeeded in formulating their political thoughts with significant originality. That made their writings of great importance to political science.

Sukarno's political thoughts, for example, as can now be partly traced in his selected writings, *Dibawah Bendera Revolusi* (Under the Banner of Revolution), 2 volumes, 1959 and 1965, centered around his conception and interpretation of Nationalism, Islam and Marxism. Muhammad Natsir's political ideas, which can be found some in his *Capita Selecta* (also two volumes, 1955), emerged from his understanding and interpretation of Islamic modernism which was first developed in the Middle East, notably Egypt. Tan Malaka's political thought originated from his knowledge of Marxism and his understanding of the social-cultural

realities of his society. His ideas can be discerned in his various writings such as *Naar de "Republik Indonesia"* (Toward the Republic of Indonesia), 1925, *Semangat Moeda* (The Spirit of Youth), 1926, *Massa Actie* (Mass Action), 1927, and his most important philosophical work *Madilog* which he wrote in 1942-43. One could also learn about his political thinking through his engaging autobiography, *Dari Pendjara ke Pendjara* (From Prison to Prison), 3 volumes, no date of publication.

In addition to them there were several other prominent Indonesians who recorded their own political thoughts such as Hatta, Syahrir and Agus Salim. For Hatta we have his *Kumpulan Karangan* (Selected Writings), 1952, for Syahrir his *Out of Exile*, 1949, and for Agus Salim his *Djedjak Langkah* (Footsteps), 1954.

During the Japanese period, a few books written in Indonesian language were published by the occupying administration, which are of value to our understanding of Indonesian politics. One of these books was *Orang Indonesia jang terkemoeka di Djawa* (Leading Indonesians on Java), 1944, and another was *Beberapa Penggalan dari Sedjarah Perdjoeangan Islam* (Some Episodes of the History of the Islamic Struggle), 1945.

The beginning

In early 1946, the capital of the newly proclaimed Republic of Indonesia was moved from Jakarta to Jogjakarta. From that time several academies for the various fields of study were established in this new capital. One of them was the *Akademi Ilmu Politik* (Academy of Political Science), established in 1948, which was primarily intended to train those who wished to pursue their careers as civil servants in the ministries of internal affairs, foreign affairs, and information.[21] This academy was the first school for political science in Indonesia.

In 1949, the academy together with many other academies and faculties became parts of the newly founded Gadjah Mada University, the first state university of the republic.[22] The new university consisted of 6 faculties, and one of them was the faculty of law. This faculty of law consisted of 3 academies, and one of them was the *Akademi Ilmu Politik*. In 1950, the faculty of law was changed into the faculty of law, social and

[21] Koentjaraninggrat and Harsya Bachtiar, *op cit*, p. 10.

[22] A brief history of the political science proper at Gadjah Mada can be found in Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petundjuk Tahun Akademi 1972*, Jogjakarta, 1971, pp. 1-7.

political sciences, and it was to consist of two departments — department of law and department of social and political sciences. With the emergence of the department of social and political sciences the *Akademi Ilmu Politik* was then abolished. The new department was assigned to develop three major fields of studies — government, international relations and journalism. As can be seen, the first two major fields were within political science proper.

In 1952 a new department of economics was brought into the faculty, and with that its name was again changed into the faculty of law, economics, social and political sciences. In 1955 the department of social and political sciences was promoted to become a new faculty at Gadjah Mada under the name of *Fakultas Sosial Politik* (Faculty of Social and Political Sciences), which came to be better known as *Fakultas Sospol*. Professor Koesoemadi Poedjosewojo, a lawyer by training, was appointed as its first dean. It was decided in 1957 that this *sospol* faculty was to develop the following 5 departments:

1. Public Administration
2. International Relations
3. Journalism
4. Sociology
5. Social Work

The department of public administration replaced the department of government, and with the appearance of the other two new departments of sociology and social work, the prominent position of political science in the faculty was significantly reduced. If we exclude public administration, only international relations can be considered within political science proper. In the 1964/1965 academic year, however, the department of government was revived as the sixth department of the faculty. No further change in this respect had occurred up to the time of this writing. For the first few years after its birth Gadjah Mada was the only state university with a *sospol* faculty.

In 1953, the first *sospol* student graduated from Gadjah Mada with the degree of *Doktorandus* (Drs.) (roughly equal to MA). His major field of study was international relations and that gave him the right to be formally called | *Drs. sospol* or | *Sarjana sospol* | (Sospol graduate), though in actuality he could be considered as a political science graduate or a political scientist. The following year, 3 other students of international relations graduated, while in 1955, 6 out of 14 sospol graduates were also in that field, and the number continued to increase after that.

In 1949 a small group of Indonesian nationalists succeeded in establishing in Jakarta a private school for higher education called *Akademi Nasional* (National Academy), later (in 1953) developed into a university called *Universitas Nasional*. As such, it consisted of 5 faculties, and one of them was the *Fakultas Sosial, Ekonomi dan Politik* (faculty of social, economic and political sciencies).[23] From the beginning this faculty, also known by its abbreviation *Fakultas SEP*, was to concentrate heavily on the study of political science, only a few of its students were to major in economics or sociology. In its early years this faculty was able to attract a substantial number of students. Since it was an evening school, many of those who worked, notably at the various government agencies, had taken the opportunity to enroll there. In the latter part of the 1950's it started to produce a number of BA's, and in 1960 it graduated its first two students with *Drs.* or *Sarjana* degrees.

In 1952, another private university called *Universitas 17 Agustus 1945* was also established by a group of prominent nationalists in Jakarta. The university consisted of Fakultas *Ilmu Politik dan Kemasyarakatan** (literally, the faculty of political and social sciences), also known by its abbreviation *Fakultas IPK* or *IPK faculty*, and *Akademi Public Administration* (Academy of Public Administration). One of the major fields of studies in the IPK faculty was political science, while the other two were sociology and *social-ekonomi* (social-economics?). The number of students registered in this faculty from its birth up to 1957 was 171. By that year only 15 of the students had passed the first year program and 6 the second year requirements.[24] Therefore, none of them had succeeded in obtaining a BA degree. Several years later, however, this faculty was to produce a number of its *Drs.* or *Sarjana* graduates.

The above three universities were the first institutions to introduce the study of political science in Indonesia. Among them, as we shall see later, the state university of Gadjah Mada was to continue to play the most important role.

The Expansion of the Sospol Faculty

Up to 1953 there were only two state universities in Indonesia, namely, Gadjah Mada and the *Universitas Indonesia* (University of Indonesia),

[23] Koentjaraninggrat and Harsya Bachtiar, *op cit*, p. 11.

[24] *Buku Peringatan Lustrum Ke I Universitas 17 Agustus 1945, 1952-1957*, Djakarta, 1958, pp. 14-15 and 59-85.

*The words *kemasyarakatan* and *sosial* have the same meaning in Indonesia.

also better known by its abbreviation *UI*, formally established in 1950. From 1954 up to 1957, 5 other state universities had been founded, two in Java (the *Airlangga* University, 1954 and the *Padjadjaran* University, 1957), two in Sumatra (The *Andalas* University, 1956 and the University of North Sumatra, 1957) and one in Sulawesi (the *Hasanuddin* University, 1956).[25] Two of the new universities, Hasanuddin and Padjadjaran, were to have their own *sospol* faculties in addition to their other faculties. The *sospol* faculty at Hasanuddin originated from the *Fakultas Tatapradja*** (faculty of public administration), established in 1956 as a branch of the previously mentioned *Universitas 17 Agustus 1945*, a Jakarta-based private university. In 1961 this *Fakultas Tatapradja* was formally transferred to the Hasanuddin University under a new name of *Perguruan Tinggi Tatapradja* (School for Higher Education in Public Administration). At that time it already had 228 students, and 32 of them were in their third year program. Its name was again changed, in 1967, into the *Fakultas Sosial Politik* or the *sospol* faculty. It then had two departments — department of public administration and department of journalism — with 1338 students. It had also produced 83 graduates with Drs. degrees, 81 in public administration and 2 in journalism. Since a few years ago three new departments had been brought into the faculty — department of sociology, department of government and department of political science. Therefore, specialization in political science proper was relatively new there.[26]

At Padjadjaran the *sospol* faculty was formally established in 1960, also originating from a privately run *Fakultas Administrasi Negara dan Niaga* (faculty of public and business administration), founded in 1958, which at that time already had 325 students. For the first few years this faculty had only two departments — public administration and business administration. After 1967 it developed until it had 5 departments, public administration, business administration, accounting, international relations and social work. In 1971 it announced the plan to open a new department of *politikologi* (political science) within one year. Again, specialization in the study of political science and in its closely related

[25] A list of the 40 state universities and institutes together with the names of the faculties under each one of them can be found in Koentjaraningrat and Harsya Bachtiar, *op cit.* "Lampiran I", pp. 38-41.

[26] *Katalogus Fakultas Sosial Politik Unhas 1973*, Ujung Pandang, 1973, pp. 5-7.

**The English term *Public Administration* had been translated into the Indonesian language in at least three different ways, *administrasi negara*, *ketatanegaraan* and *tatapraja (ketataprajaan)*.

field of international relations was relatively new at Padjadjaran.[27] The birth and development of the *sospol* faculties in several other state universities followed a similar path to those of Hasanuddin and Padjadjaran. In many ways they, including Hasanuddin and Padjadjaran, seem to have followed the patterns developed at Gadjah Mada.

Although a similar faculty at the University of Indonesia (UI) called *Fakultas Ilmu-Ilmu Sosial* (faculty of social sciences), and also better known by its abbreviation *FIS*, was only formally established in 1968, its history started in 1962. In that year a new department of journalism was founded within the *Fakultas Hukum dan Pengetahuan Masyarakat* (faculty of law and social sciences), which was to be followed by the other fields such as political science and public administration. In 1968 all of them were separated from that faculty and allowed to form a new faculty called *Fakultas Ilmu Pengetahuan Kemasjarakatan*, which was shortly after that renamed *Fakultas Ilmu-Ilmu Sosial* or *FIS*. This new faculty was to consist of 6 departments, namely, journalism, political science, public administration (including business administration), sociology, criminology and social work. Needless to say, the study of political science was also relatively new at UI.[28]

From 1959 up to 1966, 19 other state universities, making a total of 26, had also been established, plus 2 institutes of technology, 1 institute of agriculture, and 11 institutes of education and teacher training (better known by its abbreviation *IKIP*). Of the 26 state universities, 8 were in Java, 7 in Sumatra, 4 in Kalimantan, 2 in Sulawesi, and 1 each in Bali, East Nusatenggara, Maluku and Irian Jaya.

In addition to the previously mentioned 3 *sospol* faculties and 1 *FIS*, 8 more sospol faculties have also been established, plus 3 *Fakultas Ketatanegaraan dan Ketataniagaan* (faculty of public and business administration), abbreviated *FKK*, which are in many ways similar. These 15 faculties are not evenly distributed; 6 of them are in Java, 3 in Kalimantan, 2 in Sulawesi, and 1 each in Sumatra, Maluku, East Nusatenggara and Irian Jaya. The disparity is very apparent in Sumatra where only 1 of 7 state universities has a *sospol* faculty, and that one is located in the small University of Riau. As we shall see later, specializa-

[27] *Buku Sedjarah dan Perkembangan Fakultas Sosial Politik Universitas Padjadjaran*, Bandung, 1972, pp. 1-9 and see also "Djurusan Politikologi: Program Statement" in it.

[28] *Buku Pedoman Fakultas Ilmu-Ilmu Sosial Universitas Indonesia 1973-1974*, Jakarta, 1973, pp. 2-4 and 29.

tion in the fields within political science proper is not offered by all of these 15 state universities.

In the 11 Institutes of Education and Teacher's Training (*IKIP*) there are also faculties of social sciences, known as the *Fakultas Keguruan Ilmu Sosial*. Apparently, there was no specialization in the study of political science there, even though introductory political science courses had been included in their curricula.

In 1956, the Ministry of Internal Affairs established its own academy called the *Akademi Pemerintahan Dalam Negeri*, abbreviated *APDN*, a three year training program for its future employees. Such *APDN* can now be found in most of the 26 provinces of Indonesia. Above this *APDN* an *Institut Ilmu Pemerintahan* (Institute of Government Science), abbreviated IIP, was also established, first in Malang then moved to Jakarta. This IIP was also basically designed to meet the need for better trained personnel in the Ministry of Internal Affairs. In 1957, a *Lembaga Administrasi Negara* (Institute of Public Administration) or LAN was also established by the government in Jakarta, which later was to run its own school of public administration.[29] Then, a number of other ministries also founded their own academies such as the *Akademi Penerangan* of the Ministry of Information. Introductory courses in political science had also been taught in some of these academies. In comparison to the other academies or institutes, the IIP probably offered more courses in political science proper. If we exclude public administration from political science proper, then it is difficult to suggest that specialization (or degrees) in political science had been offered by any of these institutes or academies. Therefore, the only place where such specialization could be found was in some of the state and private universities.

The growth of private universities, institutes and academies has also been very rapid. In 1971 there were 279 of them spread all over Indonesia,[30] but only very few of them could be considered of acceptable quality. On the basis of a number of factors such as the quality of their teaching staff, curricula, library facilities, and what not, the government, that is, the Ministry of Education and Culture, has been able to classify them into three different ranks. (For the universities the classification was applied to each faculty separately. So, it was possible, that a certain

[29] Bintore Tjokroamidjojo, Perkembangan Ilmu Adminiustrasi Negara di Indonesia in M. Makagiansar and Widjojo Nitisastro, *op cit*, pp. 22-35.

[30] Direktorat Perguruan Tinggi, Departemen Pendidikan dan Kebudayaan, Daftar Perguruan Tinggi Swàsta Terdaftar, Diakui dan Disamakan, Djakarta, 1971.

faculty of one university would be given a different rank from the other faculties under it though this seldom occurred). The best were given the rank of *disamakan* or "equal status," meaning that their degrees were regarded as having the same quality as those offered by the state universities or institutes or academies. Lower than that was the rank of *diakui* or "recognized," while the lowest was the rank of *terdaftar* or "registered." The large majority of them had been classified, up to 1971, under the lowest rank, and only a few succeeded in achieving the top rank.

Of the 35 *sospol* faculties (including some with other names but essentially the same) within the various private universities spread throughout Indonesia, only 4 had succeeded in obtaining the top rank of

Table I

The *Sospol* Faculties (or by other names but essentially the same) of private universities with the ranks of "equal status" and "recognized," in 1971.

No.	Name of the University	Rank	Year Given
1.	Universitas Katolik Parahiyangan, Bandung	Equal Status	1962
2.	Universitas 17 Agustus 1945, Jakarta	Equal Status	1966
3.	Universitas Katolik Atma Jaya, Jakarta	Equal Status	1966
4.	Universitas Djajabaja, Jakarta	Equal Status	1968
5.	Universitas Nasional, Jakarta	Recognized	1963
6.	Universitas Dr. Moestopo, Jakarta	Recognized	1964
7.	Universitas Pasundan, Bandung	Recognized	1964
8.	Universitas Merdeka, Malang	Recognized	1965
9.	Universitas Ibnu Chaldun, Jakarta	Recognized	1967
10.	Universitas Pancasila, Jakarta	Recognized	1967
11.	Universitas Proklamasi, Jogjakarta	Recognized	1967

Source: Direkotorat Perguruan Tinggi, Departemen Pendidikan dan Kebudayaan, "Daftar Perguruan Tinggi Swasta Terdaftar, Diakui dan Disamakan," Jakarta, 1971.

"equal status," 7 were "recognized," while the large majority, 24, had been given the lowest rank of "registered."[31] As shown in *Table I*, 3 of the 4 with "equal status" were located in Jakarta (1 in Bandung), while 4 of the 7 "recognized" were also located in Jakarta, and 1 each in Bandung, Malang and Jogjakarta. All 11 of them were located in Java.

The rapid growth was also clearly shown by the number of students. If in 1939 there were around 800 students attending about 5 schools for higher education available at that time, in 1963 the figure was estimated to be about 180,000 from which 115,000 (64%) were attending 28 state universities and institutes, 20,000 (11%) were attending 60 different academies or institutes established by the various ministries for their own purpose, and another 45,000 (25%) were attending private universities/institutes/academies.[32] The above ratio between students attending state universities and institutes and those attending the private ones very likely remained about the same up to the time of this writing.

Table II

Sarjana Graduates in the Social Sciences and Humanities from 26 State Universities, 1950-1973.

Field of Study	1953	1963	1973	1950-1973
Economics	2	332	697	6,029
Law	26	660	697	9,537
Arts and Humanities*	6	61	102	1,101
Psychology	—	5	27	302
*Sospol***	1	154	187	4,364
Total	35	1,212	1,909	21,333

* Including: Anthropology, archeology, history, linguistics, and library science.
** Including those listed under journalism (Gadjah Mada and Padjadjaran) and public administration (Brawidjaja).
Source: Lembaga Ilmu Pengetahuan Indonesia, *Jumlah Sarjana Lulsaan dari 40 Perguruan Tinggi Negeri*, Jakarta, 1974, pp. 4-51.

[31] *Ibid.*

[32] Barli Halim, "Ilmu Ekonomi Perusahaan" in M. Makagiansar and Widjojo Nitisastro, *op cit*, p. 229.

In 1968, there were 117,964 students, excluding a small number who failed to be recorded, attending the previously mentioned 40 state universities and institutes. About 57.6%, or 68,045 of them were known to be enrolled in the social science faculties of economics, law, latters, *sospol*, and psychology, including those from IKIPs. Of the total 51,577 students in the social sciences from the 26 state universities, 21,614 (42%) were in the faculty of law, 17,253 (33%) in the faculty of economics, 8,618 (16%) in the *sospol* faculty (including FIS and FKKs), and the remaining 7% went to the other faculties.[33]

The disparity between the faculties of law and economics on the one hand and the other faculties on the other was also clearly shown by the number of their *sarjana* (Drs.) graduates. As can be seen in *Table II*, from 1950 to 1973 the 26 state universities had produced 21,333 *sarjanas* in the social sciences and humanities. About 45%, or 9,537 of them were law graduates (called *Sarjana Hukum* or *SH*), 28% (6,029) were economy graduates (*Drs.* or *Sarjana Ekonomi*), 5% (1,101) were graduates in the arts and humanities (*Drs.* or *Sarjana Sastra*), 1¼% (302) were psychology graduates (*Drs.* or *Sarjana Psikologi*), and 20½% (4,364) were *sospol* or social science graduates (*Drs.* or *Sarajan sospol*, or *Drs.* or *Sarjana Ilmu Sosial*).

The 4,364 *sospol* graduates were not evenly distributed among the previously mentioned 15 *sospol* (or *sospol* — type) faculties. Up to 1973, three of them (at Nusacendana, Cenderawasih and Mulawarman) are known not to have graduated any. As shown in *Table III*, the *sospol* faculty of Gadjah Mada had the largest share with 2,655, of 61% of the total 4,364, followed by Padjadjaran, 554 (12½%), Hasanuddin, 359 (8%), UI, 264 (6%), and the remaining 12½% shared by the other 8 universities.

Another interesting aspect is that until 1962 only Gadjah Mada had produced any *sospol* graduates, and at that time it had already reached the figure of 932. The undisputed leading position of Gadjah Mada had apparently made it a strong influence in the formation and development of many of the other *sospol* faculties in the other universities. In fact, a substantial number of their teaching staff, notably the senior ones, were Gadjah Mada graduates.

[33] Alfian, "Observation on the State of the Social Sciences in Indonesia", Jakarta, Leknas, 1972, pp. 4-7. See also Direktorat Perguruan Tinggi, Departemen P&K, *Data-Data Statistik Pendidikan Tinggi, Edisi Mei 1971*, Djakarta, 1971, Tables A-I and A-IV

Political Science Proper

Political science proper, as distinct from public administration, has been relatively weak in Indonesian Universities. Although in the first few years after independence political science seemed to have taken one of the leading positions, especially as indicated by Gadjah Mada and the first two private universities, Universitas Nasional and Universitas 17 Agustus 1945, from the middle of the 1950's it was to be left behind to play a minor role, largely due to the emergence and rapid development of public administration. At Gadjah Mada, as we have discovered, public administration was formally introduced as a new department in the *sospol* faculty in 1957, and not long after that it became the most dominant field within it. Its entrance brought about the abolition of the department of government, which could be justifiably considered to be within political science proper, and was not to be reactivated until the 1964-1965 academic year. Thus, for a long time specialization in political science proper was limited to the department of international relations. Interestingly enough, until now Gadjah Mada has never had a department specifically called political science, even though its present *sospol* faculty originated from a school called Akademi Ilmu Politik (academy of political science).

The meteoric growth of public administration was especially assisted by the favorable mood of the government at that time toward this particular field of study. And that mood was not at all without justification, especially as it was strongly felt that Indonesia needed many good and able administrators. The establishment of the previously mentioned *Lembaga Administrasi Negara* (LAN) in 1957 was the initial sign of the serious intention of the government to promote the study of public administration. After that, many state and private universities, especially the new one, were strongly persuaded to establish their own departments of public administration. Based on the 1961 law on higher education (*Undang-Undang No. 22 tahun 1961 tentang Perguruan Tinggi*) the government allowed the formation of a new faculty of public and business administration, or the *Fakultas Ketatanegaraan and Ketataniagaan* (FKK), within the university system.[34] Among the 15 *sospol* faculties in the state universities, three were under that name, at Brawidjaja, Nusacendana and Cenderawasih.

Public administration became an important common denominator

[34] Bintore Tjokroamidjojo, *op cit*, p. 45.

among these 15 faculties, because it was the only department which existed in all of them. In three it was the only department and in five it was one of only two departments, the other being business administration in each case. It also played a major role in the 7 which had two or more other departments. It is then not surprising that the majority of the 4,364 *sospol* graduates (see *Table III*) were in the field of public administration.

The favorable treatment given by the Indonesian government to public administration was not, of course, the only cause of the apparent poor state of political science, which for many years was to suffer from intended or unintended neglect. Another factor was the seemingly unfriendly attitude of the "Guided Democracy" system of government, 1959-1965, toward it. During the period of this system free discussions of political matters had been increasingly restricted. This was bound to discourage the growth of political science, partly because full develop-

Table IV

Sarjana Graduates in Political Science Proper
1953-1971

University	International Relations	Government	Political Science	Total
Gadjah Mada*	465	92	—	557
UI	—	—	10	10
Hasanuddin**	—	6	4	10
Padjadjaran	0	—	0	0
Diponegoro***	—	24	—	24
Jember	16	—	—	16
Total	481	122	14	617

*Figures up to August 1971
**Figures up to 1972
***Figure up to early 1972

Sources: Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petunjuk Tahun Akademi 1972*, Jogjakarta, 1971, p. 7.
Buku Pedoman Fakultas Ilmu-Ilmu Sosial Universitas Indonesia, 1973-1974, Jakarta, 1973, pp. 70-71.
Katologus Fakultas Sosial Politik Unhas, 1973, Ujung Pandang, 1973, pp. 7-3.
Buku Sedjarah dan Perkembangan Fakultas Sosial Politik Universitas Padjadjaran, Bandung, 1972. See "Lampiran Skripsi..."
Typed information given by Slamet Abdurrachim, Urusan Alumni Universitas Diponegoro, Semarang, 12 April 1972.
Buku Tahunan Fakultas Sosial Politik Universitas Negeri Jember, 1971, Jember, 1972. See "Daftar Skripsi...".

ment of this field would inevitably trespass into this sensitive area, even though in a much more objective manner. The one field within political science proper which had been able to preserve itself within the state university system was international relations, largely because it had very little to do with Indonesian internal politics. Therefore, one should not be suprised that no specifically named department of political science was established in any of the state universities but until just recently, a few years after the demise of Guided Democracy.

Now, excluding public administration, specialization in political science proper can be found in six state universities namely, Gadjah Mada (departments of international relations and government), Hasanuddin (government and political science), Padjadjaran (international relations and political science), Diponegoro (government), UI (political science), and Jember (international relations). The department of government used to be considered closely related to public administration. But its recent curriculum at Gadjah Mada, Hasanuddin and Diponegoro appears to be markedly different from that of public administration, and in many ways similar to the curriculum developed at the department of political science at UI. This will be discussed further later.

As can be seen in *Table IV*, from 1953 up to 1971 there were 617 *sarjana* graduates in political science proper, of which 557 (90%) were produced by Gadjah Mada, 24 (4%) by Diponegoro, 16 (2½%) by

Table V

Sarjana Graduates from the *Sospol* Faculty of Gadjah Mada University up to 1971

Department	:	**Total Sarjana Graduates up to Aug. 1971**
Public Administration	:	1,159 (50%)
International Relations	:	465 (20%)
Social Works	:	320 (13%)
Sociology	:	173 (7%)
Journalism	:	150 (6%)
Government	:	92 (4%)
Total	:	2,359 (100%)

Source: Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petunjuk Tahun Akademi 1972*, Jogjakarta, 1971, p. 7

Jember, 10 (1½%) by UI, 10 (1½%) by Hasanuddin, and none by Padjadjaran. About 78%, or 481, were in international relations, 20% (122) in government, and only 2% (14) in political science. About 83% (465) of the total Gadjah Mada graduates (557) were in international relations. The small figure for government is largely due to the fact that that department was abolished in 1957 and not reopened until 1964-1965. The very wide gap between Gadjah Mada and the other 5 universities is understandable, because it started much earlier than them. The gap will become smaller as these other universities continue to increase the number of their own graduates.

Table VI

Sarjana Graduates from the faculty of
social sciences (FIS), University of Indonesia, 1963-1972

Department	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	Total
Journalism	21	23	8	19	18	9	4	4	1	3	110
Pol. Science	—	—	—	—	—	—	2	4	4	4	14
Publ. Adm.	—	—	—	—	—	—	4	15	10	17	48
Business Adm.	—	—	—	—	—	2	10	8	11	7	38
Sociology	—	—	—	—	—	—	—	1	—	1	2
Criminology	—	—	—	—	—	—	1	1	1	—	3
Social Work	—	—	—	—	—	3	—	—	—	4	7
Total	21	23	8	19	18	16	21	33	27	36	222

Source: *Buku Pedoman Fakultas Ilmu-Ilmu Sosial Universitas Indonesia, 1973-1974*, Jakarta, 1973, pp. 70-71.

Note: Some of the total figures here appear to be slightly different from *Table III* which originated from different sources. It is very likely that such slight differences could be found also in the other tables originating from different sources.

As shown by *Table V*, political science proper (international relations and government) produced 24% of the total *sarjana* graduates from the *sospol* faculty at Gadjah Mada up to 1971, second only to public administration which had a dominant position with 50%. The situation at the University of Jember was also not much different. Even though up to 1971 public administration was farther ahead with 70%, its international relations department had also produced around 24% (16),[35] and the

[35] *Buku Tahuman Fakultas Sosial dan Politik Universitas Negeri Djember 1971*, Djember, 1972. See "Daftar Alumni...".

remaining 6% belonged to business administration. At Diponegoro, the department of government (political science proper) had a share of about 18% (24) of the total *sarjana* graduates in the *sospol* faculty up to early 1972.[36]

As can be seen in *Table VI*, up to 1972 only 14 (6%) of the total 222 *sarjana* graduates from the social science faculty (FIS) at UI were in the field of political science. However, *sarjana* degree in that field was first given in 1969. If we look at the 1972 figures alone, the department of political science had 4 (11%) out of a total of 36. The situation in the other two universities had also been discouraging. At Hasanuddin, up to 1972 political science proper (government and political science) produced only 10 (4%) of the 264 *sarjana* graduates from the *sospol* faculty, while the figure for public administration was 215 (80%).[37] Again here we have to consider the fact that the departments of government and political science were relatively new in the faculty. The same was also true of the *sospol* faculty at Padjadjaran. Its department of international relations was established only in 1967, and the department of political science was founded very recently. Neither had produced any *sarjana* graduates up to 1971.

As could be seen in *Table VII*, the number of students attending the *sospol* faculty at Gadjah Mada, in 1973, was 1,087 meaning only about 24% of the total figure of 4,439 for all 6 state universities. This seems to indicate very strongly that the other 5 state universities will be able to increase the number of their *sarjana* graduates in the following years quite significantly, in comparison to Gadjah Mada. In fact, at Hasanuddin, of the 869 students enrolled in its *sospol* faculty in 1973, 425 (49%) were in the department of government, but only 11 (1%) in the department of political science. At the Diponegoro University, about 24% (232) of the total 838 students attending its *sospol* faculty were in the department of government.[38]

Among the 11 private universities given the rank of "equal status" or the rank of "recognized" for their *sospol* faculties (or by other names), the two oldest private universities appeared to have contributed rather

[36] Typewritten information given to me by Slamet Abdurrachim, Urusan Alumni Universitas Diponegoro, Semarang, 12 April 1972.

[37] *Katalogus Fakultas Sosial Politik Unhas 1973*, *op cit*, pp. 7-8.

[38] Direktorat Perguruan Tinggi, Departemen P&K, *Basic Data Menurut Universitas/Institut Negeri Tahun 1973 (Buku "A")*, Jakarta, 1973, pp. 88 and 163.

significantly to the relatively small number of *sarjana* graduates in political science proper. From 1960 up to 1972 the *SEP* faculty of the

Table VII

Number of Students Attending the *Sospol* Faculty, or *FIS* at *UI*, in 6 State Universities, in 1973.

University	:	Number of Students
UI	:	712
Padjadjaran*	:	614
Diponegoro	:	838
Gadjah Mada	:	1,087
Jember	:	319
Hasanuddin	:	869
Total	:	4,439

*Figure for 1972.

Source: Direktorat Perguruan Tinggi, Department Pendidikan dan Kebudayaan, *Basic Data Menurut Universitas/Institut Negeri Tahun 1973 (Buku "A")*, Jakarta, 1973, pp. 74, 82, 88, 96, 121, 163.

Universitas Nasional had graduated 169 *sarjanas*, the great majority of whom may be considered as *sarjanas* in political science proper.[39]

The faculty of political and social science at the Universitas 17 Agustus 1945 claimed to have graduated 85 *Sarjanas* from 1968 to 1973, and about 40% were in international relations. The other departments of the faculty were government, journalism and political economy. As can be seen, the names of these four departments were different from the three departments it had in the 1950's. The change occurred in the early 1960's.[40]

At least 5 of the 9 other private universities have never offered specialization in political science proper. Very likely the same is also true of the other 4.

[39] Based on a list as *Sarjana theses* at the *SEP* faculty, Universitas Nasional, Jakarta, 1960-1972, provided to me by the Secretary of the University, M. Kamil Cokroaminoto, on October 25, 1972.

[40] Based on the information given to me by Ph.D. S. Supit, Assistant Rector for Academic Affairs, Universitas 17 Agustus 1945, Jakarta, on November 1, 1973.

Among the 24 *sospol* faculties of the various private universities all over Indonesia which have been classified under the lowest rank of "registered", there is only one, the *Darma Agung University* (Medan), which has a department within political science proper, department of international relations. However, in addition to its apparent poor quality, very little had been known about this university.

It seems safe to say that up to the early 1970's the two or three private universities which offered degrees in political science proper had produced around 200 *sarjanas* within that field. By adding this figure to the 617 from the 6, or rather 5, state universities mentioned above, we now have a total of just slightly over 800 *sarjanas* in political science proper produced domestically up to the early 1970's in Indonesia. The majority of them were still in international relations and from the *sospol* faculty of Gadjah Mada.

Teaching and Curriculum

The teaching and curriculum in the departments within political science proper developed as time went by. Most of the founders of these departments were lawyers by training. As such, they had influenced their early development quite strongly as partly could be seen from the courses they introduced.[41] One of these courses, *Ilmu Negara* (General Theory of the State), originated from the faculty of law. In fact, one of its leading figures at Leiden University, Kranenburg, claimed that this *Ilmu Negara* was similar to what then was to be called political science.[42] Two of his books, *Algemene Staatsleer* (General Theory of the State) and *Inleiding in de Vergelijkende Staatsrechtswetenschap* (Introduction to Comparative Constitutional Law), were familiar to university students in Indonesia. The former was translated into Indonesian in 1955 under the title of *Ilmu Negara*, because it had already become the most important text in that course within the faculty of law and the *sospol* faculty.

As already mentioned, this course mainly concentrated on the study of the idea, formation and purpose of the state, and for that matter addressed itself to the philosophical questions. That tendency became more apparent when two books of J.J. von Schmid on great thinkers on state and law were also included in reading list of course. These two books were also translated into Indonesian in the early 1950's.

[41] Discussions on the influence of law in the early development of political science proper in Indonesia can be found, among others, in Soelaeman Soemardi, *op cit;* Bintoro Tjokroamidjojo, *op cit;* F. Isjwara, *op cit;* Miriam Budiardjo, *op cit.*

[42] Deliar Noer, *Pengantar Ke....* pp. 56-57; F. Isjwara, *op cit*, pp. 23-25.

Among early Indonesian contributions to this subject were Sukarno's *Sari Pandangan Sardjana Tatanegara Dunia* (Survey of World Thinkers on State), 1951, Hardjono's article on Thomas Hobbes, 1954,[43] and Nasrun's *Asal Mula Negara* (The Origin of the State), 1957. All three of them were lawyers by training. Hardjono was one of the founders of the *sospol* faculty at Gadjah Mada, while Nasrun was a professor at the law faculty, University of Indonesia.

Understandably, courses dealing with political theory/philosophy in the *sospol* faculties originated from this *Ilmu Negara*. In the early 1960's at least two other books on political theory, Sabine's *History of Political Thought* and Ebenstein's *Today's Isms* were translated into Indonesian. They were also included in the reading lists of the political theory courses in the *sospol* faculty. In addition to them, Indonesian translations of Hans Kohn's *Nationalism* and Alexis de Tocqueville's *Democracy in America* were available. The courses on Indonesia's oficial ideology, Pancasila, could also be considered as courses in political theory/philosophy.

Another course from the law faculty which found its way to the *sospol* faculty was the *Ilmu Hukum Tatanegara* (Constitutional Law), or in Dutch *Staatsrecht,* which studied the constitutional arrangement of the various state institutions such as the executive and the legislative branches of government. As such, it was to bring the legal-formal approach to the study of political science in Indonesia. In today's curriculum of the *sospol* faculty, courses of this type can be found under the general names of Political Institutions of *Ilmu Pemerintahan* (Science of Government).

A few Indonesian scholars, mostly lawyers, have written works dealing with this subject, usually with special reference to Indonesia. Among them were Sukarno's *Susunan Negara Kita* (Our System of Government), 4 thin volumes, 1952, and Ismail Suny's *Pergeseran Kekuasaan Eksekutif: Suatu Penyelidikan Dalam Hukum Tatanegara* (The Shift of the Executive Power: A Study in Constitutional Law), 1963. A number of works on the Indonesian Constitution could also be included here such as Supomo's *Undanga Dasar Sementara Republik Indonesia* (The Provisional Constitution of the Republic of Indonesia), 1953, and A.K. Pringgodigdo's *Kedudukan Presiden menurut 3 UUD dalam Teori dan Praktek* (The Office of the President under 3 Constitutions: Theory and Practice), 1955. Some of these books can also be found in the reading lists of the related courses in the *sospol* faculty.

[43] Hardjono, "Thomas Hobbes", *Beberapa Karangan mengensi Barbagai-bagai Tjabang Ilmu Pengetahuan*, Jogjakarta, Universitas Gadjah Mada, 1954.

The third course originating from the law faculty was *Hukum Administrasi* (Administrative Law) or *Ilmu Usaha Negara* (roughly, Public Administration), in Dutch *Administratiefrecht* or *Bestuurskunde*. As clearly indicated by its name, it was to become the origin of the administrative sciences in Indonesia and the department of public administration in the *sospol* faculty.

In its early development international relations was also significantly influenced by law, partly because the study of international law was within it. Partly also, because the departments of international relations in Indonesian universities, notably at Gadjah Mada, were to put a significant stress on the history of diplomacy of the various regions in the world, meaning more concentration on the many aspects, including legal, of the international agreements. However, its political color appears to have become sharper in the last few years as new courses in international politics had been introduced. In 1954, W. Friedmann's *An Introduction to World Politics* was translated into Indonesian and became one of the important texts in the field. Hans Morgenthau's *Politics Among Nations* and the works of a few other foreign scholars have also been included in the reading lists of the related courses in the department.

The political science part of curriculum began with an introductory course. For that, J. Barents' *De Wetenschap Der Politiek: Een Terreinverkenning* (Political Science: An Introduction to the Field), Harold Laski's *Introduction to Politics*, and R. H. Soltau's *An Introduction to Politics* have been widely used as the texts. The first two were translated into Indonesian in the early 1950's, the third only a few years ago. Since 1955, a few Indonesians have also written such introductory books. Among them, two appear to be of better quality — F. Isywara's *Pengantar Ilmu Politik* (Introduction to Political Science), 1964, and Miriam Budiardjo's *Dasar-Dasar Ilmu Politik* (Basic Elements of Political Science), 1972. Among others who have written similar books were Soedjono, S.M. Abidin, Basaruddin Nasution, Iwa Kusumasumantri, The Liang Gie and Suroso Prawirohardjo.[44] The contents of some do not always correspond with what one expects from their titles.

[44] Soedjono, *Ilmu Politik*, 2 vols., Djakarta, Djambatan, 1955; S.M. Abidin, *Pembimbing ke Ilmu Politik*, Djakarta, Menara Pengetahuan, 1960; Basaruddin Nasution, *Pengantar Ilmu Politik*, Djakarta, Batang Gadis, 1961; Iwa Kusumasumantri, *Pengantar Ilmu Politik*, Djakarta(?), Penerbitan Universitas, 1966; Soeroso Hawirohardjo, *Diktat Kuliah Pengantar Ilmu Politik (Tahun Kuliah 1963-1964)*, Jajasan Badan Penerbit Gadjah Mada, n.d.; The Liang Goe, *Ilmu Politik*, Jogjakarta, Seksi Penerbitan Fakultas Sosial dan Politik Universitas Gadjah Mada, 1970.

More advanced courses in political science usually concentrated on the study of political action or political power, as was, for example, the case at the Universitas Nasional, where the works of the so called "Chicago School" of political science were introduced, such as Robert M. McIver's *The Web of Government* and *The Modern State*, both of which had been translated, Charles E.Meriam's *Systematic Politics*, and H.D. Lasswell's *Politics: Who gets What, When and How*. In addition, these courses also introduced Gaetano Mosca's *The Ruling Class*, Machiavelli's *The Prince*, Harold Wilson's *Congressional Government*, and the works of a few other scholars. Basaruddin Nasution's *Pengantar Ilmu Politik* (Introduction to Political Science), 1961, a relatively thin book, originated from his experience teaching such courses at the Universitas Nasional. By the way, he was also a lawyer by training.

As can be seen, these political science courses have been strongly influenced by those who were very much interested in applying the sociological, and to a certain degree also the psychological approach, to the study of politics. Among political scientists this approach was better known as the empirical approach to politics, which had been especially developed by those who were very much interested in studying political behavior, and for that they were to be labeled "the behavioralists."

In the light of this discussion, we might group the courses within political science proper in the *sospol* faculties as follows:

1. political theory/philosophy
2. government/political institutional
3. public administration
4. international relations/politics
5. empirical approach

Since we have excluded public administration from political science proper, we shall concentrate on the courses developed under the 4 other groups. Our classification of the various courses is essentially based on personal knowledge and judgement of their contents, and for that matter is bound to be arbitrary. For example, some of the courses could be classified into two different major groups such as International Politics which could be put under either international relations group or empirical approach group. In addition, we have also discovered several courses which could not be classified under any of the 4 major groups. We have arbitrarily classed then as "other", and so we again have 5 major groups.

As we have mentioned earlier, there were three departments within political science proper — international relations, government and politi-

cal science. Of the 6 state universities which have offered *sarjana* degrees in political science proper, three (Gadjah Mada, Hasanuddin and Padjadjaran) had two of these three departments in their *sospol* faculties. The other three universities (UI, Diponegoro and Jember) had only one of them. For our discussion of the curriculum of each department we have decided to concentrate on the two departments at Gadjah Mada, international relations and government, largely because its *sospol* faculty is the

Table VIII

Courses within Political Science Proper given by the Department of International Relations at Gadjah Mada, in 1972*

Political Theory/Philosophy
1. Pancasila I
2. Pancasila II
3. History of Political Thought
4. Political Theory/Philosophy

International Relations/Politics
1. Introduction to Int. Relations
2. Diplomacy
3. European Diplomatic History
4. Diplomatic History of the Far East
5. Theory of International Rel.
6. Diplomatic History of Africa and the Middle East
7. Theory of Foreign Policy
8. Int. Organization & Adm.
9. Indonesian Diplomatic Hist.
10. Int. Relations Methods
11. International Politics
12. Indonesian For. Policy
13. Seminar on Int. Relations
14. Seminar on Regional Studies (Southeast Asia)
15. Seminar on Int. Analysis
16. *Thesis*

Government/Political Institutions
1. Indonesian Government System
2. Amer. Government & Politics
3. Russian Govt. & Politics
4. Elements of Indonesian Constitutional Law

Empirical Approach
1. Introduction to Pol. Science (first year course)
2. Research Methods
3. Political Sociology
4. Comparative Politics

Others
1. Political Geography
2. National Defense and Security
3. Indonesian Political History

*All were *semester* courses
Source: Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petunjuk Tahun Akademi 1972*, Jogjakarta, 1971, pp. 21-22.

oldest and appears to have significantly influenced the other universities, except probably UI. For the department of political science we have selected the *FIS* at UI., largely also because it was the oldest department, though only established in 1968.

During the first two years of training all of the students of the various departments in the *sospol* faculty (or *FIS*) were given an integrated curriculum mainly consisting of introductory courses on the various branches of social science such as sociology, law, social anthropology, public administration, economics, political science, psychology, history (Indonesia political history), and Indonesia government. In addition, they had also to take a few other courses such as religion, English, social statistics and logic. As can be seen, all of these courses were aimed to prepare them for further specialization in their respective departments

Table IX

Courses within Political Science Proper given by the Department of Government at Gadjah Mada, in 1972*

Political Theory/Philosophy
1. Pancasila I
2. Pancasila II
3. Government Ethics
4. Political Theory

International Relations/Politics
1. Theory of Int. Politics

Government/Political Institutions
1. Elements of Government
2. Introd. to Constitutional Law
3. Indonesian Government
4. Indonesian Local Government
5. Comparative Government
6. Comp. Local Government
7. Village Government
8. Analysis of Government
9. Seminar on Problems of Govt.
10. *Thesis*

Empirical Approach
1. Intr. to Political Science (first year course)
2. Research Methods
3. Political Sociology
4. Comparative Politics
5. Pol. Science Methods
6. Political Movements
7. Leadership

Others
1. Political Geography
2. Public Opinion & Pol. Propaganda
3. Indonesian Political History
4. National Defense and Security
5. Agrarian Law & Politics

*All were *semester* courses
Source: Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petunjuk Tehun 1972*, Jogjakarta, 1971, pp. 26-27.

beginning in the third years. So, for the five year training needed to obtain the *sarjana* degree about 50 to 60% of the courses they were to receive were concentrated in the specific field (department) of their choice, and those were given in the last three years. *Tables VIII, IX and X* show us the concentration of the courses given in those last three years of training in the three departments within political science proper.

Table X

Courses within Political Science Proper given by the Department of Political Science at UI, in 1973/1974*

Political Theory/Philosophy
1. History of Western Thought and Modernization in Asia
2. History of Political Thought I
3. History of Political Thought II

International Relations/Politics
1. International Relations
2. Indonesian Foreign Policy

Government/Political Institutions
1. Indonesian Government
2. Amer. & European Pol. Systems
3. Pol. Systems of East and South Asia
4. Pol. Systems of Southeast Asia
5. Local Government
6. Pol. Systems of Africa and the Middle East

Empirical Approach
1. Introduction to Political Science (first year)
2. Political Sociology
3. Research Methods
4. Research Paper
5. Political Development Theories of New Nations
6. Indonesian Pol. Forces
7. Selected Readings/Capita Selecta (Semester Course)
8. *Thesis*

Others
1. National Defense and Security

*Except for Selected Readings, all were *one year* courses.
Source: *Buku Pedoman Fakultes Ilmu-Ilmu Sosial Universitas Indonesia, 1973-1974*, Jakarta, 1973, pp. 128-129, 159-160.

As shown in *Table VIII*, in its 1972 curriculum the department of international relations at Gadjah Mada listed 30 required semester courses within political science (plus a thesis) for the *sarjana* degree. These courses represented about 60% of the total courses offered for its five year training, even though most of its *sarjana* graduates, as is generally the case within the university system in Indonesia, have taken longer to complete the course and other requirements for the degree.

As can be seen, of the 30 courses, 15 were under international relations/politics, while the other 15 were evenly divided among the other 4 major groups of courses. In other words, the international relations character of the department has been very strong. However, 7 of the 15 international relations/politics courses were on diplomatic history or foreign policy. This seems to indicate that the main aim of the department has been to provide the necessary training for those interested in having a career in the foreign service. Interestingly enough, quite a few of its sarjana graduates have indeed joined the Indonesian Ministry of Foreign Affairs.

The other two state universities which also had their own departments of international relations seem to have followed the pattern of Gadjah Mada, though not as strongly and in different degrees. The University of Jember in particular has been strongly influenced by Gadjah Mada, not only in its curriculum but also in the fact that several lecturers in international relations/politics from Gadjah Mada have taught there. The principal lecturers in this department at Padjadjaran were Gadjah Mada graduates, and this seems to have significantly influenced the development of its curriculum.[45]

Table IX shows 26 required semester courses (plus a thesis) within political science proper needed for the *sarjana* degree in the department of government at Gadjah Mada. Two major groups of courses were more or less equally strong, government/political institutions with 9 and empirical approach with 7, while, and interestingly enough, international relations/politics was only represented by 1 course. As we shall see below, the distribution of these courses was quite similar to the curriculum at the department of political science in *UI*. Another interesting aspect is that courses on comparative politics/government were represented quite significantly, though still behind those on Indonesian politics/government. As such, there is a strong possibility for this comparative politics/government to become a sub-field within the department in the future.

A similar pattern of curriculum can be traced in two other state universities which have their own departments of government. It was at Diponegoro that we discovered less variety in courses offered. At least 6 of those listed under the above mentioned two major groups at Gadjah Mada were absent from the curriculum at Diponegoro. One of the reasons for this was the fact that all of the courses at Diponegoro were offered for

[45] Based on the information given to me by the deans and several lecturers at the sospol faculties during my brief visit to their universities in the early 1970's.

one year, while at Gadjah Mada they were semester courses. But it may also show certain weaknesses of Diponegoro in developing its curriculum.[46] Hasanuddin appeared to be much closer to Gadjah Mada; there were only two courses (village government and political movements) under the two major groups missing from its list of required courses.[47]

Table X shows 19 required courses (plus a thesis) within political science proper needed for the *sarjana* degree in the department of political science at *UI*. Except for Selected Readings, all were *one year* courses, and this apparently caused the department to have slightly less variety than, for example, the department of government at Gadjah Mada. However, as we have mentioned above there was a strong similarity between the department of political science at *UI* and the department of government at Gadjah Mada, so far as can be seen in their lists of courses. Like the department of government at Gadjah Mada, the department of political science at *UI* was equally strong in the courses under the same two major groups — government/political institutions (6) and empirical approach (7). Another interesting similarity was the appearance of quite a few courses on comperative politics/government, though *UI* was a little stronger here than Gadjah Mada. So, the possibility of developing a sub-field in comperative politics/government in the future is also very strong at *UI*.

The curriculum of the department of political science at Hasanuddin was quite different from what we have discovered at *UI*. For one thing, at Hasanuddin we found more courses (6) under international relations/politics,[48] which partly showed the apparent influence of the department of international relations at Gadjah Mada. As such, there is a strong possibility for this department to develop a sub-field in international relations in the future, if not into a new department. However, the strong position of international relations in its 1973 curriculum caused certain weaknesses in the other two major groups of courses — government/political institutions and empirical approach. Since the department of political science at Padjadjaran was still in its formative stage up to the time of this writing, we have not been able to obtain significant information on the development of its curriculum.

[46] See, Fakultas Sosial dan Politik Universitas Diponegoro, *Sylabus 1971, Pemerintahan*, Semarang, 1971.

[47] *Katalogus Fakultas Sosial Politik Unhas 1973, op cit*, pp. 71-73.

[48] *Ibid*, pp. 73-77.

In comparison to the others, one major group of courses within political science proper has been poorly developed, namely, political theory/philosophy. One could foresee, for example, the introduction of a new course under it such as those on the theory of democracy, Marxism, and Islamic political thought. Also, outside courses on Pancasila (Indonesia's political ideology), more courses on Indonesia's own political thought, traditional and modern, could have been developed. Again, we discovered that one of the important reasons for this poor state of the study of political theory/philosophy in Indonesian universities was the unfavorable political conditions in the past: notably under the Guided Democracy system.

Table XI

Permanent Teaching Staff in Political Science Proper
from 6 State Universities, in the early 1970's*

University	Ph.D.	M.A.	Drg. (Sospol Grad.)	SH (Law Grad.)	Total
UI	1	4	5	—	10
Gadjah Mada	—	2 (1 MPA)	11	1	14
Padjadjaran	—	1	7	—	8
Hasanuddin	—	1	6	—	7
Diponegoro	—	—	7	—	7
Jember	—	—	5	—	5
Total	1	8	41	1	51

*My own estimate, largely based on the courses they taught and my personal knowledge of some of the lecturers.

Sources: 1. *Buku Personalia Akademis dan Administratif Fakultas Ilmu-Ilmu Sosial Universitas Indonesis*, Jakarta, 1973. See "Staf Pengajar Tetap..."
2. Fakultas Sosial dan Politik Universitas Gadjah Mada, *Buku Petunjuk Tahun Akademi 1972*, Jogjakarta, 1971, p. 15.
3. *Buku Sedjarah dan Perkembangan Fakultas Sosial Politik Universitas Padjadjaran*, Bandung 1972, See "Kurikulum..."
4. *Katalogus Fakultas Sosial Politik Unhas*, 1973, Ujung Pandang, 1973, pp. 24-33.
5. *Fakultas Sosial dan Politik Universitas Diponegoro:* Sylabus 1971, Semarang 1971.
6. *Buku Tahunan Fakultas Sosial dan Politik Universitas Negeri Jember 1971*, Jember 1972, pp. 20-33.
7. Harsya W. Bachtiar, *Directory of Social Scientists in Indonesia*, Jakarta, Leknas, 1974. See "Political Science."

The unfavorable influence of Indonesia's political conditions had also been seriously felt in the poor state of the teaching staff within political science proper in the few *sospol* faculties. As can be seen in *Table XI*, among the estimated 51 members of the permanent teaching staff within this field found in 6 state universities in the early 1970's, only 9 had obtained further training abroad, 1 with Ph.D and 8 with MA degrees, and 5 of them taught at *UI*. All, including the Ph.D., obtained their MA degrees in the United States, though the Ph.D. was from India.

Another thing we learn from *Table XI* is that most of the members of the permanent teaching staff were *sospol* graduates, or in the case of *UI*, FIS graduates, partly meaning they had already succeeded in replacing the law-trained older generation. However, their joining the teaching staff was largely due to the expansion of their faculties. A substantial number of them were young junior lecturers. To the best of my knowledge, there was only one political science professor who was by training a political scientist in all six state universities — Miriam Budiardjo at UI. Another political science trained professor in the early 1970's was Beliar Noer, the former rector of IKIP in Jakarta who also taught part-time at UI.

Written material for teaching was another serious problem. Very few books on political science have been written in the Indonesian language, and most of them have been mentioned in the previous pages. Serious language barriers among the students and even among a significant number of the teaching staff appear to have discouraged them from reading books written in foreign languages, including English. Indeed, as also mentioned earlier, a few of them have been translated, but they were far from sufficient to meet the minimal requirement for the various courses. Very often both students and lecturers have to depend on their lecture notes for many of the courses. The foreign language barrier was also one of the major reasons why many of the members of the teaching staff had not been able to continue their training abroad, especially in recent years when there had been quite a few opportunities open to them.

The problems faced by those in the state universities had also been encountered by their colleagues in the private universities. In fact, they appeared to have even more and greater problems. At the Universitas Nasional there were originally two principal lecturers in political science, and both were lawyers by training. Up to the early 1970's they still taught there and had been for a few years assisted by two or three junior lecturers, their own former students, making a total teaching staff in political science of 4 or 5. The situation at Universitas 17 Agustus 1945, was

similar, and the two of them would have around 10 lecturers in political science at the most.

Research and Publications

As we have seen, only a small minority of the slightly over 800 *sarjana* graduates in political science proper produced by state and private universities up to the early 1970's had been recruited into their permanent teaching staff, while the large majority of them had taken jobs somewhere else, mostly as civil servants in the various ministries, notably the ministries of internal affairs and foreign affairs. Since introductory courses are also taught at the other universities which do not offer specialization in political science proper, a few of them have also been recruited as permanent lecturers there. Another very small number of them has been recruited by a few non-university research institutes, and some of these have been asked to assist some of the universities, notably UI, as part time or honorary lecturers. Some graduates might still be without jobs, but it is hard to know exactly how many. At any rate it is very apparent that only a small number of them had continued their careers in the political science profession, teaching and/or doing research. But, a substantial number of them were young and new *sarjanas* who appeared to still need some further training in order to develop themselves to become better qualified political scientists.

In his recent (1974) *Directory of Social Scientists in Indonesia*, Harsya Bachtiar listed 34 selected social scientists who seemed to have contributed or shown serious interest in the development of political science in this country, 11 of them with Ph.D degrees, 7 with MA, 2 with MPA, and 1 with LLM from abroad.[49] A closer look at them, partly based on my personal knowledge of many of them, suggests that not all of them have pursued professional careers in political science. Of the 11 with Ph.D degrees at least 3 were known to have obtained their degrees outside political science proper and also had greater interest in other fields. Of the remaining 8, 4 achieved their degrees in international relations and the other 4 in political science. Two of the 4 in international relations obtained their degrees in the United States, the other two in the Netherlands and India. One of them had chosen a career in the foreign service, one joined the National Institute for Cultural Research (LRKN), a research institute under the Indonesian Institute of Sciences (LIPI), one was active in church organization, and the last one taught at UI. One of the other four

[49] Harsja W. Bachtiar, *Directory of Social Scientists in Indonesia*, Jakarta, Leknas, 1974

had become more involved in the field of mass-communication and also taught part time courses relating to that field at UI. One had not returned to Indonesia, because he was teaching abroad. Another one was the previously mentioned former rector of IKIP, in Jakarta, while the last one was a research associate at the National Institute for Economic and Social Research (LEKNAS), also a research institute under LIPI. Both of them also taught part time at UI.

Of the 7 with MA degrees, all obtained in the United States, one had become a career diplomat, while another one had been interested more in the field of journalism or mass-communications. The other 3 with foreign degrees, two from the United States and another one unknown to the writer, did appear to have a stronger interest in political science, even though one of them was attached to the faculty of economics at UI (and was also an Indonesia trained economist before he went abroad), while another taught at the law faculty of Padjadjaran University.

Thus, there were only 13 foreign-trained political scientists, 4 with Ph.D and 9 with MA or similar degrees, who could be expected to play a major role in the development of political science proper in this country, and most of them were still relatively young. In the last few years the situation became slightly better as the opportunity for further study abroad increasingly widened. In the early 1970's several Indonesians were pursuing such training in the United States, Australia and Europe.

However, for a country as large as Indonesia, for the next few years the number of political scientists who will become actively engaged in this profession, domestic and foreign-trained, will remain significantly small. This is a major cause of the poor state of research in political science here. When I visited the various *sospol* faculties in the early 1970's I discovered that in nearly all of them no serious political science research activities were being carried out. There was, however, one research project on Indonesian diplomatic history at Gadjah Mada at that time. Another one I knew was a research project on Indonesian elections, carried out jointly by LEKNAS and the University of Indonesia, in 1971-1972. This research project had involved several young lecturers and graduate students in the political science department of UI plus a young lecturer from the *sospol* faculty at Hasanuddin. I was also deeply involved in it as the head of the project. The first product of this research was a monograph on the 1955 parliamentary election results. Three other reports on the 1971 elections in North Sumatra, South Sulawesi and East Java, though not yet published, have been written by three of the members of the team. One member of the research team also used the data he collected for his *sarjana* thesis. It is also known that there had been one or

two research projects on several neighboring countries, mostly library research, at the LRKN. Some of the works published by this research institute, usually article length, had originated from these projects.

In addition to their limited number, many of these political scientists felt that they had not been adequately equipped to carry out serious research projects, especially those involving field work. Another problem was their reservation about political research, largely originated from their commonly shared view that that kind of research, notably on Indonesian politics, was still by and large considered as a sensitive matter in this country. Again, it seemed to suggest the strong influence of the contemporary internal political situation on the development of this field of study. Another handicap was of course the apparent lack of funds needed to carry out serious research projects. Furthermore, there was the absence of qualified libraries in most of the universities, where collections on political science, including works on Indonesian politics, have been alarmingly poor. The large majority of the political scientists have not been able to develop their own private libraries, especially for financial reasons. Those in Jakarta, and to a certain degree in Jogjakarta, appeared to be in a better position, since they could, if they wanted to, get access to a number of libraries which had been able to accumulate a significant number of books and journals in their respective fields such as the libraries at LRKN and LEKNAS and those run by foreign embassies. However, as we have discovered, many of them also had serious foreign language difficulties which appeared to have become one of the major factors in discouraging them from visiting those libraries. As well all know, most of the scholarly works on political science as well as on Indonesian politics have been written in foreign languages, notably English.

Our knowledge of the many serious research projects on Indonesian politics that had been carried successfully by various foreign scholars would further underline the weakness of the Indonesian political scientists in this matter. *Table XII* shows the number of foreign scholars doing field research in the various fields of social science and humanities in Indonesia in 1971 and 1972-1973 registered at LIPI. (Among other things, LIPI has been responsible for coordinating all of the foreign scholars who come to do research in Indonesia). Among the 108 foreign scholars doing research in Indonesia in 1971, 15 were in the field of politics, while for 1972-1973 there were only 10 out of 122. Of these 10 in 1972-1973, 6 were from the United States, 3 from Germany and 1 from Japan. From such research, as we shall see later, they were able to publish numerous works on Indonesian politics. The much smaller number of

serious works by Indonesians points to the relatively poor state of political science research in this country. In quality too, they generally still lag behind the majority of foreign publications.

Table XII

Foreign Researchers in Indonesia (Doing Research in the various Fields of Social Science and Humanities, 1971 and 1972/1973)

Field	:	1971	:	1972/1973
Anthropology	:	44	:	53
Language	:	8	:	6
Economics	:	11	:	8
Law	:	5	:	4
Arts	:	8	:	5
History	:	8	:	13
Sociology	:	—	:	5
Political Science	:	15	:	10
Other fields (5 fields)	:	9	:	18
Total	:	108	:	122

Sources: Lembaga Ilmu Pengetahuan Indonesia, *Laporan Tahunan LIPI* 1972/1973, Jakarta, 1972, p. 27.

Lembaga Ilmu Pengetahuan Indonesia, Daftar Peneliti Asing Periode April 1972 s/d Maret 1973, Jakarta, 1973.

Among the first works published by an Indonesian political scientist was Miriam Budiardjo's "The Provisional Parliament in Indonesia," which appeared in the February 1956 issue of *Far Eastern Survey*. Very likely, she was the first, certainly among the first, Indonesian to obtain an MA degree in political science from a foreign university, Georgetown University of Washington, D.C., in 1955. In 1958, the Modern Indonesia Project at Cornell University published Idrus N. Djajadiningrat's *The Beginning of the Indonesian-Dutch Negotiations and the Hoge Veluwe Talks*, a monograph originating from his MA thesis at the same university. In 1965, Deliar Noer, a Ph.D holder in political science from the same university, published his *Pengantar Ke Pemikiran Politik* (Introduction to Political Thought), which probably was the first significant work written in the Indonesian language by an Indonesian trained in the field of political science. Another notable contribution was Mohammad A. Nawawi's "Stagnation as a Basic of Regionalism", which appeared

in the December 1969 issue of *Asian Survey*. He obtained a Ph.D degree from Princeton, and now teaching at the *Universiti Sains Malaysia*, Penang. By that time several other Indonesian political scientists had also started to publish their works, mostly in the form of articles or essays and written in the Indonesian language.

In 1967, the *sospol* faculty at Gadjah Mada began to take an active role in publishing the works of its teaching staff members, and by 1971 it had already succeeded with 46 works, mostly article length, where about ten of them were written by those in political science proper.[50] Moeljarto Tjokrowinoto's "Beberapa Pikiran Tentang Sistim Kopartaian di Indonesia" (Some Thoughts on the Party System in Indonesia), 1968, was the first notable one. Two other works, "Partai Politik" (Political Party) and "Power dan pemakaiannya" (Power and its uses), both written in 1970, were the contributions of Josef Riwu Kaho, one of the principal lecturers in its department of government. Among the works from its department of international relations were Ismail Gani's "Middle East Dilemma," 1969, and Syaifullah Mahjuddin's "Politik Luar Negeri" (Foreign Policy), 1970.

Another notable work from Gadjah Mada was Usman Tampubolon's "Pendekatan System Analysis dalam Ilmu Politik dan Administrasi Negara" (System Analysis Approach in Political Science and Public Administration), 1972, which was an attempt to introduce the system analysis approach to the study of politics and public administration in Indonesia. Since 1972 the *sospol* faculty at Gadjah Mada has also published its own journal (quarterly?) called *Sigma Pi Gama*, which also published articles written by its own political scientists. In 1973 (?), the work of Jahja Muhaimin on *Perkembangan Militer dalam Politik di Indonesia, 1945-1966* (The Growth of the Military in Indonesian Politics) was published by the University of Gadjah Mada in its *Seri Penerbitan Skripsi Terbaik* (Best Sarjana Thesis Publication Series). This book was very likely the first major work of better quality produced by a political science graduate from that university. It was based on intensive library research and interviews. Its appearance had also clearly marked the improvement experienced by its political science proper in the last few years. One of the most recent works to come out of the *sospol* faculty of Gadjah Mada is Ichlasul Amal's "Indonesian Foreign Policy: Its Continuity and Change", 1974.

[50] Fakultas Sosial dan Politik Universitas Gadjah Mada, *op cit*, pp. 101-103.

Several attempts have also been made by the other *sospol* faculties to encourage their teaching staff to write and publish their own works. Unlike Gadjah Mada, they have had very little success, if any. At the University of Indonesia, for example, there were *sarjana* thesis in political science, but very few which could be published. One, however, has been published (stenciled) by the Rural Sociology Research Department of the Bogor Institute of Agriculture, and that was Buddy Prasadja's *Pembangunan Desa dan Masalah Kepemimpinan* (Rural Develpment and the Problem of Leadership), 1974, stenciled, a work which was based on an intensive field research in a rural village in West Java.

Outside the universities there were several journals or magazines and even newspapers where they could publish their articles or essays. A few of them had indeed used such facilities, notably those from UI and Gadjah Mada. A significant contribution which originated from the permanent teaching staff of the political science department at UI was the previously mentioned work of Miriam Budiardjo, *Dasar-Dasar Ilmu Politik* (Elements of Political Science), 1972.

Very few other political scientists who were not members of the permanent teaching staff in one of the state universities, but often taught part-time there, had also published their work. At LEKNAS, I was the only political scientist able to contribute something in the form of essay, article and monograph. Among them were "Suharto and the Question of Political Stability" which appeared in the April 1971 issue of *Pacific Community; Hasil Pemilihan Umum 1955 untuk Dewan Perwakilan Rakyat* (1955 Parliamentary Elections Results, Stenciled, 1971; *Militer dan Politik* (The Military and Politics), 1969; *Tingkah Laku Politik di Asia Tenggara* (Political Behaviour in Southeast Asia), Stenciled, 1973.

Another notable contribution of Mohammad A. Nawawi was his "Tradition, Mobilization and Development in Indonesia" which appeared in a book edited by Hans-Dieter Evers, *Modernization in Southeast Asia*, 1973. In 1953 Hilman Adil published his *Australia's Relations with Indonesia 1945-1962*, a work originating from his Ph.D dissertation at the University of Leiden. However, the first really significant contribution written by an Indonesian political scientist was undoubtedly Deliar Noer's book on *The Modernist Muslim Movement in Indonesia, 1900-1942*, published in 1973, originating from his Ph.D. dissertation at Cornell. It gives us a detailed historical account and analysis of the movement. Needless to add, there were also a few unpublished dissertations written by Indonesians.

In addition to the apparently very few publications from Indonesia's

own political scientists, there were also works of significant value to the study of Indonesia politics written by those who were not trained in political science. Some of them we have already mentioned in the previous pages. In 1956 two articles appeared in English. One was Soedjatmoko's "The Role of Political Parties in Indonesia", while the other was Sulaeman Soemardi's "Some Aspects of the Social Origins of Indonesian Political Decision Makers".[51] In 1959, Iskandar Tedjasukmana published his monograph on *The Political Character of Indonesian Trade Union Movement.*

Selo Soemardjan's significant work on *Social Change in Jogjakarta,* 1962, gives some insights about the character of local politics in that region. One of the very few works on student politics was Harsya Bachtiar's article, "Indonesian Students and their Political Activities", 1969. These two sociologists have also written about Indonesian bureaucracy. Selo Soemardjan's contribution here was "Bureaucratic Organization in a Time of Revolution", 1957, while that of Harsya Bachtiar was "Bureaucracy and Nation Formation in Indonesia", 1971.[52] There were at least two significant works written by Indonesians on the 1965 affairs. One was the book written by Nugroho Notosutanto and Ismail Saleh called *The Coup Attempt of the "September 30 Movement" in Indonesia,* while another was the work of Basuki Gunawan, a sociologist now teaching in Holland, *Kudeta, Staatsgreep in Djakarta* (Coup d'etat in Jakarta), 1968. In 1973, Ido Anak Agung Gde Agung wrote his *Twenty Years of Indonesian Foreign Policy, 1945-1965.*

Another important contribution from Soedjatmoko was his article on "Indonesia: Problems and Opportunities", 1967.[53] In this article he tries to discuss and analyze the problems of Contemporary Indonesian Politics using a cultural approach. The cultural approach to Indonesian politics can also be found in Takdir Alsyahbana's *Indonesia: Social and Cultural Revolution,* 1966, and in an essay written by P. J. Zoetmulder S.J., "The Cultural Background of Indonesian Politics", published by the University of South Carolina in 1967.

[51] Soedjatmoko, "The Role of Political Parties in Indonesia" in Philip W. Thayer, ed. *Nationalism and Progress in Asia,* Baltimore, John Hopkins, 1956; Soelaeman Soemardi, "Some Aspects of the Social Origin of Indonesian Political Decision Makers", in *Transactions of the Third World Congress of Sociology,* London, 1956.

[52] Selo Soemardjan, "Bureaucratic Organization in a Time of Revolution", *Administrative Science Quarterly,* II, 1957; Harsja W. Bachtiar, "Bureaucracy and Nation Formation", *Bijdragen tot de Taal-, Land - en Volkenkunde,* No. 4, 1972.

[53] As an article in *Australian Outlook,* December 1967.

The work of Soemarsaid Moertono, an historian, *State and Statecraft in Old Java*, 1968, could also be considered as a cultural approach to the study of ancient Indonesian politics. It gives some understanding about the cultural roots of Javanese political behavior. Another historian, Sartono Kartodirdjo, has also written several works which could be of significant value to the students of Indonesian Politics. Two of his important works are *The Peasants' of Banten* 1888, 1966, and *Protest Movements in Rural Java*, 1973. Both of them give us some insights about the political behavior of the Javanese peasants. Our understanding of Minangkabau politics before World War II was significantly helped by the works of yet another historian, Taufik Abdullah, especially his *Schools and Politics: The Kaum Muda Movement in West Sumatra (1927-1933)*, 1971. A few other historians such as Nugroho Notosutanto, Abdurrachman Surjomihardjo and Ibrahim Alfian have also written works which could be of value to political scientists.

Interestingly enough, few serious works have been written by Indonesian scholars in their own national language. One of them which could be of significant value to the political scientists was the work of Sudjito Sastrodihardjo, a sociologist, *Perubahan Struktur Masyarakat di Djawa* (Structural Change in Javanese Society), 1968. Another work worth mentioning is Sulaeman Soemardi's "Tjara Pendekatan terhadap 'kekuasaan' sebagai suaty Gedjala Sosial", 1962.[54] Several years before that there were also some works which might attract the interest of political scientists. One of them was Nasrun's *Ilmu Perbandingan Pemerintahan* (Comparative Government), 1957. Another was Zainal Abidin Ahmad's *Membentuk Negara Islam* (Forming an Islamic State), 1957. In the early 1950's, there were also books on political parties published by the Department of Information which contained important data about the various political parties at that time. Another important historical document on Indonesian politics was *Tentang Dasar Negara Republik Indonesia dalam Konstintuante* (On the Constitution of the Republic of Indonesia in the Constitutional Assembly), consisting of several volumes.

There had been several works on Indonesian political history written in Indonesian by writers such as A.K. Pringgordigdo, L. M. Sitorus and Dimjati. A. K. Pringgodigdo's work, *Sedjarah Pergerakan Rakjat Indonesia* (History of Indonesia's People Movement), actually written

[54] As an article in *Medan Ilmu Pengetahuan*, Djakarta, MIPI, 1962.

during Javanese occupation has been widely used in the universities for many years.

A number of leading Indonesian politicians such as Sukarno, Hatta, Natsir, Sjahrir, Ruslan Abdul Gani, Aidit, Yamin, Subandrio, Gatot Mangkupradja, Achmad Subardjo, Mintaredja and Adam Malik have also written works which seemed to be of important value to the political scientists. Some of them like Ali Satroamidjojo have already written their political memoirs.[55]

From the military, there were two leading figures, A.H. Nasution and T.B. Simatupang, both now retired generals, who had contributed substantially to our understanding of the historical role of the Indonesian armed forces in politics. One of Nasution's several works in that direction was *Tjatatan-Tjatatan Sekitar Politik Militer Indonesia* (Notes on the Military Policy in Indonesia), 1955, and one of Simatupang's was *Laporan dari Banaran* (Report from Banaran), 1960. In the last few years there have also appeared several contributions from other figures in the Indonesian military such as Ali Murtopo and Sayidiman Surjohadiprodjo.[56]

There was a list of 56 periodicals in the social sciences in 1972,[57] but only a very small number of them, such as the previously mentioned *Sigma Pi Gama,* had attempted to become serious scholarly publications. Many of them were in the form of newsletters or bulletins. Though none of them had specialized in political science, a few had published works, mostly essays, in this field. Since that time at least three new periodicals have appeared, namely, the *Indonesian Magazine,* the *Indonesian Quarterly* and *Masyarakat Indonesia* (Indonesian Society), where works from the hands of a few political scientists can be found.

Even though incomplete, since we might have failed to mention some of the important works, our above discussion seems to give us a general picture of the works on political science and Indonesian politics, written by Indonesians since independence. As we have discovered, there have

[55] Ali Sastroamidjojo, *Tonggak-tonggak di Perjalananku,* Jakarta, Kinta, 1974.

[56] See, for example, Ali, Moertopo, *Strategi Politik Nasional,* Jakarta, CSIS, 1973; Sajidiman Surjohadiprodjo, *Langkah-Langkah Perdjoangan Kita,* Djakarta, Pusat Sedjarah Hankam, 1971 (?).

[57] Miriam Budiardjo, *et al,* "Report on Social Sciences' Teaching and Research in Indonesia" (Paper presented to the Asian Conference on Teaching and Research in Social Sciences, Simla, India, May 1973), Appendix IV, pp. 28-31.

been a few contributions made by Indonesia's own political scientists, though the quality of the majority of them was still relatively below those written by foreign scholars. It partly shows the real state of political science in Indonesia: it has been alive and kicking, though very weakly. Our understanding of Indonesian politics had also been partly assisted by the writings of a few other Indonesians who were not trained in political science, notably lawyers, sociologists, historians, politicians and those from the military profession. However, also not many of them could be considered as serious scholarly works of high quality. The unpalatable fact is that the numerous serious works written by foreign scholars have far exceeded those few which came from the pen of Indonesian scholars.

Foreign Contributions after 1945

The dominant role played by Dutch scholars in Indonesian studies before World War II dramatically declined after Indonesia achieved her independence. Among the few works which appeared before 1950, there were at least two books which might be of particular interest to the political scientists — A.J. Piekaar's *Atjeh en de Oorlog met Japan* (Acheh and the War with Japan), 1949, and H. Bouman's *Enige Beschouwingen over de Ontwikkeling van het Indonesisch Nationalisme op Sumatra's Westkust* (Some observations on the Development of Indonesian Nationalism on the West Coast of Sumatra), 1949. These two books were serious studies of local politics in two regions of Indonesia, and as such they continued to represent the fine tradition of Dutch scholarly works. Several other works by other Dutch scholars were to follow them later.

There were also at least two notable works on the historical development of Indonesia's nationalist movement. One was G.D.M. Koch, *Om de Vrijheid* (For Liberty), 1950, which was also translated into Indonesian, while the other was J.M. Pluvier's *Overzicht van de Ontwikkeling der Nationalistische Beweging in Indonesie in the Jaren 1930 tot 1942* (Survey of the Development of the Nationalist Movement in Indonesia in the years of 1930-1942), 1953.

The role of Islam in Indonesian society has continued to be one of the major interests of Dutch scholars. Among several works on this subject were R.A. Kern's *De Islam in Indonesie* (Islam in Indonesia), 1947, C.A.O van Niewenhuijze's *Aspects of Islam in Post-Colonial Indonesia*, 1958, and B.J. Boland's *The Struggle of Islam in Modern Indonesia*, *1971*. We can also include here M.P.M. Musken's *Indonesie: Een Strijd om nationale Identiteit* (Indonesia: A Struggle for National Identity), 1970, which partly discusses the role of Islam.

Some of the works written by W.F. Wertheim are also of considerable value to those who would like to study Indonesian politics. Two such works were his *Effects of Western Civilization on Indonesian Society*, 1950, and *Indonesian Society in Transition*, 1956. Both works were examples of the sociological approach to Indonesian politics, and one of them, the last mentioned, has been widely used in Indonesian universities. Several works, mostly written before World War II, have also appeared under "Dutch Scholars' Series" of publications, and one of them was B. Schrieke's selected writings, *Indonesian Sociological Studies*, two volumes, 1955. One of the most recent works on Indonesian politics which came from the Netherlands was Antonie C.A. Dake's *In the Spirit of the Red Banteg*, 1973, a study of the Indonesian Communist Party from 1959 up to 1965, concentrating on the apparent competition between Russian and Chinese influences within it.

It was in the United States that interest in the study of Indonesian politics, or Indonesian studies in general, rapidly developed. Within several years after World War II an increasing number of American scholars were to replace their Dutch colleagues as leading Indonesian specialists or experts, especially in the area of modern Indonesian politics. Their proliferating scholarly works came to dominate our list of literature in this particular area, and even probably in the whole field of modern Indonesian studies.

Cornell University emerged as the first main center for such studies, especially through its Modern Indonesia Project, which has published numerous scholarly works on Indonesia and since 1966 has also published a journal called *Indonesia*. This university had trained numerous scholars specializing in Indonesia, including those from Indonesia and other foreign countries such as Australia, Japan and the Philippines. In the United States, some of its graduates became important figures in running and developing Indonesian studies in several other universities such as Yale and Wisconsin. Some other American universities also had one or two Indonesian specialists, not all trained at Cornell. Some of the foreign scholars who were trained at Cornell or other American universities specializing in Indonesian studies also eventually became leading figures in establishing and developing such studies in their own universities such as at Monash University, Australia, and the University of Tokyo, Japan. Thus far, Monash became the most successful university outside the United States in developing its own Indonesian studies. Quite a few of its scholars and former graduates come to Indonesia to do field research, notably on Indonesian politics, in the last few years, and several scholarly works have also originated from them. Very likely, in the study

of modern Indonesian politics Monash has recently moved up to a position which is second only to Cornell. A few other countries, notably West Germany, had also taken an increasing interest in Indonesian studies. However, they were still well behind the United States and Australia, and even behind the Netherlands which had been declining.

The first important work on Indonesian politics which came from the United States was, undoubtedly, George M. Kahin's *Nationalism and Revolution in Indonesia,* which appeared in 1952. This book has become a classic and, for that matter, a standard work on Indonesian politics during the period of the revolution. The writer was a professor at Cornell and the prime mover of the modern Indonesian studies there. Many of his former students had also become leading Indonesian specialists.

The commonly accepted standard work on Indonesian politics during the so called Liberal Democracy or Parliamentary Democracy period which came right after the revolution was Herbert Feith's *The Decline of Constitutional Democracy in Indonesia* which was published by Cornell in 1962. The writer, an Australian political scientist, was one of Kahin's students at Cornell. When he returned to Australia he became the leading figure in developing modern Indonesian studies at Monash.

The monograph of Daniel S. Lev, another former student of Kahin, on *The Transition to Guided Democracy: Indonesian Politics, 1957-1959,* which appeared in 1966, had also been accepted as a standard work on Indonesian politics for that short period. Another work of Herbert Feith, "The Dynamics of Guided Democracy", which appeared in a book edited by Ruth T. McVey, *Indonesia,* 1963, gives us significant insights about Indonesian politics under that Guided Democracy system.

Despite their immense contributions to our understanding of Indonesian politics, these general works have also been considered by several leading scholars in the field, mostly their own colleagues in the West, as having certain weaknesses.[58] For one thing, the writers of these works seem to have concentrated their studies on the political behaviour of politicians in Jakarta or Java. Thus, their analyses of Indonesian politics are heavily dominated by those politicians of other members of the power elite at that time, including those from the military. They have also been

[58] My discussion here is largely based on the following works: Harry J. Benda, "Democracy in Indonesia", *Journal of Asian Studies,* May 1964; Herbert Feith, "History, Theory and Indonesian Politics: A Reply to Harry J. Benda", *Journal of Asian Studies,* February 1965; David Levine, "History, Social Structure in the Study of Contemporary Indonesia", *Indonesia,* April 1969; R. William Liddle, "Introduction" in R. William Liddle, ed., *Political Participation in Modern Indonesia,* New Haven, Yale University, Southeast Asian Studies, 1973.

criticized for being strongly influenced by the values of their own Western political culture, the values of Western or liberal democracy, as clearly shown in their analyses. They used their own standards, such as the concept of political participation as commonly understood in the West, in measuring and explaining Indonesian politics. In other words, they saw Indonesian politics through their own Western-colored glasses, rather than trying to observe and comprehend it as it actually was. As a result, they were bound to misunderstand the realities of Indonesian politics, and that had often led them to find something wrong with it. Therefore, their critics alleged that in studying Indonesian politics they appeared to have been heavily dominated by their curiosity to know the answer to the question, hidden somewhere in their Western mind, "What was wrong with Indonesian politics?" That kind of question could only be formulated prior to their studies if they had known in advance what should be the right things for Indonesian politics, meaning they already had an ideal political system for Indonesia. Through their analyses of Indonesian politics, that ideal political system had emerged as none other than their own Western political system. According to their critics, this bias had caused them to fail to observe and comprehend the true and real characteristics of Indonesian politics. Their dissatisfaction with this Western political value approach had led them to suggest and find new approaches to the study of Indonesian politics through which they hoped one could understand the realities of Indonesian politics better.

Our above discussion has given us a picture of how heated but healthy scholarly debate on certain major works has encouraged the development of Indonesian political studies abroad, especially in the West, into many directions as represented by the various approaches they have used. One of these approaches was the historical approach which tried to see the development of Indonesian politics after independence as a continuation from the previous colonial period. Many of the leading political actors during the revolution and after that had also taken an active part in the nationalist movement, and that experience undoubtedly influenced their political behaviour in later years. Therefore, post-colonial Indonesian politics could be partly explained through a better understanding of Indonesia's political history during the Dutch colonial period and the Japanese occupation. This further encouraged some foreign scholars to study the historical development of Indonesian politics, notably since the turn of this century. Harry J. Benda's article on "Decolonization in Indonesia: The Problems of Continuity and Change", which appeared in the July 1965 issue of *American Historical Review*, could be considered as an attempt to directly link Indonesia's post-colonial political develop-

ment with its colonial experience and even with its pre-colonial roots. A number of other works have also been written on the various aspects of Indonesian politics during the Dutch colonial period and the Japanese occupation. Among the first to appear was again the work of Harry J. Benda, another graduate from Cornell, on the role of Islam under the Japanese occupation in a book titled *The Crescent and the Rising Sun*, 1958. The first part of the book also gives us an excellent discussion of Dutch Islamic policy in Indonesia. In 1960, Robert van Niel, also graduated from Cornell, wrote *The Emergence of the Modern Indonesian Elite*, which could be of particular value to those who were interested in knowing the social backgrounds of the various leading nationalists who later became important figures after independence.

In 1965, Ruth T. McVey, who had been at Cornell, published her *The Rise of Indonesian Communism*. This book offers us a detailed account and historical analysis of the formative years of the Indonesian Communist Party in the Dutch colonial period. Howard M. Federspiel's monograph on the *Persatuan Islam* (a Muslim Modernist organization), 1970, provides us with an interesting discussion about the ideas of Islamic Reformism in Indonesia as developed by one of the organizations carrying that banner. Another important work was from the pen of Akira Nagazumi, a Cornell-trained Japanese historian, called the *Dawn of Indonesian Nationalism*, 1972. This book also gives a detailed historical account of Indonesia's first nationalist organization, *Budi Utomo*, during its early years.

Another important approach to the study of Indonesian politics which had also been widely developed abroad is the cultural approach. This approach tried to observe and explain the political behaviour of the various groups in Indonesia through their cultural roots. As we have discovered earlier, this approach was also used by several Dutch scholars, notably Snouck Hurgronje, before World War II. Around the middle of the 1950's a team of anthropologists from the Massachusetts Institute of Technology (MIT) came to East Java and carried out field research in one of its small towns which is known to the readers of their works under its fictive name of *"Modjokuto"*. The most productive member of the team was Clifford Geertz who had written several notable works originating from this field research which has made him one of the best-known scholars. One of his early important works was the *Religion of Java*, published in 1960. In this book he clearly shows us how the existing cultural streams, of *alirans*, had strongly influenced the political behaviour of the different groups of Javanese society, namely, the

abangans, the *santris* and the *priyayis*. Another member of the team, Robert Jay, has also written a few works originating from this field research and along this line of approach. One of them was *Religion and Politics in Rural Central Java*, published in 1963. The cultural approach could also be traced in some of the works of Benedict Anderson, another former student of Kahin and now also teaching at Cornell, such as his *Java in a Time of Revolution*, 1972, and "The Idea of Power in Javanese Culture", which appeared in a book edited by Claire Holt, *Culture and Politics in Indonesia*, 1972. The same thing could also be said about R. William Liddle's *Ethnicity, Party, and National Integration: An Indonesian Case Study*, 1970, in which the influence of Geertz' *Religion of Java* could be easily traced. Another example of this approach was Ruth Ann Willner's *The Neotraditional Accommodation to Political Independence: The Case of Indonesia*, published in 1966. Then we could also mention J.M. van der Kroef's "Javanese Messianic Expectations: Their Origin and Cultural Context", which appeared in the June 1959 issue of *Comparative Studies and History*.

Very close to this cultural approach was the sociological approach. Among the previously mentioned works written by Dutch scholars, those of B. Schrieke (before World War II) and W.F. Wertheim could be classified as representing this approach. One could also detect this approach in the works of several other scholars such as in L.H. Palmier's "Aspects of Indonesia's Social Structure", 1955, and J.M. van der Kroef's "The Changing Class Structure in Indonesia", 1956. In 1969, Rex Mortimer wrote an article along the lines of this approach in the October 1969 issue of *Indonesia* titled "Class, Social Change and Indonesian Communism". One of his recent works, *The Indonesian Communist and Land Reform*, could also be considered as using this sociological approach.

The economic approach in the study of Indonesian politics has not yet been widely developed. Among the first few who made an attempt to apply this approach was H.O. Schmitt, an economist. One of his works, "Post-colonial Politics: A Suggested Interpretation of Indonesian Experience, 1950-1958", which appeared in the November issue of *Australian Journal of Political History*, discusses the influence of foreign capital, which had penetrated the Indonesian economy, in politics. Benjamin Higguis, John O. Sutter, J.A.C. Mackie, Douglas S. Paau and Bruce Glassburner, have also written works which try to show the relationships between economy and politics in Indonesia.[59] Economic ap-

[59] Benjamin Higgins, *Indonesia: The Crisis of the Millstones*, Princeton, van Nostrand

proach could also be found in another work of Clifford Geertz, *Peddlers and Princes*, 1963, which gives some insights into the influence of the business entrepreneurs in two Indonesian towns. The same thing could also be said about Lance Castle's *Religion, Politics and Economic Behavior in Java: The Kudus Cigarette Industry*, published in 1963.

The most recent significant contribution of Daniel S. Lev, *Islamic Courts in Indonesia*, 1972, could be considered as a serious attempt to see the relationships between law and politics in Indonesia. In this book he tries to explain the historical development of Islamic legal institutions in the light of their actual dependence upon political and social forces. He has pioneered this approach in a number of earlier articles.

In addition to the various approaches used, the works of foreign scholars could also be differentiated by their scopes. The previously mentioned general works of Kahin, Feith and Lev have been usually classified as macro studies, largely because they try to give us a whole picture of Indonesian politics at the national level. Unlike them, micro studies try to limit their basis of inquiries to smaller geographic regions such as a province, a *kabupaten* (district), a small town, or a village. Some of the works mentioned above have been based on this smaller scope such as those of Geertz (a small town or village), Liddle (a *kabupaten*). The micro nature of such studies could also take the form of concentration on a certain ethnic group such as James Siegel's work on the Achehnese, *The Rope of God*, 1969, an anthropological study which is also of significant value to political scientists. Mary F. Somers' *Peranakan Chinese Politics in Indonesia*, 1964, could also be included here.

Furthermore we also discovered numerous scholarly works concentrating on political institutions, or political phenomena, or political events. Studies on the military, political parties, decentralization, students, the September 30 affair, political biographies, and ideology are some of the examples.

There had been several works written on the role of the Indonesian military in politics. Among the first to appear was Guy J. Pauker's

1963; John O. Sutter, *Indonesianisasi: Politics in a Changing Economy, 1940-1955*, 4 vols., Ithaca, Cornell Southeast Asia Program, 1959; Douglas S. Paauw, "The High Cost of Political Instability in Indonesia" in Vlekke, ed., *Indonesia's Struggle*, The Hague, Netherlands Institute of International Affairs, 1959; Bruce Glassburner, "Economic Policy-Making in Indonesia", *Economic Development and Cultural Change*, January 1962; J.A.C. Mackie, *Problems of the Indonesian Inflation*, Ithaca, Cornell Modern Indonesia Project, 1967.

"The Role of the Military in Indonesia" which could be found in a book edited by J. Johnson, *The Role of the Military in Underdeveloped Countries*, 1962. However, Ruth T. McVey's lengthy article on "The Post-Revolutionary Transformation of the Indonesian Army", 2 parts, which appeared in the April 1971 and April 1972 issues of *Indonesia* gives us a much deeper knowledge about the subject. The same thing could also be said about John R.W. Smail's "The Military Politics of North Sumatra: December 1956-October 1957", which appeared in the October 1968 issue of *Indonesia*, though it only covers a short, but important, historical period in a certain part of Indonesia. A few other and relatively new scholars such as Ulf Sundhausen, Harold Crouch, Allan Samson and Ann Gregory have also written on the military in Indonesia.[60] The coup attempt of 1965 has been the subject of many articles and books.[61] Donald Hindley, J.M. Vanderkroef, Guy Pauker, Simon Sheldon and Arnold Brackman.[62] The most recent work on this subject is Rex

[60] Ulf Sundhaussen, "The Soldier and the Nation: Self Perception of the Indonesian Army and its Role in Politics", *Europa-Archiv*, March 1971; Harold Crouch, "The Army, Party and Elections", *Indonesia*, April 1971; Ann Gregory, "Dimensions of Factionalism in the Indonesian Military" (Paper delivered at the Sixty-Sixth Annual Meeting of the American Political Science Association, Los Angeles, September 1970); Allan A. Samson, "Army and Islam in Indonesia", *Pacific Affairs*, Winter 1971-72.

[61] For Example, Benedict R. O'G. Anderson and Ruth T. McVey, *A Preliminary Analysis of the October 1, 1965 Coup in Indonesia*, Ithaca, Cornell Modern Indonesia Project, 1971 (Sometimes called "the Cornell Paper" since it was first prepared in 1966); John Hughes, *The End of Sukarno*, London, 1968 (also published as *Indonesian Upheaval*, New York, 1967); Arnold Brackman, *Indonesia: The Gestapu Affair*, New York, 1969; Tarzie Vittachi, *The Fall of Sukarno*, New York, 1967; Arthur Dommen, "The Attempted Coup in Indonesia", *The China Quarterly*, January-March 1966; Lucien Rey, "Dossier of the Indonesian Drama", New Left Review, March-April 1966; J.M. van der Kroef, "Gestapu in Indonesia", *Orbis*, Summer 1966; also his "Interpretations of the 1965 Indonesian Coup: A Review of the Literature", *Pacific Affairs*, Winter 1970-71; Roger K. Paget, "The Military in Indonesian Politics: The Burden of Power", *Pacific Affairs*, Fall-Winter 1967-68; W.F. Wertheim, "Indonesia Before and After Untung Coup", *Pacific Affairs*, Spring-Summer 1966; Daniel S. Lev, "Indonesia in 1965: The Year of the Coup", *Asian Survey*, February 1966; Jerome R. Bass, "The PKI and the Attempted Coup", *Journal of Southeast Asian Studies*, March 1970. For a most recent treatment see Rex Mortimer, *Indonesian Communism Under Sukarno*, London, 1974, Appendix A and Appendix B, pp. 413-41.

[62] Donald Hindley, *The Communist Party of Indonesia, 1951-1963*, Berkeley and Los Angeles, University of California Press, 1966; J.M. van der Kroef, *The Communist Party of Indonesia*, Vancouver, University of British Columbia, 1965; Guy J. Pauker, *Communist Prospects in Indonesia*, Santa Barbara, Rand Corporation, 1964; also his *The Rise and Fall of the Communist Party in Indonesia*, Santa Barbara, Rand Corporation, 1969; Sheldon Simon, *The Broken Triangle*, Baltimore 1969; Arnold Brackman, *Indonesian Communism*, New York, 1963; also his *The Communist Collapse in Indonesia*, New York, 1969.

Mortimer's *Indonesian Communism under Sukarno*, 1974. Unlike the PKI, the other political parties had been more or less seriously neglected as research objects by foreign scholars. One of the significant recent works on the Indonesian Nationalist Party *(PNI)* is the article of J. Eliseo Rocamora, a Cornell trained political scientist from the Philippines, "Partai Nasional Indonesia, 1963-1965", which appeared in the October 1969 issue of *Indonesia*. A few works had also been written on the Islamic parties, notably the Partai Muslimin Indonesia *(Parmusi)*, established in the latter part of the 1960's. There was an article by Allan A. Samson about this party, "Islam in Indonesian Politics", in the December 1969 issue of *Asian Survey*. But a more detailed account about the formation of this party can be found in Ken Ward's *The Formation of the Partai Muslimin Indonesia*, 1970. One of the very few works which discuss Indonesian political parties in general was Daniel S. Lev's "Political Parties in Indonesia" which appeared in the March 1967 issue of *Journal of Southeast Asian History*. However, serious discussions on party politics can be found in the standard general works.

The political biography of the late president Sukarno has also attracted a number of writers. His own autobiography as told to Cindy Adams, published in 1965, has attracted the attention of scholars and politicians alike. But the first serious scholarly work, was written by a West German historian Bernhard Dahm, appeared in German in 1966, and was translated with some revisions into English in 1969 under the title of *Sukarno and the Struggle for Indonesian Independence*. In this book Dahm studies the development of Sukarno's political career together with his political thoughts through a cultural approach. Willard Hanna, Donald E. Weatherbee and Louis Fischer had also written works studying Sukarno.[63] A recent serious works on him was written by J.D. Legge, Sukarno: *A Political Biography*, 1972. Unlike the treatment received by Sukarno, very little has been written about Indonesia's other leading political figures. There is a book on Suharto by O.G. Roeder, *The Smiling General*, 1969, and an article on Tan Malaka by Rudolf Mrazek in 1972.[64]

Only a very few works have been written on Indonesian elections such

[63] Willard Hanna, *Bung Karno's Indonesia*, New York, 1960; Donald E. Weatherbee, *Ideology in Indonesia: Sukarno's Indonesian Revolution*, New Haven, 1966; Louis Fischer, *The Story of Indonesia*, New York, 1959; also Cindy Adams, *My Friend the Dictator*, Indianapolis, 1967.

[64] Rudolf Mrazek, "Tan Malaka: A Political Personality's Structure of Experience", *Indonesia*, October 1972.

as by Herbert Feith, van Marle, and Masashi Nishihara.[65] Ken Ward's *The 1971 Elections in Indonesia: An East Java Case Study*, 1974, is probably the first really intensive study of our second general election.

The problem of decentralization or regional autonomy has also attracted the attention of a few scholars. Gerald S. Maryanov's *Decentralization in Indonesia as a Political Problem*, 1958, and J.D. Legge's *Central Authority and Regional Autonomy in Indonesia*, 1961, are two of them.

Some scholars had also paid serious attention to ideology or political thinking such as Donald Weatherbee and Jeanne S. Mintz.[66] Herbert Feith and Lance Castles edited a book, *Indonesian Political Thinking, 1945-1965*, containing numerous writings by Indonesians covering various aspects. In a recent book edited by R. William Liddle, *Political Participation in Modern Indonesia*, 1973, several scholars try to address themselves to this phenomenon of political participation.

There are also several works on Indonesia foreign relations or policy. In 1960, A.M. Taylor wrote his *Indonesian Independence and the United Nations*, while Franklin B. Weinsteni's *Indonesia Abandons Confrontation* was published in 1969. The latter book discusses the change in Indonesia's foreign policy toward Malaysia after the fall of Sukarno. Another significant contribution is the newly published book of J.A.C. Mackie, *Konfrontasi*, 1974.

As can be seen above, most of the scholarly works on Indonesia which could be of great value to those who are interested in studying Indonesian politics have been written in English. Only very few had been written in Dutch. In addition, there have also been a small number of serious works on Indonesian politics written in other foreign languages such as French, Russian, Japanese, Chinese and German. Bernhard Dahm's previously mentioned work on Sukarno is one of them, while A. von Arx's *L'evolution Politique en Indonesie de 1900-1942*, published in 1949, is another. For several years the Center of Documentation on Modern Indonesia of the Royal Institute of Linguistics and Anthropology

[65] Herbert Feith, *The Indonesian Elections of 1955*, Ithaca, Cornell Modern Indonesia Project, 1957; A.van Marle, "Indonesian Electoral Geography under Orla and Orba", in Oey Hong Lee, ed., *Indonesia After the 1971 Elections*, London Kuala Lumpur, Oxford University Press, 1974; Masashi Nishihara, *Golkar and the Indonesian Elections of 1971*, Ithaca, Cornell Modern Indonesia Project, 1972. See also R. William Liddle, "Evolution from Above: National Leadership and Local Development in Indonesia", *Journal of Asian Studies*, Feb. 1973.

[66] Donald E. Weatherbee, *op cit;* Jeanne S. Mintz, *Mohammed, Marx and Marhaen: The Roots of Indonesian Socialism*, New York. Praeger, 1965.

at Leiden, the Netherlands, has published a very useful journal called *Excerpta Indonesia* containing abstracts of selected periodical articles and annotations of selected books on Indonesia in the field of the social sciences and humanities from all over the world, including Indonesia. Through each issue (two a year) we can learn from it about new works on Indonesia, including Indonesian politics, from everywhere and originally written in different languages.

Some Concluding Remarks

Political science has gone through a very difficult process of development in Indonesia. It has been one of the most neglected fields in the social sciences. For understandable reasons, the Indonesian government gave higher priority to the development of other fields such as economics and public administration (administrative sciences). Political science has lagged behind. In fact, sometimes it discovered itself being surrounded by a cloud of suspicion originating from the increasingly sensitive political situation, notably during the Guided Democracy system. Political discussion and with that political research, has often been restricted.

Despite some signs of improvement in the last few years, it still has a long way to go before it can reach a respectable position. This problem can be clearly seen in the very small number of serious scholarly works in this field, including Indonesian politics, that have been written by Indonesia's own political scientists. Ironically, our knowledge about Indonesian politics has been immensely influenced by the numerous scholarly works written by foreigners, notably from the United States, Australia and the Netherlands.

One of the major problems faced by political science in Indonesia up to this date is its teaching staff. As we have discovered only a small minority of the estimated 51 members of the permanent teaching staff within political science proper found in the previously mentioned six state universities had the opportunity to pursue further study abroad, mostly in the United States. Among them only one had a Ph.D. degree. Even though wider opportunities have been opened during the last few years, the language barrier — poor English — had prevented many from using these opportunities. Thus, the growth of foreign-trained lecturers within the permanent teaching staff will remain, for quite a while, relatively slow in many of those state universities. The situation in the two or three private universities which offer degrees in political science proper looks even gloomier.

Another major problem is the written material available for teaching. Very few textbooks on political science had been written in or translated

into Indonesian. The above mentioned foreign language barrier has more or less limited the use of foreign texts to only a very few. Very often, both lecturers and students depend a great deal on their lecture notes. This means that the content of many of the courses is limited to the old stuff, written many years ago. Very little effort has been made to widen it with new materials.

Closely related to this is the problem of developing a decent library in this field. Not only are books on political science very few, but even books on Indonesian politics are rare in many of the university libraries. The lack of funds was one of the major factors preventing them from developing and maintaining adequate collections. Mainly for that reason too, few of the teaching staff could develop their own private libraries in their respective fields of study.

This leads us to the next major problem, that is, research. Very few serious research projects in political science have been carried out successfully in the past within the university system in this country. The research institutes outside the university system, such as LEKNAS and LRKN, also appeared to have a limited output, partly because they often had only one political scientist in their research staff. At any rate, political science research in Indonesia does need to be pushed seriously and harder. That does not only mean giving more money, but also, and probably more important, producing a number of new and better qualified political scientists who could be expected to carry out this much needed political science research successfully.

However, there is at least one encouraging aspect we noted from the process of development of this field of study, that is, in the growth of its curriculum. In the department of international relations, notably at Gadjah Mada, we noticed such a growth in the appearance of numerous courses closely related to it, even though heavily dominated by the courses on diplomatic history and foreign policy. The development of the courses in the department of government at Gadjah Mada appeared, in many ways, to be very close to the curriculum of the department of political science at UI. Even though their names were different, essentially they were similar. Both of them had shown a strong tendency to develop more courses in comparative politics/government, which could eventually grow into becoming a major sub-field beside Indonesian politics/government. The increasing interest in developing regional or area studies during the last few years could, in fact, become very instrumental in making comparative politics/government al major subfield within political science proper, if not another new department.

As a sub-field political theory/philosophy was the least developed. Almost no new courses had been introduced to enrich it and, thus, enabling it to have a significant share in the curriculum. However, should this sub-field grow in the future, then we could foresee the direction of the development of the political science proper in this country into the following 4 major sub-fields:

1. Political theory/Philosophy
2. International Relations/Politics
3. Comparative Politics/Regional Studies
4. Indonesian Politics

All four of them could be integrated into a new department under the name, for example, of political science, where each of them would be fully recognized as a major field, meaning that one could obtain a *sarjana* degree by majoring in it. Knowing the prejudices of the teaching staff within each of the existing departments (that is, against the dissolution of their department), this kind of development appears to be very unlikely. Another alternative is to develop each major sub-field into a department within the *sospol* faculties (or FIS at UI), meaning rearranging the organization of each faculty. Knowing the historical development of political science proper and the *sospol* faculties (or FIS at UI) in Indonesia, this kind of development seems to be more likely. The third alternative is to put them all into a new faculty of political science, in which they would become a major field or department. Knowing that economics and administrative science developed in that direction by having their own faculties, this kind of development, though it appears less likely at this moment, cannot be completely ruled out.

However, further development of political science in this country, no matter in what direction it goes, will very much depend upon the availability of a sufficient number of better qualified political scientists who could be expected to take a serious interest in teaching and/or research. The stress should be more on quality than quantity. That has been the crux of the problem which political science has been facing from the time it was formally introduced as a field of study in the midst of the national revolution for independence up to this day.

Inter-Group Conflict and Family Size Ideals Among Filipino Muslim Women

William F. Stinner

Abstract

In recent research and theory on religious fertility differentials, the hypothesis has been advanced that when a religious subgroup occupies or perceives itself as occupying a minority status, the family size norms and actual fertility of its membership could be affected. The present research examines family size ideals of Filipino Muslim women in the southern Philippine islands of Mindanao and Sulu, sections of which have been the scene of a sizable influx of Christian settlers and attendant inter-group conflict between these settlers and indigenous Muslims. The analysis employs data drawn from a nationwide survey of 9,234 ever-married women conducted in May and June of 1972 by the Philippine National Census and Statistics Office and concentrates on a subsample of 372 Muslim ever-married women aged 15-49 in rural areas on Mindanao and Sulu. Family size ideals of Muslim women residing in predominantly Muslim provinces are contrasted with family size preferences of Muslim women residing in pluralistic provinces wherein Muslims are in the minority and sizable Christian incursions have occurred. Controls are introduced for differences in religious participation, female educational status and household income status. A lower family size ideal is found among Muslim women in the pluralistic Muslim minority setting than in the predominantly Muslim context. Although partially reduced by variations in religious participation, the above relationship cannot be fully explained by either of the control variables considered individually or collectively. The findings are discussed within the framework of the minority group-fertility thesis.

Introduction

Traditionally, research into the relationship between religious affiliation and preferred and actual family size has emphasized theological/

doctrinal and socioeconomic differences among religious subgroups as potential explanatory factors.[1] Increasingly in recent years, however, the above investigative models have been supplemented by the minority group thesis which stresses the independent explanatory efficacy of minority group status.[2] Briefly, the thesis suggests that in those societal contexts where a religious (or for that matter racial or nationality) subgroup occupies or perceives itself as occupying a minority position, its family size preferences and fertility could be affected.

For the most part, however, research into the minority group status hypothesis has been focused at the national level, thereby in a sense removed from specific subnational contexts of majority-minority contact situations and attendant uncertainty and insecurity. For example, Goldscheider and Uhlenberg employed the minority group thesis to explain the fertility patterns of blacks and Jews in the United States but conducted their empirical assessment of the thesis at the national level.[3] That variations in subnational structural milieux could interact with personal characteristics in determining the fertility response of minority group members has been articulated in recent research on United States subgroups.[4] Nonetheless, at least part of the differences which may be noted across varying structural contexts could be attributed to differential individual religious participation (and presumably differential commitment to religious doctrines respecting fertility) and socioeconomic characteristics across these diverse milieux. Moreover, whether

[1] For an overview of these two research perspectives, see Calvin Goldscheider, *Population, Modernization and Social Structure*, Boston, Mass.: Little, Brown and Company, 1971, pp. 272-284.

[2] Calvin Goldscheider and Peter R. Uhlenberg, "Minority Group Status and Fertility," *American Journal of Sociology* 74(4) (January, 1969):361-372; David F. Sly, "Minority Group Status and Fertility: An Extension of Goldscheider and Uhlenberg," *American Journal of Sociology* 76(3) (November, 1970):443-459; Goldscheider, *loc. cit.*, in footnote 1, pp. 270-298; N. Krishnan Namboodiri, "The Integrative Potential of a Fertility Model: An Analytical Test," *Population Studies* 26 (3) (November, 1972):478; Robert E. Kennedy, Jr., "Minority Group Status and Fertility: The Irish," *American Sociological Review* 38(1) (February, 1973):85-96; P. Neal Ritchey, "The Effect of Minority Group Status on Fertility: A Reexamination of Concepts," *Population Studies* 29(2) (July, 1975):249-257.

[3] Goldscheider and Uhlenberg, *loc. cit.*, in footnote 2.

[4] Sly, *loc. cit.*, in footnote 2; Ritchey, *loc. cit.*, in footnote 2.

the individual response emanating from a conflict situation is pro- or anti-natalist remains problematic.

The present exploratory investigation examines the potential influence of diversity in structural context on ideal family size and the extent to which the differences are attributable to variations in individual religious participation and socioeconomic characteristics. The study focuses on Muslim women in the Southern Philippines delineated on the basis of whether they live in a predominantly Muslim context or a pluralistic context wherein they are in a demographic minority. Moreover, the pluralistic context has been the scene of substantial intergroup conflict associated with the massive influx of Christian settlers and the attendant problems of land ownership.[5] Two basic questions are addressed: (1) Are there differences in the family size ideals of Muslim women in the predominantly Muslim and pluralistic contexts, respectively? And if so, (2) to what extent are the above differences attributable to variations in individual religious participation and socioeconomic characteristics?

Data and Methods

The data for this analysis originated from a nationwide survey of 9,234 ever-married women conducted in May and June of 1972 by the Philippines National Census and Statistics Office. This particular investigation focuses on a subsample of 372 rural Muslim ever-married women aged 15-49 and residing in selected areas of the southern islands of Mindanao and Sulu.

The primary independent variable in this study, structural context, is measured by a dichotomous variable developed from an aggregation of provinces in the study area.[6] Provinces were aggregated on the basis of the percentage of Muslims in the total provincial population at the time

[5] A more detailed discussion of the setting is presented in William F. Stinner and Paul Douglas Mader, "Government Policy and Personal Family Planning Approval in Conflict Settings: The Case of the Muslim Minority in the Southern Philippines," *Population Studies* 29(1) (March, 1975):54. See also the relevant citations in footnotes 6 and 7 of that article.

[6] The main limitation in this aggregation procedure is that the aggregation is done at the *province* level, while respondents were asked to provide the ideal family size for the average couple in their *local community* of residence. Scarce resources prevented a full-scale community-level analysis. Nevertheless, an examination of data on percent Muslim for sample municipalities revealed no marked deviations from the boundaries of the dichotomous variable in this analysis.

of the 1960 census.[7] The foregoing procedure produced the following dichotomous assignation of provinces: (1) predominantly Muslim areas (provinces with 94 percent Muslim or higher) — Lanao del Sur and Sulu; and (2) pluralistic — Muslim minority areas (provinces with 20-35 percent Muslim) — Cotabato, Lanao del Norte and Zamboanga del Sur.[8]

The three control variables included in the analysis are religious participation, female educational status, and household income status. Religious participation is operationalized by the number of times the respondent attended religious services and trichotomized as follows: (1) higher — more than once per week; (2) medium — once per week; and (3) low — less than once per week. Female educational status is measured by the number of years of formal educational attainment: (1) high — five years or more; (2) medium — 1-4 years; and (3) low — no formal educational attainment. Household income status is operationalized by the annual income of the household (in pesos) from all sources and is trichotomized as follows: (1) high — 3000 pesos or more; (2) medium — 1000-2999 pesos; and (3) low — less than 1000 pesos.

The dependent variable in this investigation was drawn from a question on the survey eliciting the respondent's perception of the ideal family size for an average family residing in her community of residence. This variable is measured as a continuous variable.

The analysis is conducted in three phases. The first phase centers on an assessment of the difference in ideal family size between Muslim women in predominantly Muslim and pluralistic Muslim minority settings. The second segment of the investigation consists of a bivariate analysis of the relationship between each of the control variables and ideal family size, as well as an analysis of the relationship between structural context and religious participation, female educational status, and household income status. The third section of the study uses a dummy variable regression format to determine the extent to which the relation-

[7] This research is part of a larger investigation which began prior to the publication of the 1970 census results. Data from the 1970 census suggest no change in the resulting dichotomous array of provinces.

[8] Seven provinces in Mindanao (provinces with fewer than six percent Muslim in 1960) were excluded from the analysis because the combined number of sample Muslim women in these provinces was too small for meaningful analysis. This procedure eliminated only nine Muslim women from the study.

ship between structural context and family size preferences is modified with individual and simultaneous controls on the three control variables. The regression equation for the full model is as follows:

$$Y = a + b_1(S) + b_2(HR) + b_3(MR) + b_4(HE) + b_5(ME) + b_6(HI) + b_7(MI) + e$$

where

Y = family size preference
S = structural context (predominantly Muslim = 1)
HR = high religious participation
MR = medium religious participation
HE = high female educational status
ME = medium female educational status
HI = high household income status
MI = medium household income status
e = error term

For each of the trichotomous variables, the "low" category is suppressed.

Findings

Table 1 contains a breakdown of ideal family size for the independent variable, structural context, as well as the three control variables, namely religious participation, female educational status, and household income status. Ideal family size for Muslim women residing in predominantly Muslim areas is nearly two children higher than for Muslim women living in the pluralistic setting (6.67 vs. 4.85) and the relationship is significant beyond the .001 level of probability. In fact, in data not presented here, the average ideal family size for Muslim women in the pluralistic setting is slightly less than that of Catholic women in the same setting (5.07).

Among the control variables a direct relationship is found between religious participation and household income status and ideal family size, while an inverse relationship is uncovered between female educational status and ideal family size. Muslim women with high levels of religious participation enunciated an average ideal family size for their community of residence of approximately seven children, contrasted with 4.75 for Muslim women with low levels of religious participation. The average ideal family size for women from high income households is slightly more than one child higher than for women from low income households

Table 1

Mean ideal family size for community of residence by selected characteristics: rural ever-married Filipino Muslim women aged 15-49 and residing in sections of Mindanao and Sulu, 1972.

Selected Characteristics	Mean Ideal Family Size	N	Significance Levels F	d.f.	P
Structural context					
Predominantly Muslim	6.67	174			
Pluralistic-Muslim minority	4.85	198	72.80	1,370	<.001
Religious participation					
High	6.97	159			
Medium	4.76	121			
Low	4.75	92	57.58	2,369	<.001
Female educational status					
High	5.02	62			
Medium	5.60	74			
Low	5.92	236	4.10	2,369	< .05
Household income status					
High	6.07	117			
Medium	6.04	137			
Low	4.95	118	10.17	2,369	<.001

(6.07 vs. 4.95). Finally, the average ideal family size for Muslim women with high educational status is 5.02, compared with 5.92 for Muslim women with no formal educational attainment. The relationships between religious participation, household income status and ideal family size are statistically significant beyond the .001 level of probability, while the relationship between female educational status and ideal family size is significant beyond the .05 level of probability.

An examination of the relationship between structural context and each of the control variables is presented in Table 2. A quick overview reveals that Muslim women in the pluralistic setting tend to have lower levels of religious participation, education and household income than those Muslim women residing in the predominantly Muslim milieu.

Thirty-five percent of Muslim women in the pluralistic setting have low levels of religious participation compared to slightly less than 13 percent

Table 2

Religious participation, female educational status and household economic status by structural context: rural ever-married Filipino Muslim women aged 15-49, and residing in sections of Mindanao and Sulu, 1972.

Selected Characteristics	Structural Context: Predominantly Muslim	Structural Context: Pluralistic-Muslim minority
Religious participation	100.0%	100.0%
High	65.0	23.2
Medium	22.4	41.4
Low	12.6	35.4
Female educational status	100.0%	100.0%
High	19.5	14.1
Medium	23.6	16.7
Low	56.9	69.2
Household income status	100.0%	100.0%
High	40.8	23.2
Medium	44.3	30.3
Low	14.9	46.5

Note: Religious participation: $X^2 = 67.29$; d.f. = 2; $p < .001$; gamma = .62
Female educational status: $X^2 = 6.04$; d.f. = 2; $p < .05$; gamma = .23
Household income status: $X^2 = 43.00$; d.f. = 2; $p < .001$; gamma = .48

of Muslim women in the predominantly Muslim setting. Sixty-nine percent of Muslim women in the pluralistic context have had no formal educational attainment as opposed to 57 percent of Muslim women residing in the predominantly Muslim context. Nearly 47 percent of the Muslim women in the pluralistic setting live in low income households, contrasted with about 15 percent of Muslim women in the predominantly Muslim context. The chi-squares for religious participation and household economic status are statistically significant beyond the .001 level of probability, while that for female educational status is statistically significant beyond the .05 level of probability. The highest degree of association is found for religious participation (gamma = .62) and the lowest for female educational status (gamma = .23), with that of household economic status located between the above two (gamma = .48).

In summarizing the above findings, we can note the following: (1) a statistically significant relationship between structural context and ideal family size; (2) statistically significant relationships between each of the

control variables and ideal family size; and (3) statistically significant relationships between structural context and each of the three control variables. Given the fact that the three control variables are related to both the independent and dependent variables, we are in a position to determine the extent to which the original bivariate relationship between structural context and ideal family size is modified through the simultaneous employment of the three control variables, individually and collectively.

Table 3 presents the summary statistics for the regression of ideal family size on structural context, controlling for religious participation, female educational status and household income status. The zero order correlation coefficient between structural context and ideal family size is .40.

Table 3

Multiple regression analysis including ideal family size and structural context, controlling on religious participation, female educational status, and household income status.

Variables	beta	R	R^2
Structural context	.40	.40	.16
Controls			
Income	.37*	.42	.17
Education	.43*	.45	.20
Religious participation	.24*	.53	.29
All	.26*	.56	.31

*Statistically significant (beta coefficients at least twice the standard error).

It can be seen that this is reduced only slightly with a control on household income status (beta = .37) and actually increases somewhat with a control on female educational status (beta = .43). In both cases the beta coefficient remains statistically significant. Religious participation, alone of the three control variables, produces a sizable reduction in the original bivariate relationship in the order of 40 percent (beta = .24). Nonetheless, the relationship between structural context and ideal family size remains statistically significant with the control on religious participation. When all three variables are simultaneously controlled, the beta coefficient is .26, which is statistically significant.

In summary, a reduction does occur in the statistical bivariate relationship between structural context and ideal family size with the introduction of the control variables. However, religious participation alone of the three control variables produces a sizable reduction in the strength of the original relationship. However, even with simultaneous controls on religious participation, education and income, the relationship between structural context and ideal family size remains statistically significant.

Conclusions

Two main findings emerged from the foregoing analysis. First, a lower family size ideal was found among Muslim women in the pluralistic Muslim minority context than in the predominantly Muslim setting. Second, although partially reduced by variations in religious participation, the above relationship could not be fully explained by either religious or socioeconomic characteristics. In fact, family size ideals in the pluralistic setting were lower despite lower levels of educational attainment and income.

A previous analysis related knowledge of the national government's position on family planning and personal family planning approval to structural context.[9] A higher level of knowledge of the national government's position on family planning but also a higher level of personal disapproval of family planning was found in the pluralistic context than in the predominantly Muslim context. It was suggested that in the predominantly Muslim context a tightly knit social system may all but negate the intrusion of contrasting perspectives, as for example, the government's position on family planning. On the other hand, although the pluralistic context was possibly more propitious for the diffusion of the government's position, the inter-group conflict may have produced latent hostility to family planning, assuming its linkage to a nationally sponsored program.

A similar argument can be advanced in the present study. The tightly knit social system, assumed to be characteristic of the predominantly Muslim setting, not only impedes the effective inflow of perspectives emphasizing lower family size, but also provides a protective integument of security and certainty for childbearing. At least part of this security and

[9] Stinner and Mader, *loc. cit.*, in footnote 5.

certainty could stem from the higher degree of religious commitment found in this setting. For example, Fagley notes a strong faith in Allah's active providence and beneficent character among Muslims.[10] As such, whatever children are brought into the world by Allah, he also will provide for their sustenance. It could be hypothesized that the higher degree of religious commitment in the predominantly Muslim area is associated with a greater degree of adherence to the above perspective.

However, the fact that the relationship between structural context and family size ideals prevails despite a control on religious participation suggests that it is not only stronger theological adherence that is producing the higher family size ideals in the predominantly Muslim setting. Rather, it can be conjectured that a more cohesive social organization pervades the predominantly Muslim context and, likewise, a higher degree of what Lenski labels communal involvement, i.e., a distinct subcommunity in the true sense of the word.[11] O'Dea has outlined how the isolation of Mormon adherents in Utah, a total community, facilitated the retention of its distinctive religious tenets.[12] Pitcher et al. have proposed that in the Mormon context a combination of theology and a cohesive social system have provided a strong motivational context and milieu of succor for large families.[13]

On the other hand, the pluralistic context and its attendant conflict produces a climate of insecurity and uncertainty. A lower degree of religious commitment would seem to mitigate the efficacy of the fatalistic resignation to Allah's beneficent character as a relevant factor in tension reduction which might otherwise produce a pro-natalist response in a situation of intergroup conflict. Moreover, it could be argued that the lower family size ideals in the pluralistic setting reflect a diminish-

[10] Richard M. Fagley, "Doctrines and Attitudes of Major Religions in Regard to Fertility," in United Nations (ed.), *World Population Conference, 1965*, Volume II, 1967, p. 81.

[11] Gerhard Lenski, *The Religious Factor*, New York: Doubleday, Anchor Books, 1961, pp. 21-24.

[12] Thomas O'Dea, *The Mormons*, Chicago, Ill.: University of Chicago Press.

[13] Brian L. Pitcher, Evan T. Peterson and Phillip R. Kunz, "Residency Differentials in Mormon Fertility," *Population Studies* 28(1) (March, 1974):143-151. See also D.W. Hastings, C. Reynolds and R. Canning, "Mormonism and Birth Planning: The Discrepancy Between Church Authorities, Teachings and Lay Attitudes," *Population Studies* 26(1) (March, 1972):19-28.

ment of Islam as a way of life. In this respect, it is noteworthy that Pitcher et al. found Mormon couples living in a non-Mormon environment to have smaller families than Mormons in Utah.[14]

In conclusion, an essential paradox appears to emerge from these two studies of Filipino Muslims. Muslim women in pluralistic settings exhibit a lower family size ideal than their counterparts living in predominantly Muslim contexts; however, despite greater awareness of the national government's position on family planning, they enunciate a higher level of personal disapproval of family planning. In fact, as already suggested, the higher level of personal disapproval might itself be linked to the perceived association of family planning with the national government.

[14] Pitcher, Peterson and Kunz, *loc. cit.*, in footnote 13.

New Order Indonesia: The Constriction Of Representation And Political Participation

Ann Gregory

Introduction

In the early years of independence of multi-ethnic nations the political elites have been recruited from both the major and minor ethnic groups. However, gradually recruitment patterns became constricted and not only were powerful positions dominated by those from the major ethnic group(s) but there was a decrease in the number of symbolic positions that had often been given to members of ethnic minorities. This phenomenon has been observed in Burma, Malaysia, the Soviet Union, and many African countries. Indonesia is similar to these countries in that recruitment into the elite has been increasingly dominated by the major ethnic group, the Javanese. Even in political parties drawing most of their support from non-Javanese groups, the top leadership gradually became dominated by Javanese. The Javanese bias of the recruitment process also influenced elite religious patterns. Most members of the elite increasingly came from the *abangan* tradition, and thereby tended to be antagonistic to the *santri*.[1] In terms of social background, Matthews' observation that political decision-makers "come from near the top of the society's system of social stratification"[2] is true of the Indonesian political elite. The purposes of this study are to ascertain the representativeness of the Indonesian political elite through an examination of elite recruitment patterns of the past and present and to analyze the effects of the widening

[1] The term *abangan* refers to those Javanese reared in variants of *Agama Jawa* (Javanese religion), which is a syncretic blend of Hinduism, Buddhism, Islam, and animism. *Abangan* Javanese come from different social and cultural traditions than do Javanese who were reared in the Islamic tradition *(santri)*.

[2] Donald R. Matthews, *The Social Background of Political Decision-Makers* (New York: Random House, 1954), p. 56.

gap between elite and mass through a study of the policies of the New Order regime toward civilian groups.

Central foci of elite theory concern why the elite is different from the mass, how it is different, how it maintains itself with changes over time, and the consequences of increasing distance between elite and mass. Gaetano Mosca, the first modern theorist in elite theory, asserted that society is divided into two classes — the rulers and the ruled.[3] The ruling class is neither representative of nor accountable to the masses, although it cannot risk too much discontent of the masses.[4] Robert Michels in his pioneering study, *Political Parties*,[5] maintained that not only are most elite members unrepresentative of the masses, using both achievement and ascriptive criteria, but in those cases where leaders have risen from lowly origins the tendency is for them to "lose all sense of solidarity with the class from which they have sprung."[6] According to Michels the long-range trend is a decreasing frequency of leaders rising from the bottom classes of society because of the widening disparities between upper and lower classes of society in modern times.[7] Comparisons between elite and mass have been made in several case studies, which illustrated the unrepresentativeness of the elite.[8] Studies have shown that the elite is not representative of the mass, but the extent to which it is not varies with the society and may be an important variable in the extent to

[3] *The Ruling Class*, ed. and rev. Arthur Livingston, trans. Hannah D. Kahn (New York: McGraw-Hill, 1939), p. 50.

[4] *Ibid.*, p. 51.

[5] *Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy*, trans. Eden and Cedar Paul (New York: Hearst's International Library Co., 1915).

[6] *Ibid.*, p. 82.

[7] Roberto Michels, *First Lectures in Political Sociology*, trans. with an intro. Alfred de Grazia (Minneapolis: University of Minnesota Press, 1949). See T.B. Bottomore, *Elites and Society* (Harmondsworth, Middlesex, England: Penguin, 1966) for a discussion of theories concerning elite representativeness. Also see William Kornhauser, *The Politics of Mass Society* (Glencoe, Ill.: Free Press, 1959).

[8] See W. Lloyd Warner et al., *The American Federal Executive: A Study of the Social and Personal Characteristics of the Civilian and Military Leaders of the United States Federal Government* (New Haven and New York: Yale University Press, 1963), p. 31; Frederick W. Frey, *The Turkish Political Elite* (Cambridge: M.I.T. Press, 1965); and Marvin Zonis, *The Political Elite of Iran* (Princeton, N.J.: Princeton University Press, 1971), p. 161.

which a government will be responsive to the needs of different groups within the society.

> The security of an elite rests in large part on the degree of its representativeness. An elite must be both *symbolically* and functionally representative. Various segments of the society must have formal opportunity for decision-making and also appear to share in the prestige of political elite status.[9]

In the Indonesian elite there has been a gradual increase in the proportion of *abangan* Javanese from 1945 to the present. The dominance of the *abangan* Javanese in the decision-making process accelerated a few years after the institution of the military regime of New Order Indonesia. It will be seen that the New Order regime has not responded positively to the demands of major societal groupings, and that it has relied upon policies intended to force consensus through control. The regime, in order to control civilian groupings, influenced the leadership selection process of political party system; and instituted a state party which was able, through governmental manipulation, to win the election of 1971. but through the mass riots of January 1974, the regime discovered that forceful attempts to build consensus through control had resulted in the declining legitimacy of the regime, even in the eyes of former strong supporters.

Recruitment Patterns of the Indonesian Elite

The Indonesian elite since independence has not only been unrepresentative of the society as a whole in terms of composition, but the trend is toward less representation rather than more. Analysis of the Indonesian elites since independence has demonstrated that the Indonesian elite has not been representative of the population in terms of sex, ethnic composition, social status, education, geographical patterns, and career patterns.[10] The number of women included in the elite decreased from several members during the early periods to none in the New Order elite. Socially, the majority of the elites consistently have come from upper

[9] Lester G. Seligman, "Elite Recruitment and Political Development," *Journal of Politics* 26 (August 1964): 621-622.

[10] See my "Recruitment and Factional Patterns of the Indonesian Political Elite: Guided Democracy and the New Order" (Ph.D. dissertation, Columbia University, 1976).

status groups, and this was reflected in the prestigious occupations of their fathers. For example, according to the 1930 census, only 3% of the population was employed in the professions and in government service, the most prestigious occupations, compared to 77% of the fathers of the New Order elite members. At the time members of the political elites were students or had finished their formal education, only 6.4% of the population was literate in any language and only .017% of the population could read and write in Dutch,[11] the language of modern education and the language necessary for career advancement during the Dutch period. Elite members had more urban origins than the general population: whereas only 2% of the population lived in cities of 100,000 or more,[12] 25% of the New Order elite were born in large urban areas.

There has been a gradual tightening up in the recruitment process. This has been particularly noticeable since 1959 when government became more authoritarian under Guided Democracy, and this process has accel erated under the New Order. In terms of politics, ethnic and religious recruitment patterns are especially salient. Indonesia is an ethnically complex country, encompassing several hundred ethnic groups, of which twenty are theoretically large enough to participate in national politics. These twenty groups differ greatly from each other in terms of their traditional systems and the nature and extent of colonial influence. Ethnically Indonesia is commonly divided into Java and the Outer Islands, and religiously among Muslims, into *santri* and *abangan*. Although the latter applies technically only to the Javanese the distinction has national political significance. The Javanese (47% of the population) and the Sundanese (15% of the population) are the major groups inhabiting Java, which is also the major island in the archipelago, in terms of population, politics and economics. The Javanese and Sundanese are in many ways similar in their cultures, although the Sundanese are more influenced by Islam. In the Javanese ethnic area Islam influenced the merchant group most, and there has always been conflict between the *abangan* and *santri;* and since the inception of the nationalist movement this conflict has permeated national politics. Most Javanese members of the elites have been *abangan,* and the proportion has been increasing; nonetheless, there are large numbers of Javanese influenced by Islam,

[11] Netherlands East Indies, *Volkstelling 1930,* 8: 111.

[12] *Ibid.*, p. 5.

especially traditional Islam, and the conservative Islamic party, Nahdatul Ulama, has most of its leadership and following from the Javanese of East Java. Almost thirty percent of the population is of Outer Island origin. Most of the Outer Islanders are from ethnic groups strongly affected by Islam; some are still animist and approximately ten percent are from ethnic groups which converted to Christianity during the colonial period. Political conflict within Indonesia has persistently reflected ethnic and religious differences. The political parties, for example, have mirrored the lines of major social, ethnic, and religious cleavage, of which religious cleavage has appeared most volatile and most resistent to attitudinal change.[13] Whereas in the earlier years of Indonesian independence both religious and regional revolts consumed much of the energy of the new government, by the New Order religious unrest had become the most important. In a recent study of the attitudes of Indonesian students it was found that they were more intense in their attitudes toward religion than ethnicity.[14]

The tightening up in elite recruitment patterns is evident in the dramatic decrease in the proportion of Outer Islanders in the elite since 1959 and in the decrease of *santri* elite members. Table 1 clearly shows that the proportion of Javans in the elite rose significantly from the beginning of Guided Democracy to the present time.

The Central Javanese are especially dominant in the elite: in the New Order they encompass 44% of the elite compared to around 28% of the population. The proportion of Javanese in the elite is not only high, but elite political culture has become increasingly Javanized. Outer Islanders who make it into the ranks of the elite have usually become Javanized. Sometimes this process began at birth; for example, almost one-quarter of New Order elite members from Outer Island ethnic groups were born on Java. Most Outer Island elite members were educated in Java, usually from middle school on, pursued their careers in Java and went "home" very rarely, if at all. For example, only five of twenty-three New Order Outer Island elite members have close ties with their home areas. Many

[13] Three of the major parties have been Java-based, one appealing mainly to high status *abangan* Javanese, one to low status *abangan* Javanese, and the third to *santri* Javanese. The fourth major party, a modernist Islamic party, had most of its following in the Outer Islands; many Sundanese, however, were followers of this party.

[14] Donald K. Emmerson, "Exploring Elite Political Culture in Indonesia: Continuity and Change" (Ph.D. dissertation, Yale University, 1972), pp. 430,-438.

Table 1

JAVA AND OUTER ISLAND REPRESENTATION IN THE POLITICAL ELITES FROM THE REVOLUTION TO THE NEW ORDER
(in percentages)

Ethnic Areas	Revolution	1945-1959 Parl. Dem.	Transi.	1959-1976 Guided Dem.	New Order
Java	64	67	68	80	79
Outer Island	32	32	32	20	20
Total	(222)	(160)	(53)	(64)	(114)

SOURCE: Adapted from my "Recruitment and Factional Patterns," pp. 109-110.

NOTE: The percentages do not add up to one hundred, since the elite members from non-indigenous groups, i.e. the Chinese, were not included in the above table.

achieved their first "success" in Jakarta in national politics, not in the region. In order to succeed in politics, whether civilian or military, a person from the Outer Islands not only must have close contacts in Java, but must become, at least to some extent, Javanized. A high proportion have married women from Java, which undoubtedly aided them in their resocialization.

Javanese, especially Central Javanese, monopolize positions of power, whereas in the early political periods Outer Islanders were prominent in politics, both military and civilian. Many of the early prime ministers, political party and military leaders were of Outer Island origin, but by the New Order most of the elite members from the Outer Islands were appointed to positions so as to represent the Outer Islands symbolically. In the New Order there has been a persistent trend for the decreasing representation of the Outer Islands. In the early days of the New Order, before the regime had consolidated its power, Outer Islanders not only had many symbolic representatives, but some also held positions of power. But after the regime consolidated and stabilized itself those Outer Islanders who held powerful positions in the early days of the New Order were gradually retired or were transferred to less powerful positions. The regime also felt less need for symbolic representatives from the Outer

Islands, and the proportion of Outer Islanders in the elite began to decrease further. The leaders of the Soeharto military faction can serve as an example of Central Javanese dominance. These leaders were from Central Java and from the Central Java army division. Almost every member of this faction was *abangan*, and antagonistic to, or unsympathetic with, the *santri*. These leaders identified strongly with the Javanese culture, and most of their lives were spent in Central Java.

Dominance of one ethnic group in the elite has been indicated in studies of other countries. In Kenya it was found that the Kikuyu, who comprise twenty percent of the population, monopolize the ranks of the national political elite, the civil service, and the state enterprises; their proportion of the army leadership is increasing.[15] It is also common for an ethnic group to dominate leadership positions in the armed forces. In Burma and Malaysia the major ethnic groups, the Burman and Malay respectively, dominate the armed forces.[16] In the military elites of Czechoslovakia and Pakistan, leadership is concentrated in the Czech and Punjabi ethnic groups respectively, and the representation of these ethnic groups is greater than their proportion of the population would warrant.[17] In Uganda one ethnic group, the Acholi, was the largest group in the armed forces, although they were one of the smaller ethnic groups according to population.[18] Indonesia, therefore, resembles several other countries in

[15] Dennis Dresang, "Ethnic Representation and Development Representation: A Comparative Study of Kenya and Zambia," paper presented at the 71st meeting of the American Political Science Association, Chicago, 28 August-2 September 1974, pp. 4, 7-8.

[16] James F. Guyot, "Efficiency, Responsibility and Equality in Military Staffing: The Ethnic Dimension in Comparative Perspective," *Armed Forces and Society* 2 (Winter 1976): 291-304. Also see Cynthia H. Enloe, "Malaysia's Military in the Interplay of Economic and Ethnic Change," paper presented to the New England chapter of the Association for Asian Studies meeting, Hartford, November 16, 1975 and James F. Guyot, "Ethnic Segmentation in Military Organizations: Burma and Malaysia" in *Political-Military Systems: Comparative Prespectives*, ed. Catherine McArdle Kelleher, Sage Research Progress Series on War, Revolution, and Peacekeeping, vol. 4 (Beverly Hills and London: Sage, 1974), pp. 27-37.

[17] See Jaromir Cvrcek, "Social Changes in the Officer Corps of the Czechoslovak People's Army," in *Military Profession and Military Regimes: Commitments and Conflicts*, ed. Jacques van Doorn (The Hague and Paris: Mouton, 1960), p. 108 and Khalid B. Sayeed, "The Role of the Military in Pakistan," in *Armed Forces and Society: Sociological Essays*, ed. Jacques van Doorn (The Hague and Paris: Mouton, 1968), p. 276.

[18] Ali A. Mazrui, "Soldiers as Traditionalizers," *World Politics* 28 (January 1976): 261.

that recruitment into elite ranks is disproportionately from one ethnic group.

The increased proportion of Javanese in the elite resulted also in the increased proportion of *abangan* elite members. The Javanese elite members have been recruited mainly from high social status origins, and upper status Javanese have traditionally been antagonistic to Islam. In the early periods Islamic politicians were very influential and Islamic parties controlled several cabinets, but the power of these parties and their leaders declined, especially after the advent of the more authoritarian and more Javanese governments of Guided Democracy and the New Order. The lack of responsiveness of the New Order regime toward political Islam will be discussed in the following section.

The elite, therefore, has gradually become less heterogeneous, a process which has been hastened by the erosion of civilian rule. The military is more Javan and *abangan* than the political parties, which dominated politics until the late 1950s. By that time the Indonesian army had evolved from a heterogeneous organization containing diverse segments from the Outer Islands, lower status groups, and politically left and *santri* groups into an army dominated by Central Javanese, mainly *abangan* and from upper status origins.[19]

Governmental Political Policies in the New Order: Consensus through Control

In 1965 anti-Sukarno and anti-Communist groups and political parties, especially the religious parties, cooperated with military leaders in the establishment of a new government, which initially was a broadly-based military-civilian partnership. The alliance of these groups sprang from their common opposition to Sukarno's policies and their fear of the popular strength of the Communist party, which appealed to so many lower status *abangan* Javanese. The takeover of the government by the New Order forces was not wholly approved by all segments of the military. In fact the years from 1965 to 1967 may be described as a period of sub-civil warfare.[20] The pro-Sukarno groups in the military and civilian sectors were fairly strong. The New Order military regime was

[19] See Gregory, "Recruitment and Factional Patterns," chap. 5.

[20] For an innovative typology of the conditions of military takeover see Ann Ruth Willner, "Perspectives on Military Elites as Rulers and Wielders of Power," *Journal of Comparative Administration* 2 (November 1970): 264-265.

initially supported by various student and intellectual groups, Islamic and Christian political parties and groups, and factions of some of the other parties. Those who favored the continuation of Guided Democracy included some military groups, radical political parties, and student and intellectual groups aligned with the more radical political parties. During these first few years of the New Order, when Soeharto had not yet succeeded in wielding control over the military, the civilian groups in the alliance were able to pressure the regime into granting some of their demands. But by 1968 Soeharto had brought "cohesion" within his own house, and the energy of the regime began to be concentrated on exerting control over civilian organizations. The alliance between Soeharto and most of the civilian groups withered by the end of the 1960s. Soeharto's policies toward the civilian political sector were: 1) to exercise control over the political parties and 2) to create a state party which would be successful in contesting elections, thereby ensuring a docile parliament.

Control Over the Political Parties

The main policy of the regime toward political parties was to prevent them from developing the strength necessary to pose a threat to military rule. In the beginning, the Soeharto regime sought to end the leadership of pro-Sukarnoist figures in the nationalist parties and prevent strong, ideologically-motivated Islamic leaders from ascending to leadership in the Islamic parties. Then as the military regime grew stronger, through active interference with the parties, the government was able to insure the election or governmental appointment of weak, accommodationist leaders. Of all the political parties the Parmusi, the party of modernist Islam, was the most severely circumscribed. The Soeharto faction in the military is very suspicious and antagonistic to political Islam, especially its non-Javanese variety, modernist Islam, exemplified in the former Masjumi party[21] and continued by its successor, the Parmusi. Ironically the Islamic civilian groups that were the closest allies of the military in the early New Order days were those associated with the modernist Islamic movement. On the rationale that the Masjumi was the first victim of Guided Democracy and the growing strength of the Communist Party at that time, and that its supporters were among the vanguard of the New

[21] Masjumi was dissolved in 1960 after its refusal to agree to Guided Democracy. Many party leaders, including its chairperson, Mohammad Natsir, had joined the regional rebellion in 1958. The area of its strongest backing, West Sumatra, was a major center of the rebellion.

Order, former Masjumi members and supporters attempted soon after the onset of the New Order to arrange for the "rehabilitation" of Masjumi. However in January 1967 Soeharto announced that the Masjumi could not be "rehabilitated." Representatives from Islamic and educational groups, of which most had been organizational members of Masjumi, then set up a committee to negotiate with the government for the establishment of a new party. Many months elapsed before the government would allow the Parmusi to be set up, during which time frequent negotiations were conducted between this committee and military leaders and advisors of Soeharto. The stumbling blocks always revolved around the inclusion of former Masjumi figures in the leadership lists submitted to the military authorities. Soeharto told the committee in February 1968 that there could be no Masjumi leaders on the first Parmusi board; he evidently also told them that when the Parmusi held its first congress the party would be free to elect former Masjumi leaders.[22] A new committee was formed and it was decided by this committee that they should comply with the government's demand, and a new list was submitted which contained no names of Masjumi leaders. Parmusi was finally launched that month.[23] During the months before the party congress in November 1968 the Parmusi was handicapped in its efforts to mobilize mass support because their leaders were not well-known figures; it was understood by many, though, that the situation would be remedied at the first congress.

Before the congress the Parmusi was quite united; it was understood by all that the Masjumi leaders would be elected and reports from virtually every province indicated that this was desired. But on October 28, after most of the delegates to the party congress had already left Jakarta for Malang, where the congress was taking place, Parmusi leaders met with Soeharto and were shocked to hear his decision that no Masjumi leaders could be elected to the central board.[24] In addition, Soeharto's military advisor, Brigadier General Ali Moertopo, indicated who the government

[22] My knowledge of this is based upon interviews and conversations with some of those involved in the negotiations. Also see K.E. Ward, *The Foundation of the Partai Muslimin Indonesia* (Ithaca, N.Y.: Cornell University, Modern Indonesia Project Interim Reports, 1970) and Allan Arnold Samson, "Islam and Politics in Indonesia (Ph.D. dissertation, University of California, Berkeley, 1972).

[23] See *Operasi*, 21 February 1968.

[24] Samson, "Islam and Politics," pp. 72-73.

wanted to be elected to leadership positions and which leadership positions they should occupy. None of the people recommended were well-known outside the central organization. The Parmusi central board was afraid of a revolt at the conference, and requested one of their members, an upper status Central Javanese, who had close rapport with Soeharto and his advisors, to stay behind for a few days to negotiate with the government. This leader was able to wring some concessions from Ali Moertopo; two lesser known Masjumi figures would be allowed to serve on the board. Feeling at the congress ran high, and it defied Soeharto and elected Mohammad Roem, a well-known Masjumi leader, as general chairperson. The government refused to recognize the new executive board.

For the next year there were two party boards, one recognized by the party and the other, the first central board, recognized by the government.[25] Various attempts were made by the party leaders to obtain clearance from the government for the new board, but without success. In the latter part of 1970 the first central board, which had become less accommodationist, established a Masjumi-dominated committee to nominate the Parmusi slate for the 1971 general election; eighty percent of the candidates selected were Masjumi figures.[26] The army opposed Masjumi dominance in the Parmusi, and, after the announcement of the candidates, the government sponsored a coup led by two unpopular accommodationist leaders.[27] But the two accommodationist leaders were unsuccessful in convincing leaders to serve on their new board.[28] Soeharto insisted that he be allowed to solve the "dispute" within the party, and appointed Mintaredja, an accommodationist, as leader who did not even have the support of his mass organization, and then Soeharto

[25] On this issue see the following articles: *Abadi*, 14 December 1968, 1 May 1969, and 7 November 1969; *Berita Yudha*, 15 November 1968, 25 November 1968; *Operasi Digest*, 18 November 1968, 19 November 1968, 25 November 1968, and 2 January 1969; *Angkatan Bersendjata*, 23 November 1968; *Harian Kami*, 11 November 1968; Rosihan Anwar in *Kompas*, 14 November 1968; Taufik Ismail in *Harian Kami*, 15 November 1968; and Wiratmo Soekito in *Harian Kami*, 13 November 1968.

[26] Samson, "Islam and Politics," pp. 82-83.

[27] *Ibid.*, pp. 84-85 and *Pedoman* editorial, "Now It Is the Turn of the PMI," 20 October 1970.

[28] *Antara*, morning ed., 20 October 1970.

proceeded to appoint other members of the new board.[29] Several of them refused to serve; the first central board decided not to recognize the presidential decision, and announced that all echelons of the party were non-active.[30] The controversy extended for some weeks; Islamic and non-Islamic leaders and mass organizations pressured the government to rescind the presidential decision. A compromise was finally reached between Mintaredja and Djarnawi, the general chairperson of the first board, in which Mintaredja agreed to four demands: 1) a party advisory council would be formed, to which the Djarnawi board would be appointed; 2) the Mintaredja board would not form rival executives in the regions; 3) the names of the candidates for the election would not be tampered with; and 4) a party congress would be held after the general elections.[31] A week later Mintaredja, with army backing, broke the first part of the agreement, and refused to appoint an advisory council.[32] Then soon Mintaredja broke the second and third parts, and, to date, a party congress has not been held.

The military regime was successful in eliminating Masjumi influence in the Parmusi, and through the army's policies a potentially influential party was reduced to a minor party, led by accommodationists who were dependent upon the military for their positions.[33] The government not only blatantly interfered in the Parmusi, but in other political parties as well, in which their strategy favored the selection of weak, accommodationist leaders.[34]

The second major strategy of control was to force the political parties to federate, which would enable the government to further control the

[29] *Antara*, 15 November 1970 and afternoon ed., 21 November 1970.

[30] *Abadi*, 23 November 1970.

[31] *Indonesia Raya*, 23 December 1970.

[32] *Indonesia Raya*, 30 December 1970.

[33] For articles concerning the coup and Soeharto's subsequent appointment of Mintaredja (other than those already cited) see: *Kompas*, 19 October 1970, 3 November 1970, 24 November 1970 and 25 November 1970; *Harian Kami* editorial, 19 October 1970 and editorial of 20 October 1970; *Antara* 20-21 October 1970, 24 October 1970, 27 October 1970, 19 November 1970, 24 November 1970, 16 December 1970, 26 December 1970; *Indonesia Raya*, 27 October 1970; *Warta Harian*, 24 November 1970; and *Angkatan Bersendjata*, 25 November 1970.

[34] For a forceful negative reaction to the exercise of power by the military in the political parties, see "The Government and the PSII" by Jusuf Wibisono, *Abadi*, 8 January 1973.

political parties. Beginning in 1970 Soeharto placed pressure on the political parties to merge into two groups. The parties would divide into two groups: one Islamic and the other non-Islamic; these groups, however, were fairly moribund until 1972. After the elections in 1971 Soeharto again placed pressure upon the political party leaders, and announced that these two groups and Golkar, the state party, would contest the projected elections, set for 1976,[35] later changed to 1977. The two groups finally formed federations by 1973 after long and intense pressure was placed upon them. Since the fusion the government, through the regional army commanders, has attempted to ensure that the regional boards are controlled by accommodationists.[36]

The most damaging measure of control the military government promulgated was the decision to forbid the establishment or continuance of any political organization, including Golkar, in the villages and other lesser centers. The rationalization was that political parties had upset the traditional harmony of the village, and that in order to develop Indonesia the villages should be depoliticized. Golkar was not affected by this measure, since the main Golkar stalwarts, the local military and civil administration, were in the villages, and there also was no core of Golkar support in the villages, but the parties were severely damaged by this regulation.

The Creation of a State Party

In the literature there are theoretical arguments that a military regime needs to develop a political apparatus in the form of a mass movement or political party in order to help it attain legitimacy and provide for the articulation and aggregation of interests. Morris Janowitz said that if the military is to succeed in providing national leadership and engendering mass support for its progress, it must "develop a political apparatus outside of the military establishment but under its direct domination."[37] Samuel Huntington also stressed the need for military regimes to develop political institutions, including parties, but dwelled at length upon the

[35] See *Suara Karya*, 8 October 1971 and *Berita Buana*, 9 October 1971.

[36] For discussion of the attempts of the government to force the fusion of political parties see the following articles: Nono Anwar Makarim in *Harian Kami*, 19 March 1970; *Topik*, 21 March 1970; Burhan Magenda; "Matching Cunning in the Regions?" *Harian Kami*, 1 October 1972; and Burhan Magenda, "A Late Starter," *Harian Kami*, 16 July 1973.

[37] *The Military in the Political Development of New Nations: An Essay in Comparative Analysis* (Chicago and London: University of Chicago Press, 1964), p. 29.

difficulty the military faced in developing these institutions, mainly because of the attitudes of the military toward political conflict and the process of development.[38]

> Theirs is a "non-political model of nation building" which fails to recognize the conflicts of interests and values inherent in any society, but particularly prevalent in one undergoing rapid social change, and which consequently makes no provision for mediating conflict and reconciling interests.[39]

Feit emphasized the need for ideologies to be created by the military regimes in order for institutionalization of the regimes to be effected and in order to lend the regimes legitimacy and tie the ruled to the rulers.[40] As a qualification to the need for a mass movement or party to be organized by a military regime, Ann Ruth Willner stated that the dimensions of mobilizing mass support and of building political organizations can be separated, and that a charismatic leader can have mass support without a political organization; Willner revised the Janowitz thesis by holding that "sustained mass support of a military regime will depend upon its success in developing a political apparatus outside the army."[41] It has been observed that military regimes often align themselves with the bureaucracy,[42] influenced by shared characteristics of the civil bureaucracy and the military, such as the obsession with order, rules, direction, and hierarchy.[43]

The Indonesian military, like its counterparts in Pakistan, Thailand, and the Republic of Korea, felt the need to establish a political movement, although several years passed after the inception of the military

[38] *Political Order in Changing Societies* (New Haven and London: Yale University Press, 1968), pp. 237-263.

[39] *Ibid.*, pp. 245-246.

[40] Edward Feit, *The Armed Bureaucrats* (Boston, Houghton Mifflin, 1973), pp. 172-179 and "Pen, Sword and People: Military Regimes in the Formation of Political Institutions," paper presented at the 67th meeting of the American Political Science Association, Chicago, 7-11 September 1971, pp. 8-15.

[41] "Elites as Rulers," p. 268.

[42] See Feit, *Armed Bureaucrats* and "Pen, Sword and People."

[43] See Feit, *Armed Bureaucrats*, pp. 9, 11-14.

regime before its establishment.[44] This movement, Golkar, was to have the major purpose of providing legitimacy to the regime through a successful showing in the 1971 election; it was not designed for the articulation and aggregation of interests. The Soeharto regime, like the Ayub government in Pakistan and the Park government in the Republic of Korea, formed its alliance with the bureaucrats and technocrats, not with the "masses of the peasantry" as Huntington advocated.[45] The legitimacy of the Soeharto government decreased greatly after the 1971 election. One factor was public disgust with the regime's "bulldozing" tactics used during the election campaign. During the campaign, even after the government had "arranged" the leadership of the major political parties, the government was still afraid that the Golkar would not have a respectable showing in the election. Therefore it used the application of direct and indirect pressure down to the village level, which was levied by the regional and local military authorities and civil servants. The regime wanted to ensure that the Golkar would win a majority of votes. Another reason for the decline in legitimacy of the regime was its inability to create an ideology that would bind the people to the military government. The regime's slogans of development and modernization seemed pale to many Indonesians in comparison with the nationalist ideology of Guided Democracy. The slogans had worn thin, especially because ten years of the New Order have brought the benefits of development chiefly to those who are a part of the regime: the military, the bureaucrats, the technocrats, and those political party leaders who have been coopted by the regime. This inability or refusal of the regime to spread the benefits to more people and groups was still another reason for the regime's loss of legitimacy.

The following traces the development of the Golkar into the "government" party, its "success" at the polls, and the subsequent attempts of Golkar to create an organization.

[44] Concerning attempts of the military in these three countries to create political parties, see: Henry Bienen and David Morell, "Transition from Military Rule: Thailand's Experience," in *Political-Military Systems*, ed. Kelleher, pp. 3-26; Rounaq Jahan, *Pakistan: Failure in National Integration* (New York: Columbia University Press, 1972); C.I. Eugene Kim, "Institution-Building and Adaptation: The Case of the DRP in South Korea," paper presented at the 68th meeting of the American Political Science Association, Washington, D.C., 5-9 September 1972; and C.I. Eugene Kim, "The Military Regime of South Korea: The Past Performance and Future Prospects," paper presented at the meeting of the Inter-University Seminar on Armed Forces and Society, Chicago, 11-13 October 1973.

[45] *Changing Societies*, p. 241.

At the beginning of the New Order the military government, which was a broad coalition of military and civilian forces, did not feel the need to create a political movement of its own. Gradually the coalition became narrower as the military government stabilized and expanded its power, and popular support of the government decreased. By 1968 Soeharto felt that a date had to be set for the elections, because, according to his analysis, elections were necessary to provide legitimacy for both his government and for the military's assumption of a socio-political role. Until the middle of 1969 Soeharto and his faction could not decide how the government should contest the elections. Should they unite with the *Partai Nasional Indonesia* (PNI), the Indonesian National Party? The PNI was the party that most suited the *abangan* Javanese from Central Java, who made up the core of the Soeharto faction. Or should they create a new party, a "Soharto party?" The latter possibility was considered for some time, but the specter of the failure of a military-sponsored party, IPKI, in the 1955 elections always hung over them; other military leaders were opposed to this suggestion, mostly for the same reason. Their fears were realized by the Thai military in the 1969 elections, for which the Thai military created a political party.[46] Soeharto and his faction were not sure whether or not they could exercise control over an existing party, such as the PNI, contrary to the belief of the Ayub government in Pakistan when it used the Muslim League, which had been a well-known national party.[47] In the early months of 1969 the Soeharto faction increasingly discussed whether Golkar should be used as the state party. Golkar had been organized in 1964 as a military-sponsored organization of functional groups devised to counter the strength of the labor federation affiliated with the Communist Party. At the end of 1969 and the beginning of 1970, after the decision had been made to use Golkar, the government made structural attempts to strengthen it: 1) all functional group appointments to the regional and local assemblies had to be made by constituent Golkar boards, not by political party functional organizations; and 2) a regulation was instituted by the internal affairs minister (Lieutenant General Amir Machmud) requiring civil servants to be members of civil servant organizations and not of political parties.

The main actors in the new Golkar and in the campaign were intellectuals, civil servants, and military officers directly under the defense de-

[46] Bienen and Morell, "From Military Rule," p. 20.

[47] Jahan, *Pakistan*, p. 128.

partment, led by Lieutenant General Soemitro. Three military officers represented these groups: Ali Moertopo, the intellectuals; Amir Machmud, the civil servants; and Soemitro, the military. The intellectuals articulated the Golkar ideas of modernization and development. They were influenced by a variety of political ideas: those of Sutan Sjahrir, the late leader of the Socialist Party; those of the *abangan* Javanese, including their antagonism toward the *santri;* those of the anti-Communists in Indonesia, opposed to the extent of social and economic change which the Communists advocated; and those of American political scientists, including Janowitz and Pye, who emphasized the positive role of the military in the process of modernization, and also Daniel Bell's propogation of the "end of ideology."[48] The intellectuals thought that they would influence not only the goals of Golkar, but its tactics, and that through their participation in Golkar they would be able to influence local areas and develop cadres in these localities who would support their "modern" ideas. A young intellectual outside of Golkar castigated them for their "naiveté."

> In no province is Sekber Golkar not dominated by ABRI [the armed services]... They have the pretension that they can change Golkar from within by infiltrating it first and dominate it later on the basis of the strength of their idea and mission which is modernization... What is wrong... is the inability of these modernists to learn from past experiences... These experiences teach us that a bigger and stronger organization will devour smaller and weaker ones.[49]

The intellectuals were at a considerable disadvantage vis-a-vis the civil servants and the military, in that there was no hierarchy linking them to the regions and localities, and they were chiefly active in Jakarta and a few other main cities. The ordinary citizen had contact with local officers and civil servants, and their pitch to recalcitrant voters had nothing to do with Golkar leading Indonesia down the yellow brick road to modernization and development, but that: 1) Golkar was the government party and a vote against Golkar meant that the chaos of 1965 and 1966 could return: 2) a vote against Golkar would mean that one would receive no govern-

[48] See Ken Ward, *The Indonesian Election of 1971: An East Java Case Study* (Clayton, Victoria: Monash University, 1974), p. 37.

[49] Nono Anwar Makarim in *Harian Kami*, 12 March 1970.

ment services or jobs; and 3) that Golkar had the backing of traditional authorities.[50]

Throughout the election campaign it was evident that Golkar was a very disparate organization, with its activities ranging from Socialist Party to Parmusi to PNI sympathizers, and with conflicts also along organizational lines, i.e. the intellectuals of the Ali Moertopo group versus the civil service and military groups. This manifested itself also through conflicts among the different groups concerning candidates on the Golkar ticket. Since the Golkar leaders were opposed not only to political parties but also to ideology, considering it "traditional" and harmful to economic development, they were unable to fathom the necessity for constructing an ideology or some type of belief system that would tie the Golkar together.[51]

Golkar, mainly through manipulation and indirect and direct threats, won the election of 1971. During the election campaign its strongest competitor was the traditional Islamic party, the Nahdatul Ulama (NU), since the Parmusi had lost all of its famous leaders through government interference. The NU placed second in the election, preserving its standing in the 1955 election. Soon after the election the government began decreasing the power of the NU; for example, for the first time in years the new minister of religion was not from the NU.

After the election Golkar continued to be dominated by military officers, and factionalism among the military groups was more prominent. Military domination of Golkar has been evident on both a national and a regional level.[52] A national congress was held in 1973, which, according to reports, was beautifully orchestrated, during which no discordant notes were made by the delegates to proposals of the executive board.[53] But so far, Golkar has not become an integrated organization, with an identity separate from its disparate elements, and internal unity and organizational loyalty has not yet emerged. In 1973, for example, the government

[50] R. William Liddle, "Evolution from Above: National Leadership and Local Development in Indonesia," *Journal of Asian Studies* 32 (February 1973): 298-299.

[51] Ward, *Election of 1971*, p. 89.

[52] In the central board and national advisory council, for example, more than half of the members are from the military: of those who are involved the most heavily in Golkar military figures are the most prominent.

[53] See *Tempo*, 15 September 1973.

introduced a marriage bill in Parliament, which, according to Islamic leaders, deviated from Islamic law. The government not only faced the opposition of the Islamic political parties, but also encountered threats of revolt by *santri* Golkar representatives in Parliament. The regime was forced to modify the bill before it could be agreed upon by Parliment. Like the experience of the military regime in Thailand after the 1969 elections, the creation of a state party did not guarantee that its representatives in Parliament would not disagree with the wishes of the government.[54] Although the Indonesian military regime has not had the difficulties with Parliament that the Thai government had, the representatives have been critical of certain governmental policies, such as those toward the indigenous versus the non-indigenous entrepreneurs, the rice problem, and, of course, the draft marriage bill.[55]

Conclusions and Speculations

The military government, led by Soeharto, has been quite successful in creating a state party, controlling the political parties, and restructuring the political system, all of which improve the extent to which the government can control the civilian political structure. The government achieved an unprecedented amount of control over civilian groups; however this control did not build consensus and legitimacy for the regime and its policies, as was witnessed by the 1974 riots. By 1974 the regime had become even less representative of the major groups in Indonesian society than in the early part of the New Order. The weakness of the government's policy of tight control over civilian groups was illustrated by these mass riots. The riots were primarily a protest by students and the urban poor against governmental policies, which they regarded as rewarding the benefits of economic development mainly to the powerful, and "prostituting" Indonesia to foreign interests. The regime discovered that forceful attempts to build consensus through control was not a substitute for the development of policies which would, to some extent, be responsive to widespread demands. Therefore, governmental response to

[54] See Bienen and Morell, "From Military Rule," p. 20.

[55] See *Mahasiswa Indonesia*, third week of November 1972: *Mimbar Demokrasi* editorial; "What about Golkar Following the Parties' Fusion?" second half of January 1973; Burhan Magenda, "Getting Rid of Strayed 'Idealists,'" *Harian Kami*, 6 August 1973; and *Pedoman*, 22 December 1973.

the riots was two-pronged: first, repression of the rebellious elements, especially intellectuals, and second, the institution of policies which would begin to meet the needs expressed. The second response has not been very successful due to the strength of institutions and elite members whose interests run counter to the implementation of these policies, which would, in the long run, decrease their power and resource bases.

The emphasis in this study has been upon the increasingly narrow recruitment patterns of the Indonesian elite, and the increasing lack of representation of the major societal groups. As the New Order has evolved, decision-making has been monopolized by Javanese, mainly Central Javanese, of upper status and *abangan* in their religious orientation, and from the military and technocratic segments of society. Three major societal groupings are little represented by the current political elite — Outer Islanders, the *ummat* Islam which cuts across ethnic lines, and the *abangan* peasants and laborers. Although there was a decrease in the representation of the Outer Islands during Guided Democracy, partially as an aftermath of the regional rebellion, there was some representation of the *ummat* Islam and of the *abangan* peasants and laborers during that period. What has been the situation of these groupings in the New Order?

As the Soeharto government stabilized there has been a lessening of representation of Outer Islanders in the elite. Furthermore, few of those who have been active in national politics have been particularly representative of their ethnic areas. They have lived in Jakarta for years, became Javanized, and rarely returned to their "home" areas for visits. Economic conditions have improved in the Outer Islands since the onset of the New Order, and the alienation between Java and the Outer Islands, which has been evident for many years, has not increased. Regional universities have developed and employment possibilities in the Outer Islands for their graduates have expanded, and there has been a slow decrease in the proportion of Javans employed in the civil service in the Outer Islands, although the major military figures there are mostly still from Java.

Major political changes have been sparked by dissatisfied groups in Java, the main island with the largest population, not by those in the Outer Islands. The *santri* expected their power to increase as a result of their contribution to the takeover of the Sukarno government. Instead, the *santri* have seen their position in government decline. W.F. Wertheim compared the policies of the Soeharto government toward Islam to those

followed by the colonial government.[56] Both governments feared the power of Islam; they compromised on less important issues, such as marriage regulations, but both were steadfast in their determination to minimize the political influence of Islam. The *santri* then as now complained about the reliance of the government upon foreign and Chinese capital, which adversely affects Indonesian entrepreneurs; they were also shocked by the permissiveness of both governments in moral matters.

The position of the *abangan* poor peasants and laborers has become even worse during the New Order. Compared to the *santri*, who at least are represented by political parties, the poor peasants and laborers have no representative. The economic development which has occurred in Indonesia over the past years has not beneficially affected the poorer peasants. In fact, there has been increasing exploitation, both on the part of the upper strata of peasants and of the government, particularly the military members. There is growing differentiation between the richer and poorer peasants. The technological improvements made in agriculture have benefitted the wealthier villagers, and they have often used their profits to buy more land, thereby alienating the poorer peasants from the land they have owned or have rented, forcing the poor peasants to migrate to the cities where there are few employment possibilities. There is also evidence that the patron-client bonds in the villages have become onerous, and that there has been an increase in "debt-labour" bondage.[57] In parts of the country that are near major urban centers or near areas of economic development peasants often have had their land taken away from them by governmental authorities or army officers who want to "invest" in land; minimal compensation, if any, has been given.[58] Earnings from the traditional agricultural export sector have also decreased due to economic contraction, which has affected the earning power of the peasants.[59]

[56] "A House Divided," in *Ten Years' Military Terror in Indonesia*, ed. Malcolm Caldwell (Nottingham, England: Spokesman Books, 1975), pp. 88-90.

[57] Richard W. Franke, "Hunger for Profit — Ten Years of Food Production," in Ibid., p. 168.

[58] See *Tempo*, 15 December 1973 and Abdul Qadir Djaelani, "Land, the People, and the Rulers," *Tempo*, 21 December 1973.

[59] Ingrid Palmer, "The Economy, 1965-1975," in *Terror in Indonesia*, ed. Caldwell, p. 144.

Doubts about the legitimacy of the Soeharto government have not only been raised by the *santri* and the poor peasants, but, more importantly, since 1973 by sub-elite segments such as the students, leaders of groups who were formerly considered "accommodationist," and field grade officers, particularly from the volatile Central Java division. As the New Order has become less representative of society, it has been forced to resort to pressure and intimidation to effect its decisions. The Soeharto government has developed sophisticated instruments and policies of control, which so far have resulted in stability, but "it is the stability of a vacuum, a state undisturbed by the erratic movements of partisan bodies."[60] The regime has decreased political participation by "contracting the politically active, narrowing the circle of those with access to power or the means of political organization,"[61] and by curtailing the use of political parties as institutions which can channel the demands of their constituents to the government.

What are the consequences of lessening representation of major societal groupings by an elite? The most dramatic consequence was in Pakistan, where an elite coalition, dominated by the military, consisting of those from smaller ethnic groups in the west, attempted coercively to control the Bengali, the largest ethnic group, in the east. The result was the creation of an independent state in the east, Bangladesh. The most important variables in predicting regime change in Indonesia, as in most other countries, are the extent of sub-elite dissatisfaction and the extent to which violence has been successful in inducing regime change. Indonesia does not have a history of large-scale peasant revolts which have been successful or have come close to success. Moreover, the peasant rebellions which historically have occurred were movements of millenarian radicalism, which have been a threat to local elites, but have been small-scale and relatively isolated, thereby fairly simple to suppress.[62] Although there is increasing evidence that important elements of the elite and sub-elite are becoming critical of the Soeharto regime, there will be

[60] M.D. Feld, "Professionalism, Nationalism and the Alienation of the Military," in *Armed Forces and Society*, ed. van Doorn, p. 68.

[61] W. Howard Wriggins, *The Ruler's Imperatives: Strategies for Political Survival in Asia and Africa* (New York and London: Columbia University Press, 1969), p. 298.

[62] See Sartono Kartodirdjo, "Agrarian Radicalism in Java" in *Culture and Politics in Indonesia*, ed. Claire Holt (Ithaca, N.Y. and London: Cornell University Press, 1972), pp. 71-125.

hesitation on their part to partake in a movement to overthrow the government. The rewards of success in Indonesian politics are high — material, social, and power gains. But the consequences of failure can also be great — exile, jail, or death. Also the Soeharto government has devised effective control mechanisms, and as long as international support for the regime remains and economic conditions for the elite and sub-elite continue to stay at a high level, in my opinion, the Soeharto government will be able to preserve itself. There is little likelihood of class solidarity emerging across *aliran* lines, which would enable poor *abangan* and *santri* to unite in one political movement to press for social and political change or to engage in a revolution.

Although it appears that the regime is fairly stable, it is difficult to come to any but a tentative conclusion about this because of the lack of information on the general population. It is important to know about the mass of society and the linkages between the elite and the mass in order to hypothesize about future political developments. Most of the political science research on Indonesia has been conducted in Jakarta and on some aspect of elite politics. Little is known about politics in general in the Outer Islands, and in Java little research has been done on regional elites and on the general population.

Political Order in a Changing Society: A Case Study of the New Society in the Philippines

David Rosenberg

Introduction

Since the declaration of martial law in September, 1972, few Philippine institutions have been transformed as drastically as the mass media. Before martial law was declared, the Philippine press was widely regarded as one of the freest in Asia. Since then, the press, and all other mass media, have come under the strict control of the government. This transformation challenges several old assumptions about the status of civil liberties in the Philippines. It also raises several questions of significance beyond the Philippines. For example, given its strong constitutional and legal guarantees and given its long tradition of freedom of expression, how did the Philippine press lose its liberties so swiftly and with so little popular protest? Was there any real freedom of the press in the first place? What are the political costs and benefits of a government-censored press? Is is possible to have freedom of the press without other freedoms, such as the freedom of association and the writ of *habeas corpus?* What are the corresponding responsibilities of a free press? What should be the role of the news media in a developing society?

There are several, diverse answers to these questions, but in the case of the Philippines, they can be roughly categorized into two major, alternative views. The Marcos government has argued that the loss of civil liberties is the necessary price that Filipinos have to pay, if only temporarily, to achieve political stability and economic growth. According to this view, freedom of the press never really existed before martial law; rather, it was abused and subverted from within and without. Hence, it was deemed necessary under martial law to regulate the mass media in order to assure its responsible role in the development program of the New Society.

The alternative view holds that the defects of the press did not warrant the wholesale restrictions imposed by martial law. According to this

view, President Marcos found it necessary to silence the free press in order to reduce the influence of his political opponents and prevent any criticism of his martial law regime. This essay examines the evidence for these two alternative views and also attempts to evaluate the enduring question: how to resolve the conflict between the universally-acclaimed individual freedom of expression and the public responsibility for maintaining order and controlling dissent.

I. Freedom of the Press in a Changing Society: A Theoretical Perspective

Virtually every country in the world endorses the principles of freedom of expression and freedom of the press. This is true of Western liberal-capitalist countries, communist countries, and developing countries alike. Whatever the ideological or political differences among nations, there appears to be almost universal agreement on the principles of freedom of expression. Freedom of the press is guaranteed in almost every constitution of the world. Obviously, however, there are some striking differences in practice. For example, most Americans would say that the Soviet press is not free, politically. However, most Soviets would say that the American press is not free, economically. In short, the concept of freedom of the press is defined differently and practiced differently in different countries. The conclusion to be drawn from this rather straightforward observation is that the term "freedom of the press" is so highly generalized that it has relatively little informational content; therefore, because it has so little specific meaning, it can achieve universal endorsement.

A second conclusion is that each country provides its own operational definition of freedom of the press. In more practical terms, every nation decides how much autonomy to grant to its communications media. In terms of policy, every government controls its media, in one way or another, according to its needs and resources. The question is not, *whether* to control the press or not; and the real question is *how* to control the media. Countries with liberal-democratic political cultures tend to employ a system of *professional control;* that is, a system of independent, self-regulation based on professional standards of practice. But journalism is not just or not completely a profession; it is also a craft and an art. Hence, it is difficult to define and enforce standards of practice. Furthermore, the press is also a business; that is, an economic enterprise in the pursuit of profit, and therefore subject to *economic control.* Under this system of control, freedom of the press is limited by the publisher's interest in maintaining sufficient sales and advertising revenues to ensure

his property rights of ownership. In all countries, freedom of the press is also limited by a system of *legal controls*. There are laws on libel, privacy, censorship, national security, and copyrights, to name but a few, all of which place restrictions on freedom of the press. Legal and judicial controls also govern conflicts between freedom of the press and other freedoms, for example, the right to a fair trial. Lastly, the press is also subject to *social control*. Cultural norms, social criticism, patronage and support from a constituency of readers all provide a diffuse boundary around the concept of freedom of the press. Hence, there are many ways in which a society may control its media: professional controls, economic controls, legal controls, and social controls. Typically, most countries have a mixture of these various types of controls, and the mixture changes as their historical experiences change. The exact pattern of control at any given time is determined by public policy. In other words, the pattern of controls is primarily determined by political considerations.

The concept of freedom of the press generally refers to a particular pattern of control in which legal and governmental constraints are at a minimum. Historically, it is a relatively recent development. The first mass media which came into being in Western Europe around the beginning of the eighteenth century, were introduced under strict authoritarian control. The privilege of publication was extended by permit or decree only to those who were politically "safe". They enjoyed this privilege only as long as they refrained from criticizing the regime in power. In fact, it would be more accurate to say that these early mass media were clearly expected to preserve the regime in power. This pattern of control, more arbitrary than legal, was protested by the bourgeoisie and urban intellegentsia, and some reforms were achieved. Anyone who had the means to post a bond could apply for a license to publish. In this manner, economic controls on the media were introduced. The classic, liberal-democratic concept of freedom of the press did not come into being until the revolutions of the late eighteenth and nineteenth centuries. It was vividly expressed in the French Declaration of the Rights of Man, written in August, 1789, one month after the fall of the Bastille: "The unrestrained communication of opinion being the most precious right of man, every citizen may speak, write, and publish freely" (Article 11). Based on the philosophy of the enlightenment and a belief in the natural rights of man, it held that any rational man, given the facts, could distinguish right from wrong, truth from falsity. As opposed to the earlier "authoritarian" view of the media, this became known as the "libertarian" view.

Given this ideological environment, the mass media flourished. With-

in a very short period of time, the relationship between the government and the press was almost precisely reversed. Instead of existing by sufferance, as long as it supported and advanced government policy, the press now became independent of government. Its new role was to represent and guard the public interest. In time, this libertarian pattern of control offended the Victorian sensibilities of the post-revolutionary order. A reaction set in. It was in response to this late nineteenth century threat of government censorship, that professional associations of journalists were first organized. Their task was to restrain their ranks in order to preserve their recently acquired autonomy. Towards the end, codes of ethics, statements of purpose, courses of instruction, and schools of journalism began to appear. It is only in the twentieth century that professional norms have come to predominate over other forms of media control, primarily in Western liberal-capitalist democracies. However, the pattern of control continues to evolve in response to changing circumstances. For example, the pattern of control over the electronic media — radio and television — tends to be more authoritarian than the print media.

The purpose of this brief historical review is to show that the concept and practice of freedom of the press has been evolving continuously in response to changing social circumstances. The noble phrase "freedom of the press" should not obscure the fact that all societies control their media in one way or another, and the pattern of control changes as social circumstances change.

For all governments, the basic issue of public policy is how to establish a pattern of control of the mass media that provides both 1) freedom of the press, which is by now an almost universally stated objective, and 2) responsibility of the press, in which the press has the ability to respond to what its government sees as its national objectives. If a society is undergoing rapid social change, or if its government is committed to major social reforms, then the problem of balancing the freedom of the press with the responsibility of the press is especially difficult. These difficulties are clearly evident in most developing countries today.

II. Historical Background

A. Colonialism, Nationalism and the Mass Media in Southeast Asia

There is little precedent for the institutions of the mass media in traditional pre-colonial Southeast Asia. In most cases, the origins of the mass media were colonial and Western in terms of personnel, format,

language, and editorial outlook. Its content was originally limited to official news and decrees addressed to a relatively small, exclusive, urban audience. They were not, in fact, mass media; they were elite media.

The indigenous press of Southeast Asia grew out of a pervasive spirit of anti-colonial nationalism at the end of the nineteenth century. In many countries, one could observe a close relationship between a nationalist movement and a literary movement, especially in their early, intense stages. The same people were often involved in politics, journalism, and literature; for example, Adam Malik in Indonesia, Jose Rizal in the Philippines, U Nu in Burma, Rabindranath Tagore in India. All were involved in a variety of ways in seeking to express what they perceived as their countries' national destiny. The early indigenous press was largely created and employed by these leading nationalists as an instrument for public enlightenment, social reform, and political action. As a result, the early indigenous press of Southeast Asia was primarily a partisan press. Journalism began as a by-product, a political calling, a literary avocation. The language of the press was, on the whole, the language of the metropolitan country, and, as a consequence, it seldom had a large audience within the colony. Its elite, rather than mass, orientation was also limited by high costs of production, low levels of literacy, and, in several instances, by deliberate colonial policy. It was not national in scope, but it was nationalist in outlook. There was only one major news story throughout the late colonial period: independence. In advocating independence, the indigenous, nationalist press often flaunted colonial law, a tendency which often led to its suppression. In many cases, however, it preferred to remain oppositionist, and went underground. To summarize, the press under colonial rule in Southeast Asia was divided into two parts: a colonial press, Western in origins and orientations, and an indigenous press, partisan, nationalist, elitist, and oppositionist.

This was the situation on the eve of independence. However, institutions nurtured under colonial auspices were often found to be inappropriate to nationalist aspiration after independence. After generations of restrictions and suppression, most of the newly-independent governments of Southeast Asia initiated a period of relative freedom of expression. There were very few legal restraints on what could be said or published. In the Philippines, Indonesia, Malaysia, and Burma, the excitement of national independence generated a tremendous growth of the mass media. The press was free to the point of being licentious. And, on the whole, this period of libertarian control did not last very long.

As the newly-independent governments of Southeast Asia consolidated their positions in power, they became progressively less tolerant of what they saw as the conflicting, confusing, and overly-critical views of the press. Increasingly, they saw this free-wheeling press as a potential threat to the rather fragile sense of national unity they were attempting to strengthen. A libertarian pattern of control of the media, it was argued, would only exacerbate potentially dangerous ethnolinguistic and social differences. As a result, most Southeast Asian governments evolved a policy towards the media that responded to their immediate fears of disunity and threats of chaos, rather than the long-term needs of national integration. They felt the media should contribute, to the fullest extent possible, to the nation-building struggle. And so, with one notable exception, the mass media in Southeast Asia were mobilized or nationalized or socialized. Call it what you will, the newly-liberated press of Southeast Asia quickly lost its autonomy from government and legal control.

The one notable exception was the press of the Philippines. For two and a half decades after independence, the Philippines press remained largely unencumbered by government constraint. According to many observers, it was the freest press in Southeast Asia. As one observer put it, "the Filipino journalist, unlike his colleagues in so many neighboring countries, could go about his profession without fear of arrest or harassment from the authorities." Columnists and editorial writers were remarkably outspoken and the government was remarkably tolerant of the steady stream of abuse and criticism it received. Indeed, in the first quarter-century of independence, freedom of the press had become a major part of Filipinos' claim to democratic government.

This situation lasted until September of 1972, when President Marcos declared martial law throughout the country. At the same time, he shut down almost every newspaper, radio, and television station, except his own, and imprisoned his most outspoken critics.

Seldom in Southeast Asia has there ever been such a drastic change in the status of the media. As one delegation of Asian journalists noted:

> The Philippine Government's actions against the mass media have no parallel in the whole of Asia. A complete shutdown of media has not been attempted in Park Chung Hee's Korea, Ayub Khan's Pakistan, Thanarat's Thailand, Sukarno's Indonesia, or Lee Kuan Yew's Singapore...[1]

[1] T.J.S. George, "The Party's Over," *Far Eastern Economic Review*, November 18, 1972, p. 14.

There are two general considerations that help to explain this abrupt transition. The first has to do with the historical experience of the Philippine media; the second, with the pattern of oligarchic control that dominates political life in the Philippines. It is worth examining these factors in greater detail in order to understand what may lie ahead for the Philippine press.

B. Discontinuities of Media Development

The historical experience of the Philippine media can be described as very uneven, at best. Under colonial rule, the media experienced several long periods of suppression, punctuated by relatively brief periods of permissiveness. Whenever a favorable political environment existed, the press flourished. When restraints were lifted, during Spanish Republican rule, towards the end of the Spanish colonial period, during the revolution of 1896, during the Commonwealth period under American rule, and during the post-war period, the number and circulation of periodicals rose dramatically.[2] These alternating periods of suppression and proliferation have had peculiar consequences. There has been little continuity of development; publications and press associations seldom survived from one period of permissiveness to the next. In general, whenever freedom of the press has been permitted, Filipinos have defended it with passion. Whenever it has been prohibited, they have complied to government regulation with obsequiousness.

During the post-WWII period of independence, from 1946 to 1972, press freedoms were formally guaranteed in Article III, Section 8 of the Constitution of the Republic of the Philippines (1936) which clearly linked freedom of the press with its public advocacy role:

> No law shall be passed abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble and petition the Government for redress of grievances.

In this environment, the news media were generally aggressive in "fiscalizing" the activities of government and in scrutinizing the private behavior of public officials and other prominent figures.

Freedom of the press, however, was not always balanced with responsibility. For example, libel suits against offensive journalists were fre-

[2] For a full discussion, see the author's thesis, "The Development of Modern Mass Communications in the Philippines," Doctoral Dissertation, Cornell University, 1972.

quent, but convictions were very rare. The libel laws were never rigorously enforced. A libelled or slandered person might threaten suit, but was more likely to find a sympathetic newspaperman to publish a denial or counter-charge. Hence, libel bred more libel. Legal controls did not establish veracity as a rock-bottom standard of news reporting.

During the 1960's, increasing criticism of vituperation in the press led to the first major attempt to control the news profession. In 1965, the Philippine Press Council was established by the Philippine Newspaper Publishers Association and the National Press Club in order to head off external regulation and act as a policing body for the press. The PPC attempted to do what the government, the public and journalists were not able to do: to define, maintain, and enforce standards for the freedom and responsibility of the press. The PPC recognized that "there have been violations on the part of some newspaper workers of the accepted norms of ethical practice," and that "there has been no adequate recourse to seek remedy for abuses of the press other than the courts of justice and in most cases judicial action is long, tedious and expensive. Moreover, some persons who have legitimate grievances against the press do not want to sue or file a criminal complaint but want only some kind of disciplinary action." The PPC also admitted that "the great power wielded by the press sometimes leads to tyranny.[3]

The PPC adopted a code of ethics and set up a procedure for registering complaints. It also required a statement from plaintiffs that "resort to the Press Council entails the obligation of not referring the case to a court."[4] The Council could enforce press responsibility in a number of ways:

> An offending newspaper may be warned, may be required to publish a correction or retraction of apology, or required to publish in full the findings of the Council against it. In the case the offender is a newspaper worker, the Council may ask the publisher to discipline him by a fine or a dismissal.[5]

It is difficult to evaluate the efforts of the PPC to enforce its code of ethics on Filipino journalists. Few complaints were received and the

[3] *The Philippine Press Council*, Philippine Press Institute, 1965, p. 1.

[4] *Ibid.*, p. 2.

[5] *Ibid.*, p. 3.

council had only a brief history. It was the first and, so far, the only significant attempt to establish a system of professional control of the mass media.

C. Oligarchy and Ownership

The second general consideration in seeking to understand Philippine mass media has to do with the nature of the oligarchy. In the Philippines, the communications media are popularly regarded as important instruments of political and social control. Hence, they generally reflect the power structure of society. The same elite groups that dominate the political, economic, and social institutions of the country, also dominate its media. This was true before martial law and it is still true today. The major difference is that before martial law, the oligarchy was fragmented; today, it has been consolidated. Before martial law, each major elite faction maintained its own media outlet to espouse and defend its primary economic interests. As long as the oligarchy was fragmented into these factions and as long as no single faction dominated the others, then an effective system of freedom of the press resulted, by default, if not by design. Freedom of the press, in this sense, meant freedom for one elite faction to espouse its views without restrictions by another. There were some other benefits to this pattern of control. The competition among publishers spurred a rapid expansion of the media. Several innovations were also introduced, both editorial and technological. But this competitive environment did not provide much support for professional career development or responsible standards of news reporting. In a sense, the press of the Philippines grew too fast; it had outpaced attempts at institutional integration. Publishers had become too competitive, even jealous and suspicious of each other, to cooperate on behalf of professional development. In sum, this pattern of stale-mated competition among elite factions provided an effective form of freedom of the press, but it did not provide the necessary support for the establishment of an independent news profession.

III. From Civil Liberty to Government Loyalty: The Precipitating Factors

Three major factors broke the stalemate and produced the situation that now exists. The first was the steady politicization of the news media throughout the 1960's. This can be appreciated by first examining Table 1., which outlines the major economic interests of Philippine publishers as of 1969.

Table 1

Major Economic Interests of Philippine Publishers before Martial Law

Family Ownership	Major Newspapers	Major Economic Interests
Elizalde	*Evening News*, *Philippine Sun*	Mining, insurance, import-export, iron and steel, paint and oils, rope, sugar, distillery
Lopez	*Manila Chronicle*	Meralco, sugar, finance, lubricating oil
Menzi	*Manila Daily Bulletin*	Mining, shipping, agriculture, lumber, school and office supplies and equipment
Roces	*Manila Times* *Taliba* *Daily Mirror*	Publishing
Soriano	*Philippine Herald*	San Miguel (food and beverages, containers, sand and glass, aluminum, plastic), mining, paper, oil development, copper products, insurance, finance.

Source: This, at best a partial listing, has been compiled from the institutional advertisements of the groups themselves as well as such listings as "Chronicle Special Report: Top 100 Corporations," *Manila Chronicle*, September 22, 1969.

Table 1 indicates one major exception to the big business domination of the media. For the Roces group, publishing was a big business in itself. Their other interests were relatively minor. The Manila Times Publishing Company, which included the *Times*, the *Daily Mirror*, *Taliba*, their supplements, *Weekly Women's Magazine*, as well as the Associated Broadcasting Corporation (a television station and six radio stations), ranked high among Philippine corporations. Data for the other newspapers were not generally available, but none boasted a profit; nor did they need one. The media subsidiaries of Soriano, Elizalde, Lopez and Menzi all received a variety of direct and indirect subsidies and internal transfers. For example, *The Manila Chronicle*, which never reported a profit, satisfied its foreign exchange requirements from Meralco, the Manila Electric Company, also owned by the Lopez family.

It became increasingly apparent throughout the 1960's that newspapers were valuable political instruments. According to one scholar, "The

newspapers are operated to support the vested interests of the owner."[6] A Filipino editor observed that "most newspapers here are extensions of business empires. We are a country where, unfortunately, keeping a newspaper is a good defense weapon for big business.[7]

The issue of freedom and responsibility of the press must be understood in the light of this pattern of ownership and control. Publishers, representing the major elite factions, competed against each other with little constitutional, legal, or professional restraint. Their news media became their political instruments.

The second major factor was the concentration of media ownership and the establishment of politically powerful "multi-media" or "tri-media" networks. The election campaign of 1969 provided the impetus for these developments. A Soriano y Cia acquired control of the Radio Mindanao Network and the Inter-Island Broadcasting Network, comprising one television station and sixteen radio stations, in addition to its other economic and print media interests. Elizalde interests expanded to include the Manila Broadcasting Company and the Metropolitan Broadcasting Company, comprising one television station and thirteen radio stations. By far the biggest multi-media network was controlled by the Lopez family through the ABS-CBN Broadcasting Corporation. It included four television stations, two television relay stations, and over twenty radio stations. In 1970, it also acquired Sarmiento Telecommunications Network, with its twenty-four micro-wave relay stations, worth over 20 million pesos. ABS-CBN had control over television transmission from Manila to Negros, Cuby, Bacolod, Cagayan de Oro and Davao.[8]

The third factor was the increasing determination of President Marcos to inhibit criticism of his administration. As it turned out, he was far more sensitive to public criticism and far more determined than any of his predecessors to control it. It should be pointed out that ever since the founding of the Republic, Filipino national politicians have generally felt it necessary to directly own, or indirectly control, at least one major news outlet.

[6] John A. Lent, "The Philippines," in John A. Lent, ed., *The Asian Newspapers Reluctant Revolution* (Ames, Iowa State University Press, 1971), p. 207.

[7] Amadeo Dacanay, former ex-editor of the *Evening News, ibid.*

[8] All data are taken from *Philippine Mass Media Directory: 1971* (Manila: Philippine Press Institute, 1972).

Manuel Roxas, who won the presidential elections in 1946, ran the *Daily News* and *Balita* as virtual organs of the new Liberal Party. The defeated candidate, former Commonwealth President Sergio Osmena, then published the *Morning Sun*. Several years later, President Magsaysay employed the media extensively and systematically as an instrument of governance. Magsaysay's experiences strongly influenced subsequent government-media relations. Virtually all competitors for national political office have sought or recruited allies from the media. When in office, Filipino leaders have continued this alliance. They have also attempted to neutralize criticism from media belonging to other elites, often under the rationale of curbing the excesses and abuses of freedom of the press. On the whole, relations between government and media were characterized not by detachment and mutual respect, but rather by collaborating or feuding.

During his first term in office, President Marcos made repeated attempts to establish a Department of Public Information, which would centralize the press relations activities of his administration. Although he never received congressional approval, he managed to achieve almost the same result through internal reorganization and a greatly expanded budget. The Public Information Office coordinated public and private resources in his 1969 re-election campaign with great success. It is estimated that Marcos spent ten times as much on print media publicity as did his opponent, Senator Osmena, the Liberal Party candidate.

After Marcos was re-elected in November, 1969, government-media relations quickly changed. Marcos had won re-election by a very wide margin and he expected widespread support. But he was in no position to fulfill his many campaign promises. The government treasury was nearly exhausted and a team of examiners from the IMF had arrived to prescribe emergency measures. In order to satisfy the government's international creditors, Marcos had to devalue the peso and institute a national austerity program.

On January 16, 1970, university students demonstrated against these measures at the gates of Malacanang, the presidential palace. The President's Guard reacted violently and several students were shot and killed. Another, larger, confrontation followed on January 20. This time, students were joined by striking workers in a mass demonstration against the Marcos government. Again there was violence, reported widely in the mass media.

President Marcos very much wanted the press on his side in this confrontation, and he went to great lengths, and expense, to win them

over. He invited the publishers to a luncheon after the January student-worker demonstrations, and asked for their cooperation and support. But the publishers did not, on the whole, acquiesce. Joaquin P. Roces, head of the Manila Times Publishing Company, remarked, "We still have in our ranks a number of dedicated agressive reporters whose allegiance is to the truth."[9] Many prominent journalists supported the students and the workers. They also charged Marcos with gross financial mismanagement which they attributed to election bribery. Most offensive to these journalists was what they saw as a heavy-handed effort of the President to "capture the press." Relations between the President and the press deteriorated very rapidly after this. It is ironic that President Marcos, after applying more resources to public relations than ever before, after winning an unprecedented re-election campaign by a record vote, became so unpopular so fast, at least on the editorial pages. He reacted with bitter disillusionment. One quote is especially revealing. At one of the Gridiron dinners of the National Press Club in Manila, he complained that,

> You elect a President, award him the mantle of authority, make him the symbol of sovereignty of the people, and after that — you shoot him down with every weapon you have.[10]

He went on to accuse his critics — in the same speech and in a number of subsequent public confrontations — of being "whiners," "time-wasters," "fault-finders," "skeptics," "nihilists," "defeatists," "naive," "uninformed," "inveterate gripers," and "insufferably arrogant."

The press responded with a pooled editorial which appeared under the same banner headline in every major newspaper. It was "An Appeal to the President" to crack down on graft and corruption — in the Marcos government! Then the conflict went beyond verbal exchanges and took a more threatening turn. Quintin and Rizal Yuyitung, publisher and editor of the *Chinese Commercial News,* were abruptly deported to Taiwan, on charges of spreading communist propaganda. The charges were hardly credible. The newspaper was published in Chinese; it had a very small circulation; and its publisher, Quintin Yuyitung, was hardly subversive.

[9] "Two Views of the Press," *Press-Forum,* March, 1970, p. 9.

[10] *Ibid.*

To the contrary, he was president of the prestigious Manila Overseas Press Club. The only evidence the government offered was an Associated Press news item on Mao Tse-tung, which was carried by several Manila newspapers. Finally, the government announced that the Yuyitung brothers were not actually deported, but rather extradited by the Taiwan government.

Following these events, in March, 1970, the administration made its own publishing debut with *Government Report*, a weekly distributed free of charge from the Office of the President. Few people outside the government read the paper. But its very first issue carried on ominous headline: "Can Publishers Foment Disorders?" The new weekly complained that "the national press can no longer be trusted"; and therefore, the government had to tell its own story. Marcos also placed the Philippine Broadcasting Company and the Radio-TV-Movie Office directly under his office. The Voice of America radio station was acquired by the National Media Production Center and renamed the Voice of the Philippines. Started as a USAID communications development project, the NMPC eventually became the publicity center for the President's Public Information Office. The budget of the NMPC went up from 9.1 million pesos in FY1970-1971 to 12 million pesos in FY1971-1972. Close friends of the Marcos family also acquired a radio network and began a daily newspaper to further represent administration policy. "Marcos strikes back," wrote one columnist and many others wondered whether the government was launching a full-scale attack to discredit the press. These suspicions were heightened by large increases in government spending for public relations, media production, indirect subsidies, and verbal assault. One columnist complained: "what the almighty cannot buy or seduce, will be cowed and silenced by threats, or drowned out by an organized chorus of hosannas."[11]

These charges and counter-charges polarized relations between Marcos and his critics. Journalists found it difficult to maintain any objective neutrality. "You can only be very friendly or very hostile to Marcos," said one newspaperman. "If you're friendly, then the other newspapermen accuse you of being bought; if you're hostile, then Marcos accuses you of lying."

On the eve of martial law, government-media relations were highly unstable and highly polarized. Two major alternatives emerged from the

[11] Alfredo R. Roces, "Vulnerable, That's Why," *Manila Times*, May 17, 1970, p. 5.

clamorous debate on the proper role of the press. One side emphasized the freedom of the press as a fundamental civil liberty; the other side emphasized the social responsibility of the press as an instrument for national development. The former advocates were confronted with a number of problems. A variety of structural factors limited the press to a relatively small, upper-class, urban audience. This market was insufficient to sustain an independent media industry. Moreover, most publishers had other economic interests. Journalists were often under-trained and under-paid. It was extremely difficult for most reporters to survive solely on their newspaper salaries. Newspapermen were susceptible to or attracted to other pursuits, including national politics, where the prevailing style of communication further impeded objective reporting. Substantial efforts at internal reform had been made by the Philippines Press Institute through training programs, research, and the establishment of the press council. But far more programs were necessary in order to have a significant impact on the quality of the news profession. The increasing threat of intervention on the freedom of the press did create pressure for internal reform, but not enough to preserve institutional autonomy.

Others were highly critical of the "unbridled freedom of the press." Many journalists themselves complained about the tendencies of the press toward divisive and irresponsible exposés, scandalizing and hyper-expressiveness. Some newspapermen began organizing a "Second Propaganda Movement," one that would commit the press and other media to the service of national unity and development. Other journalists called for the government to nationalize the press. They argued that only a strong sense of social responsibility among journalists could ensure the proper exercise of freedom of the press. Unbridled freedom, they argued, often ended up as "national self-flagellation," "a reminder of our colonial mentality," and a "disgrace to the nationalist sensibilities." Within the news media, sentiment for some form of nationalization grew. This trend had little organizational coherence or direction, but it was a clear indication of the basic vulnerability of the press.

President Marcos capitalized on this vulnerability in the week before martial law by accusing the press of "fomenting disorder" and "harboring communists and communist sympathizers." His accusation resulted in vitriolic counter-charges in the columns of the major dailies. Eddie Monteclaro, president of the National Press Club and secretary-general of the Movement of Concerned Citizens for Civil Liberties protested the administration's charges and called for a mass rally in Plaza Miranda on Thursday, September 21, 1972. The MCCCL was an ad hoc coalition of

over 30 civic, religious, labor, student, teacher, and political activist groups formed to protest the suspension of the writ of habeas corpus a year earlier. The MCCCL's chairman was Senator Jose Diokno. The principal speaker at the rally was Senator Aquino, the chief, surviving Marcos opponent in the Liberal Party. One after another, the speakers accused the President of attempting to impose martial law, of instigating the rash of bombings, of increasing foreign intervention in the economy, of raising domestic prices and of attempting to capture the press. About 30,000 people attended the rally in Plaza Miranda. It had national radio, television, and press coverage. That night, the martial law decree was enacted. The first major action of President Marcos was to shut down every newspaper, radio and television station except his own. In the following few days, a number of opposition leaders were arrested: senators, congressmen, constitutional convention delegates, journalists, writers, professors, students, labor union leaders, peasant union leaders, the leaders of almost every other institution that had opposed Marcos. There were no specific charges entered for any of these arrests. However, the President did issue a statement that the government would arrest anybody who,

> "had consciously or unconsciously taken part in the conspiracy against the government, given aid and comfort to the forces of insurgency and subversion and have either directly supported, or aided and abetted the subversion of our established values and traditions."

Marcos accused the press specifically of publishing "rumor-mongering, inflammatory, and libelous news-items and commentaries." It can probably be admitted that there were in fact a lot of "rumor-mongering, inflammatory, and libelous" journalists in the Philippines. But those journalists who landed in jail were generally among the most respected and most professionally responsible ones in the country. They were both influential and critical. These journalists did not accept the administration's claim that communist terrorists were responsible for the bombings, or for the attempted assassination of Secretary Enrile, or for the mass assassination attempt on the Liberal Party leadership in Plaza Miranda the previous year. The primary reason they were arrested was to silence their anticipated criticism of the declaration of martial law. It is significant that only one major publisher was arrested at the outset of martial law, Joaquin Roces. He was the only publisher for whom newspaperwork was a central concern and not a sideline. He was the one who had most to lose from the end of the freedom of the press, and conse-

quently, he was the most strongly opposed to President Marcos' policies. This was not the case with Elizalde, Menzi, Soriano, or Lopez. Their other political, economic, and managerial resources are still considerable. Towards these powerful families, President Marcos has adopted a two-fold policy: secure their compliance to the provisions of the New Society or reduce their economic and political influence.

IV. Justifications for Restricting Civil Liberties

A. The First Rationale: Communist Subversion

At the very outset of martial law, all of Manila's daily newspapers, several weeklies, television channels and radio stations were shut down by the national police. Foreign news agencies and cable and telegraph offices were also closed. Many journalists were arrested, including several of the most prominent in the country. Freedom of the press came to a very abrupt end.

Only one newspaper *(The Philippines Daily Express),* one television station (Kanlaon Broadcasting System's Channel 9), and the government-owned radio station (Voice of the Philippines), were permitted to resume operations in order to broadcast the President's announcement of Proclamation No. 1081, the declaration of martial law. Among other things, Proclamation No. 1081 provided the "general orders for the Government to control media and other means of dissemination of information." Initially, this control over the country's media was exercised by a small committee, consisting of three representatives from the Malacanang Press Office and three representatives from the Department of National Defense. Co-chairmen of the committee were Press Secretary Tatad and Defense Secretary Enrile. Enforcement was entrusted to a group of Army officers in the military's Office of Civil Relations.

The harsh treatment of the media was widely noted by foreign observers. While many were willing to give President Marcos the benefit of the doubt in his handling of domestic violence, very few approved of his treatment of the news media. Why did President Marcos resort to such drastic measures? Undoubtedly, he was infuriated with a few newspapermen who were particularly critical of his administration. But he also accused the press, in general, of tolerating attempts "to distort or slant news if not resort to outright falsification."[12]

[12] "Liars," *Manila Chronicle,* September 17, 1972, p. 3.

Three different explanations have been offered by President Marcos for hs extensive curtailment of press freedom under martial law. Originally, he accused the press of "harboring communists and communist sympathizers." Therefore the press had to be "controlled and cleansed of these subversive elements."[13] He explained to foreign newsmen that:

> We did not pick them up on mere mischievous or vengeance or vindictiveness...they were locked up, not because they were critical of me but because they participated in a conspiracy, a conspiracy of the communist party and...we got the goods on them.[14]

Hence, the first rationale for the sharp curtailment of freedom of the press was that communist subversion threatened the nation and the media had been infiltrated and subverted by communist propagandists. In a speech to top officials in the armed forces on September 26, 1972, Marcos explained that the take-over of the news media was a preventive measure:

> The enemy uses the weapons of modern revolution, the media — newspapers, television, and radio — to promote anything that assaults and destroys the foundation of society. Therefore the commander-in-chief must meet this threat not only with modern artillery, tanks, bullets, and rifles, but with the most sophisticated weapons of preventive operations, of even media.
>
> This is the rationale for the arrest of some in media who participated in subversion by allowing consciously or unconsciously the printing, publication, dissemination, and spreading of stories to undermine the system in which we live; strengthened the morale, or gave aid and comfort to the enemy.[15]

Such broad charges — against conscious or unconscious participation in subversion — invited skepticism. Marcos, however, promised that the

[13] "NBC-TV Interview with President Ferdinand E. Marcos," October 3, 1972. The text of the interview was published in "NBC-TV Presents Marcos on FM," *Ningas-Cogon*, October, 1972. The communist plot theory was also detailed in a presidential speech to the top officers of the Philippine armed forces, as reported in "Every Citizen Has A Right," *Philippines Daily Express*, September 28, 1972.

[14] "Every Citizen Has A Right," *Philippine Daily Express*, September 28, 1972, p. 6.

[15] *Ibid.*

imprisoned newsmen would receive a fair trial and that newspapers which did not participate "openly and frankly in subversion, or participated least, or without malice... would be permitted to operate later on."[16] However, none of the detained newsmen ever had a trial of any kind. Nor were formal charges ever made against any of them. No evidence of subversion was offered to justify the detentions. The accusations were quietly dropped; the detained newsmen were gradually all released; and no official explanation has ever been offered. It is difficult to dispel the conclusion that the wholesale clampdown of the press and the rapid arrest of Joaquin Roces, Maximo Soliven, Theodore Locsin, Napoleon Rama and others was a punitive action against hostile publishers and outspoken political enemies.

The Rules of Public Information Under Martial Law

Strict government control of the mass media was established within hours of the enactment of martial law. On September 22, 1972, in Letter of Instruction No. 1, President Marcos ordered Press Secretary Tatad and Defense Secretary Enrile to "take over and control or cause the taking over and control of all such newspapers, magazines, radio and television facilities and all facilities and all other media of communications, wherever they are, for the duration of the present emergency."[17] Shortly thereafter, Letter of Implementation No. 12 created the Department of Public Information. Press Secretary Tatad was appointed the new Secretary of Public Information with the immediate task of preparing guidelines for local and foreign news censorship. The guidelines appeared in Department of Public Information Order No. 1 on September 25.[18] All news media were ordered to "print and broadcast accurate, objective, straight news reports of positive national value, consistent with the efforts of the government to meet the dangers and threats that occasioned the proclamation of martial law and the efforts to achieve a 'new society.' "

The news media were prohibited from carrying "any editorial opinion, commentary, comments or asides, or any kind of political, unauthorized, or objectionable advertising." The new regulations also expressly prohibited:

[16] *Ibid.*

[17] See Appendix A for the full text.

[18] See Appendix B.

4a. Material that tends to incite or otherwise inflame people or individuals against the government or any of its duly constituted authorities.

b. Material that undermines the people's faith and confidence in the government or any of its instrumentalities.

c. Material that is seditious, not based on facts, or otherwise without definitely established and well-identified verifiable sources, or based on mere allegation or conjecture.

d. Material that downgrades or jeopardizes the military or the law enforcement authorities, their work and their operations.

e. Material that abets, glorifies, or sensationalizes crime, disorder, lawlessness, violence.

f. Material that destroy or tend to destroy public morals as well as morale.

g. Material that foments opinions and activities contrary to law.

h. Material that sows or generates fear, panic, confusion, ignorance and vulgarity among the people.

The same regulations applied to domestic and foreign news reporting. Similar regulations applied to photographic material. In all cases, all material for publication had to be cleared by the Department of Public Information.

Some of the regulations were particularly vague; for example, "No foreign dispatch will be filed from the Philippines which impugns, discredits, questions or criticizes any positive effort of the government." In case of any ambiguity or misunderstanding, however, the rules could be amended or modified, without prior notice.

The effect of such drastic censorship was to eliminate almost all news, except for official releases and statements. This news was disseminated in the few media which, according to Information Secretary Tatad, "have not participated in the communist conspiracy." Tatad also indicated that he was examining the records of the media that remained shut down to determine whether they had "participated willingly or unwillingly, consciously or unconsciously, in the conspiracy against the government."[19] There were no provisions for enforcement or penalties; Tatad only said that his department would "act according to our findings."

[19] "Reopening of Other Media Establishments Still Being Studied," *Philippines Daily Express*, September 29, 1972, p. 4.

Although domestic dissent was silenced, foreign criticism increased. A delegation of journalists from India, Japan, and Indonesia arrived in Manila in early October, 1972, to confer with officials of the Asian Press Foundation on efforts to loosen the news censorship and to obtain the release of detained newspapermen. The head of the Asian Press Foundation, Joaquin P. Roces, was himself still under arrest. The delegation met with President Marcos on October 4, and received his assurance that a "Press Consultative Panel" would be organized to "work toward the lifting of censorship and the possible release of detained journalists."[20] In another interview with foreign correspondents, Marcos explained that the Press Consultative Panel would include both media representatives and government representatives, "They shall establish their own rules and they can determine exactly who should operate."[21] A number of journalists were released, but not Joaquin Roces, nor several other prominent journalists. Censorship of foreign news was loosened a bit, but domestic controls remained stringent. The visiting delegation of journalists left the Philippines with an agreement under which they would restrain criticism of Philippine martial law in the foreign press for a period of fifty days in exchange for government efforts to liberalize the media and free the remaining imprisoned journalists. This was a major victory for President Marcos in his early attempts to neutralize foreign press criticism of his martial law declaration.

B. The Second Rationale: Oligarchic Conspiracy

The Press Consultative Panel never went into operation. Instead, on November 2, 1972, President Marcos issued Presidential Decree No. 36 which provided a new rationale for government censorship: it was necessary to dismantle the oligarchic structure of ownership of the media. The "old society" press was "too sick to heal"; it was "beyond reform," said President Marcos. It had to be replaced completely with a "new society" press. Public Information Secretary Tatad explained that under the old society system of freedom of the press,

> There were no private rights, where it concerned the newspaperman's curiosity; there were no rules about accuracy, fairness, taste, or intelli-

[20] "Clashes with Reds Reported," *New York Times*, October 6, 1972, p. 7.

[21] "NBC-TV Presents Marcos on F.M.," *op. cit.*, p. 24.

gence that could not be turned upside down, more or less permanently and without relief. The situation in which commonly fallible men had come to believe themselves infallible and almighty, in all things and to all people, was a situation that had to be cured, whether or not the society came to that point which culminated in the proclamation of martial law. Public decency or intelligence, outraged beyond what it could take, would sooner or later have cried out, and we'd like to believe that official intervention only made this sooner, rather than later.[22]

Official intervention was necessary, said President Marcos, because "the old freedom of the press meant nothing more than the freedom of the elite few to impose their ideas and their rule on the rest of the citizenry."[23] Under the new society, said Primitivo Mijares, "press freedom is for the people and not for a few self-anointed publishers, who are in the business and not in the vocation of media."[24] These were the reasons why it was necessary to break up the structure of ownership of the old media, explained Secretary Tatad. "It is also the reason why the government has initiated the launching of community newspaper networks all over the country. Eventually, all the people will be reading newspapers which they themselves own and put out."[25].

The major targets of the new decree were the media owners who had previously been hostile to Marcos. The decree cancelled all the existing franchises granted by the Philippine Congress to media owners whose facilities "have remained unused by their holders and those that have violated the terms under which they were issued."[26] As interpreted by Information Secretary Tatad, this meant the permanent closing of the news media that had been shut down at the outset of martial law. The

[22] Francisco S. Tatad, speech to the Symposium on Philippine Development, Hyatt Regency, June 28, 1973.

[23] "The Purpose of Man," *Philippine Daily Express*, May 20, 1973, p. 6.

[24] Primitivo Mijares, "Freedom Not for Publishers," *IPI Report*, July/August, 1973, p. 7.

[25] Tatad, *op. cit.*

[26] See the report of Pablo Y. Barretto, "Rigid Rules for Media Operations Bared," *The Philippines Times*, November 15, 1972, p. 3.

President stated that he would no longer tolerate private monopoly in media ownership.[27].

The decree also created the Mass Media Council, chaired by the Secretary of Public Information and the Secretary of National Defense. Its executive secretary was retired Brigadier General Ceferino Carreon. Despite the new title, the basic structure of government control remained as before. The Mass Media Council was authorized to review applications for permission to operate any mass media; however, only the President could certify the authority to publish. Certificates of authority were valid for six months when they would be reviewed by the Council.

In a separate statement Information Secretary Tatad said that foreign news agencies were exempt from the six month renewal limit. Also, foreign dispatches no longer had to be submitted for "prior clearance," provided that foreign correspondents adhered to the government guidelines contained in Department Order No. 1. Domestic news media were permitted to publish editorials and opinion columns, but only after consulting with the Department on who would write the commentaries.

The establishment of the Mass Media Council was an attempt to restore some semblance of normalcy to the mass media. Appearances, however, were deceptive. After forty-one days, the censorship of foreign dispatches had been lifted, but a set of vague guidelines remained. Publications which the military regarded as subversive or conspiratorial had been permanently banned. Publications which had been allowed to resume or start operations were all very reluctant to risk printing any possible offensive news or commentary. They were given certificates of authority to publish because — in the words of one official — "they've agreed to write positive news."[28] It had been expected that President Marcos would relax his harsh policy towards the media, but there was little evidence of any liberalization from the Mass Media Council.

The first fatality of the new policy was the Manila Times Publishing Company, publisher of the *Manila Times, Taliba,* and the *Daily Mirror.* Its publisher, Joaquin Roces, sent out over 1600 termination notices to employees as one of the oldest and most respected news organizations in Asia was formally dissolved by its management. A similar fate met the

[27] "Manila Dooms Some Papers, Networks," *New York Times,* November 3, 1972, p. 6.

[28] "Foreign Correspondents Face Censorship Perils," New Orleans *Times-Picayune,* January 7, 1973, p. 36.

Manila Chronicle, owned by Eugenio Lopez, an industrialist, and Ferdinand Lopez, the former Vice-President; the *Philippines Herald,* owned by the Soriano family; and the *Evening News,* owned by the Elizalde family.

Eventually, these newspapers were officially terminated under the so-called "normalization" rules issued in November, 1975. At the same time, several other publications of the pre-martial law period were also officially terminated, including the *Philippines Free Press,* the *Chinese Commercial News,* and the *Fookien Times.* All of these publications were declared to be "sequestered" papers; that is, they were not permitted to resume activities because, it was claimed, they were associated with subversive or criminal activities. In fact, no charges against these publications or their owners were ever made public. Government plans to replace these publications with "community newspaper networks" were quietly shelved.

By the end of 1972, only three daily newspapers had been allowed to operate. Of these, the *Philippines Daily Express* was by far the largest in terms of circulation. The paper was financed by friends of President Marcos, including Roberto Benedicto, who was appointed Philippine Ambassador to Japan, and Enrique P. Romualdez, who is a cousin of the President's wife, Imelda Romuldez Marcos. It began publishing in May, 1972, when martial law was declared. At ten centavos per copy, it was widely regarded as a losing proposition; but after martial law was declared, it became the sole surviving newspaper. Over the following year, its circulation surpassed half a million; its advertising rates went up 350%; and it became a highly profitable enterprise.

The publisher of the *Daily Express* is Juan A. Perez, Jr., a veteran journalist, who had previously been a public relations advisor to the President at Malacanang. The chief editorial writer was Primitivo Mijares, formerly the head of the Palace Press Corps and also the first president of the revived National Press Club. Hence, from its origins, the *Daily Express* has had very close ties to President Marcos. Not surprisingly, therefore, its editorial and news policy is very pro-administration, and it is widely regarded as the quasi-official news organ of the President.

Two other daily newspapers appeared in Manila during the first year of martial law, both backed by close friends of President Marcos. The *Times-Journal,* financed and managed by Edmundo Ongsiaxko, was the first to appear under the new rules. It is published by Philippine Journalists, Inc., which includes most of the principal staff members of the newspaper. Headed by Manuel B. Salak, formerly of the *Manila Times,*

most of the staff was drawn from now-defunct newspapers. Secretary Tatad gave his assurances that the *Times-Journal* was "not a house organ of a vested interest and commercial interest." Lorenzo J. Cruz, the Assistant Secretary of Public Information, said that the staff had been investigated and had been found to be respectable journalists not involved in corruption or subversion.[29]

The third newspaper to appear in Manila was the *Bulletin Today*. Apart from a slight name change, it is basically the same paper as the pre-martial law *Manila Daily Bulletin*. Its publisher, and principal owner, is H.M. Menzi, a long-time friend and former senior military advisor to President Marcos. He still holds the rank of Brigadier General. The top editorial staff includes Ben F. Rodriguez, Teddy Owen, Jr., and Pat Gonzales, all of the former *Daily Bulletin* staff. Probably the oldest newspaper in the Philippines, its durability is due to its small, faithful audience, primarily in the commerce and shipping community. Another business-oriented daily, *Business Day*, continued publication without interruption by martial law.

These newspapers, all close to the Marcos government, covered the daily news in Manila, in the immediate post-martial law period. They also provided the main daily outlets for commercial and government advertising. This provided them with a substantial source of revenues, reported the Press Foundation of Asia, "to a point where they can even afford to turn down some (advertisements). The suspicion of many press people is that the Administration will allow its friends to take advantage of this situation."[30]

For many observers, the "oligarchic conspiracy" might have been a more plausible rationale for regulating the press than "communist subversion." But in practice, the oligarchic structure of media ownership was not dismantled; rather, it has been consolidated and strengthened. The official policy was to take control of the media away from the oligarchy and broaden public ownership. Just the opposite has happened. Media ownership is now concentrated among a few elite factions, all of whom are either close friends or relatives of the Marcos family.[31]

[29] Henry Kamm, "Marcos Approves New Newspaper," *New York Times*, October 17, 1972. Also see "New Daily OK'd," *Business Day*, October 17, 1972 for further details.

[30] T.J.S. George, "The Party's Over," *op. cit.*

[31] For more information on the Marcos family and their relationship with current media

C. The Third Rationale: The Media as An Instrument of Social Change

By the beginning of 1973, President Marcos had weathered the storm of protest, both domestic and foreign. Another, presumably more durable, rationale for regulating the press was announced in a Presidential decree: the media were to become "an effective instrument in the attainment of social change."[32] They were to become committed to the tasks of nation-building and development.

Attention was first turned toward the expansion of the government's information services. The Department of Public Information was reorganized to coordinate the Presidential Information Office, a Bureau of Broadcasting and a national news service. Information Secretary Tatad requested the peso equivalent of about 17 million dollars for the entire operation. A considerable portion of this was intended to absorb some of the many journalists who had been unemployed since the beginning of martial law. A number of regulatory committees were spawned within the department; the Bureau of Standards for Mass Media, the Bureau of National and Foreign Information, the Bureau for Research, Evaluation, and Special Operations, and several other bureaus. The department became the major manufacturer of news, press releases, books, radio and television programs, and even an LP album, "No Shade But Light," a recording of excerpts of presidential speeches.

By March of 1973, the government was sufficiently self-confident to permit the National Press Club to resume its activities. President Marcos himself inducted the new officers of the organization and instructed them to avoid "publicity-making and image-building" and "to write and talk about positive things with excellence as their only criterion." He also said that he had "specially directed that the private sector should be represented in the Mass Media Council" and that "the government would stay away from their self-regulating activities."[33]

A highly qualified form of self-regulation did finally evolve when President Marcos decreed the removal of direct government supervision

activity, see John A. Lent, "The Philippine Press under Martial Law," *Index on Censorship*, Spring, 1974; and Ruben Diario, "Managing the Media Filipino Style," *Bulletin of Concerned Asian Scholars*, January-March, 1974.

[32] Presidential Decree No. 191, May 11, 1973. See Appendix C for the full text.

[33] "Media is Asked: Regulate Selves," *Bulletin Today*, March 8, 1973, pp. 1, 7.

of the mass media. On May 11, 1973, he abolished the Mass Media Council and created instead the Media Advisory Council, composed of representatives of the media and headed by the president of the National Press Club. In Presidential Decree No. 191, Marcos took note that, under his martial law rule, the mass media "have shown willingness to institute a system of self-regulation and internal discipline within their ranks to the end that no part of media may ever again consciously or unconsciously, engage or take part in any conspiracy against the Government." Failure to do so would again bring government intervention, he noted.

However, government supervision of the mass media was not removed; it was only supplemented by the Media Advisory Council. The Council could review licenses to operate media, but they were only valid with the President't approval. The Council could issue guidelines and rules for the mass media, but again, they were only valid with the President's approval. The President could also appoint his own representatives to the panel. Finally, all news media employees had to secure work permits which were only granted after security clearance from the military.

In practice, the Media Advisory Council worked closely with the Department of Public Information. The work of drawing up guidelines was done within the Department's Bureau of Standards for Mass Media, headed by Andres Cristobal Cruz. The BSMM formed a series of committees, consisting of representatives from the Bureau and the private sector, which produced a forty-five page document entitled "Policies, Objectives, Organizational Set-up, Code of Ethical Conduct, Guidelines, Rules and Regulations for Mass Media." The regulations begin by acknowledging that "freedom of the press is one of the most fundamental human rights," but then go on to list several chapters of qualifications. For example:

> Under the present conditions of emergency, the media should be encouraged to work closely with the government in attaining maximum stability.
>
> It is the responsibility of all media men...to see that their writing or broadcasting may not endanger the program of national consolidation or confidence in government.
>
> News should be avoided that will bring into hatred or contempt, or excite disaffection towards the government as well as the various instrumentalities under it.

The Council further required all mass media operators to sign an "in-

strument of adherence" promising "wholehearted support" of the regulations. Despite all these efforts to clarify "the role of the press as an instrument of social change," the government often found it necessary to provide supplementary instructions. In one memorandum, the news media were told to "refrain from reporting the results of studies ordered by the President...unless they are first cleared by the Office of the President." In another, they were told to "refrain from reporting on any statement made by a certain public official seeking to heap the blame for certain allegedly irregular situations on another official or government agency." In yet another, they were told to "refrain from giving publicity to any stories on crime or alleged epidemics that tend to create the wrong impression here or abroad."[34] In sum, the Council lacked credibility as an independent, civilian, self-regulatory agency of the mass media.

The role of the Philippine news media "as an instrument for the attainment of social change" remains ambiguous. What topics can be discussed? What opinions can be expressed? What news can be reported? What is permitted and what is prohibited? There are no clear-cut answers to these questions. As long as there is no writ of habeas corpus, Philippine newspapermen are going to be extremely cautious. They are subject to arrest without warrant. They are subject to detention for an indefinite period without charge. There have been several cases of arrest and detention. Consequently, journalists have been reluctant to report even the most objective criticism of government policies. They have virtually nothing but praise for the Marcos family and their close associates. The credibility of the press is so low, according to Sidney Schanberg of the *New York Times*, that it has become a mere publicity machine, and therefore an embarrassing liability of the government.[35] President Marcos himself has admitted that the press has become too sycophantic and obsequious.[36] His press secretary, Francisco Tatad, also complained that the press is "excessively conformist."[37] The press "went from too much

[34] For further details, see "More Curbs for RP News Media," and " 'Sunshine' News Guidelines" in the *Philippine Times*, June 30, 1973, p. 12.

[35] Sydney H. Schanberg, "FM's Thorn: His Publicity Machine," *Philippine Times*, July 15-31, 1974.

[36] *Ibid.*

[37] Bernardo Ronquillo, "Cloud over the Sunshine Press," *Far Eastern Economic Review*, April 16, 1973.

criticism in the old society to excessive, incompetent praise" in the new society.[38] He encouraged more in-depth reporting and evaluation of government policy. The press, however, has been understandably reluctant to venture out of bounds. Former columnist and ambassador J.V. Cruz called the situation a "national scandal and disgrace."[39] These criticisms come from the proponents of a guided press for the Philippines, from the government itself. Through their own criticisms, they have undermined this third explanation for ending freedom of the press. The news media now lack both credibility and legitimacy. It is not now "an effective instrument in the attainment of social change." It is more of a handicap in the government's attempts to win popular support.

V. Conclusion

Three different explanations for restricting civil liberties have been offered by the martial law government of President Marcos. However, as we have seen, there is little evidence to support any of them. In each case, there has been a large discrepancy between the declared official policy and the actual pattern of government control. What other explanations can be offered? The evidence presented here suggests that there have indeed been a few significant changes in government policy towards the mass media; however, these can best be explained as attempts of the Marcos administration to establish and strengthen its powers under a martial law regime of dubious constitutional legitimacy. The changes that have occurred can be explained in terms of three major factors. First, the initial policy of closing down virtually the entire mass media was intended to silence the anticipated criticism of the declaration of martial law. Second, after martial law was imposed, President Marcos attempted to provide some semblance of legitimacy and normalcy through a selective loosening of controls over the news media. Third, as the government acquired some measure of voluntary support, President Marcos moved to permanently weaken the influence of his political opponents. These three factors will be discussed in turn.

The real motive behind the initial policy is clearly demonstrated in the wholesale closings and arbitrary arrests of publishers and journalists known to be critical of President Marcos. The policy had strong support

Ibid.

[39] Derek Davies, "Traveller's Tales," *Far Eastern Economic Review*, May 27, 1974.

among several army officers who viewed the news media as being directly responsible for the growing discontent of past years.[40] Marcos responded to these views by placing the job of censorship in the army's Office of Civil Relations. The army has remained extremely sensitive to any adverse publicity or criticism of government policy, however valid. Even rumors and the spreading of rumors were banned as subversive activities, *ipso facto*. Brigadier General Fidel Ramos, chief of the Philippine Constabulary, declared that:

> Rumor-mongers and those who thrive on fishing out false information inimical to the public welfare or that would tend to make the people unduly worried or jittery will be arrested and detained.[41]

In this instance, the rumors alleged that the constabulary was conducting house-to-house night-time searches in various "zones" around Manila, a practice reminiscent of the Japanese Occupation. Subsequently, the rumors were confirmed, but not in the Philippine news media.[42]

Secondly, in an effort to provide a semblance of legitimacy and normalcy in the Philippine media, President Marcos had made several tactical concessions to placate foreign press criticism. Marcos, Enrile, and Tatad all had occasion to meet with delegations from the International Press Institute, and after each meeting a few more journalists were released from detention.[43] The first major interviews that Marcos granted after the declaration of martial law were with foreign correspondents from *Newsweek* and NBC. In general, control over foreign news correspondence has not been as strict as control over domestic news. In turn, almost all favorable foreign press comment is dutifully reported in the Manila dailies.[44] Government officials have pointed out that "the new

[40] For further details, see T.J.S. George, "Media Moderation," *Far Eastern Economic Review*, December 2, 1972, p. 14.

[41] *Times-Journal*, October 27, 1972.

[42] Henry S. Hayward, "Night Raid In Manila," *Christian Science Monitor*, reprinted in *The Philippine Times*, December 15, 1972, p. 5.

[43] These negotiations are detailed in "News of the World's Press: The Philippines," *IPI Report*, February, 1973, p. 2.

[44] For an example of this, see Maria Teresa Manuel, "How the World Learned...and What it Was Told," *Philippines Daily Express*, September 26, 1972, p. 5.

measures taken to cure the affliction in the press have succeeded in giving the Philippines, for the first time, a more accurate, and therefore more favorable image in the foreign press."[45] The government also attempted to boost a more favorable image through special advertising supplements in foreign newspapers.[46]

In order to further provide an aura of legitimacy for his policy toward the media, President Marcos has also tolerated a certain degree of domestic criticism of his administration. An example of this occurred a month before the constitutional referendum of January, 1973, when President Marcos lifted the martial law restrictions on freedom of speech and freedom of the press. He ordered his departments of Information, Defense, and Justice to:

> see to it that all give an opportunity to those opposing and favoring the ratification of the new constitution to meet face to face in formal debate. You will direct that all printing presses print all forms of propaganda whether in favor or against the new constitution and see to it that all military personnel allow their open and free discussion.[47]

Criticism of the proposed constitution did indeed arise, in great volume. In addition, several petitioners, including Eddie Monteclaro, president of the old National Press Club, asked the Supreme Court to stop the plebiscite on the new charter on grounds that it was undemocratic, improperly drafted, confusing, contradictory, dictatorial, and could not be properly considered until full civil liberties were restored. This was a very strong indictment of the martial law regime and could not be tolerated by Marcos. The petitioners' presentations were barred from publication; the plebiscite was postponed; and harsh restrictions on public debate were reinstituted. Shortly thereafter, Marcos abandoned the idea of a plebiscite in favor of "citizen assemblies" which provided a way to manipulate

[45] Tatad, *op. cit.*

[46] For an example, see "Philippine Prospects," which appeared in the *New York Times* of June 10, 1973 (Section II). The 32 page supplement, produced by the Department of Public Information, was subtitled "After 26 years of democratic stalemate, dynamic leadership directs the Republic toward the New Society."

[47] Tillman Durdin, "Manila Suspends Curbs on Debating New Constitution," *New York Times*, December 21, 1972, p. 3.

public opinion in support of the new constitution.[48] Subsequently, the Supreme Court dismissed the petitioners' complaints as "moot."

The President's tolerance of criticism turned out to be very limited and brief. His repressive reaction created an atmosphere of fear and mute compliance in the media. Very few journalists were willing to report anything that could be construed as critical, even when given official sanction, for fear of reprisal.

The third factor, concerning the attempts of President Marcos to weaken permanently the influence of his political opponents, are certainly not limited to the mass media, but they are clearly evident in that arena. The initial pattern of arrests and closings can not be wholly explained in terms of a communist conspiracy or an oligarchic conspiracy. None of the detained newspapermen was specifically accused or tried for conspiracy. What they had most in common was their known criticism of the Marcos Administration. It can be speculated that the major reason why so many of these people were arrested in the first place was to provide Marcos with something to bargain with in order to force them to cooperate with his martial law regime. Marcos bargained with the press in the same manner that he bargained with the Church, the Federation of Free Farmers, the Sugar Lobby, and other powerful groups in the country. Those who cooperated — Andre and Jose Soriano, Hans Menzi — were permitted to resume their activities. Those who did not — Eugenio Lopez, Sr. and Jr., and Joaquin Roces — were subjected to further harassment and dispossession of their interests. In the euphemistic words of President Marcos, "They have rejected their responsibility to assist in land reform and to remedy other injustices."[49]

One can not help being skeptical about Marcos's motives. Several elite families remain secure under martial law rule. However, the elite families who have been the target of Marcos's actions — Lopez, Osmena, and Aquino — are all old political enemies. Members of each clan are still under arrest on various charges. Marcos has taken the opportunity of martial law to dismantle their economic interests and put an end to this old feud in the oligarchy. For example, friends of the President are taking

[48] Tillman Durdin, "Marcos Gets His Kind of Democracy," *New York Times*, January 21, 1973.

[49] Jack Foisie, "Marcos Stripping Power of Richest Families," *Los Angeles Times*, April 19, 1973, pp. 1, 14.

control of the idle Lopez media facilities.[50] The government has also removed Meralco, the Manila Electric Company, from Lopez ownership. Acquired by the Lopez family in 1961, Meralco became the biggest public utility in the country and center of a conglomerate of companies engaged in manufacturing, construction, oil refining, and other activities. A government investigation into alleged mismanagement in Meralco led Eugenio Lopez, Sr. and Fernando Lopez to the decision to sell out their private interests.[51]

In summary, the official rationales for government control of the media have not been substantiated or applied consistently. Major discrepancies remain between official policy and actual government control of the mass media. The discrepancies can best be explained by the efforts of the Marcos administration to strengthen its position in power and weaken the influence of its political opponents.

VI. Evaluation

The existing situation in the Philippine news media is not unusual in Southeast Asia, but is it necessary or desirable? Is it true, as President Marcos and his supporters assert, that "the loss of civil liberties is the necessary price that Filipinos must pay for political order and economic growth"? Is it possible that stable government is the first prerequisite for national unity, and a free and outspoken press is in fact a serious threat to both stable government and national unity? The Marcos administration has calculated that the national purpose is not well-served by this free expression of conflicting, confusing, and often critical views. It may reason that it must strengthen itself before it can pursue national development effectively.

It can be seen in the Philippines, as elsewhere in Southeast Asia, that there are strong pressures against a libertarian pattern of control of the media. There is a widely-recognized need to create a pervasive loyalty to the nation rather than to the family, the ethnic community or the regional group. Strong, unified, ideological leadership is required to create this national consciousness. There is widespread popular support for economic development in the Philippines, but this support must be mobilized

[50] *Ibid.*

[51] For further details, see "Offer is Made to Sell Meralco," *Times-Journal*, September 18, 1973, pp. 1, 8, and "Meralco Stocks Move Up," *Times-Journal*, September 19, 1973, pp. 1, 8.

and harnessed. Social discipline must be instilled to generate capital and productive skills for the development effort. This also requires strong, unified leadership. The magnitude of the tasks confronting the Philippines is so great that the leadership demands and expects full popular support for its objectives. If the great majority of Filipinos gives their full support to President Marcos and his plans to build a "new society," they would probably find little value in diverse and divergent views of the press or in competing political parties. But this is not the case. There are large segments of the population who, for a variety of reasons, have withheld their support. Because of various religious, regional and ideological differences, they are unwilling to accept any strong nationalist leadership from Manila. They still maintain active opposition, sometimes violent opposition, to the current regime. In such cases, their opposition is regarded as treason. Under the current regime, virtually any opposition is regarded as treason.

In the absence of an effective and legitimate means of expressing dissent or opposition, both the government and the people are likely to be dissatisfied with each other. The people are asked to accept and actively support a regime purely on the basis of proclamations and decrees, without any knowledge of the factors involved, the priorities assessed, the arguments for and against, or the calculation of national interest. This policy of non-communication is not likely to strengthen loyalties to the nation. It is almost always more persuasive to hear many sides of the argument, rather than just the final decree.

In seeking to achieve a higher degree of government stability and national unity, the Marcos government has imposed a system of uniformity on the Philippine press. In doing so, it has successfully avoided any sustained criticism of its policies. But the long-term costs may soon outweigh the short-term benefits. The "captured press" of the Philippines has no credibility, even to its chief architects; how can they expect the rest of the country to believe it? National unity and popular participation in the nation-building effort would be better served by a spontaneous diversity of opinion, rather than an imposed uniformity of opinion. The existence of a diversity of opinion would provide a forum for the discussion, explanation, and debate of public policy. It would permit a means to assess popular response to government policy and to mobilize popular support for national unity. Without this opportunity for diversity, participation is meaningless.

The argument presented here for freedom of the press in the Philippines does not necessarily imply a restoration of the pre-martial law mass

media. In general, Filipino journalists themselves neither expect nor desire a return to the situation that existed before martial law.[52] Nor do they desire a continuation of the lack of press freedom as exists under martial law. But they do not foresee any realistic alternatives. The end of martial law is not in sight. Only the military has the means to overthrow the regime; in such an event, they would not be likely to remove restrictions on the press. The Communist Party of the Philippines and the New People's Army do not really have the means to overthrow the regime. In any event, it is doubtful that a people's republic would permit any more press freedoms than currently exist. The Mindanao National Liberation Front appears more concerned with securing autonomy than in regaining the liberties of their Christian brothers. And, because of all the differences in ideology and personality, a united front of these groups against the martial law regime seems highly improbable.

This outlook may be overly pessimistic, however. There may be many other factors at work to restore civil liberties; for example, international pressures, the outcome of the Southern rebellion, other foreign developments, or miscalculations by the Marcos government. Any of these might prompt the government to provide greater autonomy to the news media, if only to secure some public sympathy.

There is one other possibility that receives little attention, but which appears increasingly likely. The Marcos government itself may voluntarily grant greater press freedoms in order to better monitor and control its own bureaucracy and policies. This motive was evident in the appeal Defense Secretary Enrile made to the press and other groups to help him deal with military abuses of authority. His memorandum of August 12, 1975, offers the press some protection from military harassment; it provides that the military shall not "summon, arrest, or detain" any member of the news media without his prior clearance in writing.[53] A similar motive was evident in President Marcos' appeal for public support for his "sweeping and continuous" program of government reforms. In September, 1975, he also asked for the help of all Filipinos, and in particular

[52] For more information on how Filipino journalists view their newspapers, see the author's paper, "Redefining Freedom: The Changing Ideology of Filipino Journalists," paper presented at the Midwest Association of Asian Studies, University of Ohio, October 24, 1975.

[53] *Bulletin Today*, August 14, 1975.

the press, in reporting all incidents of abuse of authority.[54] Some Manila newspapers responded with front page stories on corruption and scandal in high circles and with editorial page columns demanding greater press freedoms. But there is still considerable uncertainty on the extent of this new permissiveness of the regime.[55]

Unfortunately, these guarantees of press freedom, limited as they are, are only personal, not institutional. Marcos and Enrile could change their policies, and clamp down again, as they have done on previous occasions. There are still no constitutional guarantees to support or extend these civil liberties. However, this recent turn of events does provide emphatic evidence that even an authoritarian government needs reliable public information for its own policies and an effective system of mass communication for public support. Mass communication is a two-way process; it involves both message and reply, information and feedback. Communication, literally, is the process of making a community. This is, perhaps, the best defense of freedom of expression: it is the best way to build a national community.

[54] Arnold Zeitlin, "High Society Crimes Put Strain on Marcos," *Bangkok Post*, September 30, 1975.

[55] See the account of Leo Gonzaga, "Where Timidity is the Better Part of Valour," *Far Eastern Economic Review*, October 3, 1975.

Appendix A

Letter of Instruction No. 1

To:

1. The Press Secretary
   Office of the President
   Manila
2. The Secretary
   Department of National Defense
   Camp E. Aguinaldo, Quezon City

In view of the present national emergency which has been brought about by the activities of those who are actively engaged in a criminal conspiracy to raise political and state power in the Philippines and to take over the Government by force and violence the extent of which has now assumed the proportion of an actual war against our people and pursuant to Proclamation No. 1081 dated Sept. 21, 1972, and in my capacity as commander-in-chief of all the armed forces of the Philippines and in order to prevent the use of privately owned newspapers, magazines, radio and television facilities and all other media of communications, for propaganda purposes against the government and its duly constituted authorities or for any purpose that tends to undermine the faith and confidence of the people in our Government and aggravate the present national emergency, you are hereby ordered forthwith to take over and control or cause the taking over and control of all such newspapers, magazines, radio and television facilities and all other media of communications, wherever they are, for the duration of the present national emergency, or until otherwise ordered by me or my duly designated representative.

In carrying out the foregoing order you are hereby also directed to see to it that reasonable means are employed by you and your men and that injury to persons and property must be carefully avoided.

Done in the City of Manila, this 22nd day of September in the year of our Lord, nineteen hundred and seventy two.

FERDINAND E. MARCOS
President
Republic of the Philippines

Appendix B

Department of Public Information Order No. 1

In accordance with Letter of Instruction No. 1, dated September 22, 1972, pursuant to Proclamation No. 1081 dated September 21, 1972, the following policies and guidelines for the news media are hereby prescribed:

1. Newspaper, radio and television shall print and broadcast accurate, objec-

tive, straight news reports of positive national value, consistent with the efforts of the government to meet the dangers and threats that occasioned the proclamation of martial law, and the efforts to achieve a "new society" as set forth by the President and the Commander-in-Chief of all the armed forces of the Philippines.

2. Unless otherwise specified, no newspaper, radio or television program may carry any editorial opinion, commentary, comments or asides, or any kind of political, unauthorized or objectionable advertising. The aforementioned shall not appear in any newspaper, and its equivalent shall not be broadcast either on radio or on television.

3. No extraneous material of any kind may be inserted in any sports or entertainment story or any like material.

4. Expressly prohibited are:

4a. Material that tends to incite or otherwise inflame people or individuals against the government or any of its duly constituted authorities.

b. Material that undermines the people's faith and confidence in the government or any of its instrumentalities.

c. Material that is seditious, not based on facts, or otherwise without definitely established and well-identified verifiable sources, or based on mere allegation or conjecture.

d. Material that downgrades or jeopardizes the military or the law enforcement authorities, their work and their operations.

e. Material that abets, glorifies, or sensationalizes crime, disorder, lawlessness, violence.

f. Material that destroy or tend to destroy public morals as well as morale.

g. Material that foments opinions and activities contrary to law.

h. Material that sows or generates fear, panic, confusion, ignorance and vulgarity among the people.

5. Informative foreign news items may be printed or broadcast by the local media but in no case must any foreign news be printed or broadcast which is in the same category as any of the expressly prohibited materials enumerated above.

6. Similarly, no news material or opinions emanating from abroad may be disseminated by any wire agency to any Philippine recipient if they are of the same type as any of the prohibited materials enumerated above.

7. The same rules apply to foreign correspondents, whether based in the Philippines or not. No foreign dispatch will be filed from the Philippines which impugns, discredits, questions or criticizes any positive effort of government, the government itself or any of its duly constituted authorities. Nor will any dispatch be filed which speaks unfairly or inaccurately of the Philippines or the Filipinos.

8. In all cases, materials for publication and broadcast in the newspapers, radio, and television shall be cleared by the Department of Public Information. Similarly, all foreign dispatches and cables shall be cleared by the department.

9. Any correspondent filing his dispatch shall be held accountable for any al-

teration in any dispatch that has been cleared, should any such alteration occur in his copy when it is finally published or broadcast.

10. Foreign correspondents as well as local media men shall be properly accredited by the Department of Public Information, upon presentation of their proper credentials and documents. All media men, foreign as well as local, shall at all times behave themselves with decorum.

11. These rules may be amended or modified, without prior notice.

Guidelines for cameramen, photographers of all media, local and foreign:

1. They may take pictures of:
a. normal city life
b. interviews with authorized officials and officers
2. The following are restricted to cameramen and photographers:
a. military installations, camps, facilities, etc.
b. military operations
c. Malacanang grounds and premises
d. Airports and ports

Proper authorities are instructed not to allow shipment of film materials not accompanied with written authorization from the Department of Public Information.

SECRETARY OF PUBLIC INFORMATION
Department of Public Information
Manila
September 25, 1972

Appendix C

Presidential Decree No. 191

ABOLISHING THE MASS MEDIA COUNCIL CREATED UNDER PRESIDENTIAL DECREE NO. 36, AND CREATING IN ITS STEAD THE MEDIA ADVISORY COUNCIL, PRESCRIBING RULES AND REGULATIONS TO ENABLE THE NEW BODY TO DISCHARGE ITS FUNCTIONS EFFECTIVELY.

WHEREAS, it is the objective of Government to help in the sound development of the mass media to the end that they would become an effective instrument in the attainment of social change;

WHEREAS, the various sectors of mass media have shown full appreciation of the fact that their failure to institute self-regulatory measures that would regulate corruption and abuse in the media resulted, as it could only result, in Government having to intervene in order to ensure that private rights and public welfare are safeguareded;

WHEREAS, the same sectors of mass media, fully aware and cognizant of the reasons for the measures that have been instituted since September, 1972, con-

cerning the operation of mass media, have shown willingness to institute a system of self-regulation and internal discipline within their ranks to the end that no part of media may ever again consciously or unconsciously engage or take part in any conspiracy against the government, or any of its duly constituted authorities;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation 1081, dated September 21, 1972, and General Orders No. 1, dated September 22, 1972, as amended, do hereby order and decree the amendment of Section 3 of Presidential Decree No. 36, as follows:

"The creation of a Media Advisory Council, headed by the President of the National Press Club as chairman, with a recognized civic leader to be appointed by the President as co-chairman, and one representative each from the Manila Overseas Press Club, print, radio and television and such others as the President of the Philippines may designate as members."

"The Media Advisory Council shall have the duty of passing upon applications of mass media for permission to operate, so that no newspaper, magazine, periodical, or publication of any kind, radio, television and telecommunications facility, station or network may so operate without first obtaining a Certificate of Authority to Operate from the Media Advisory Council; Provided, however, that said Certificate of Authority shall not become valid and effective until approved by the President of the Philippines. Such certificate of Authority shall be in force for six (6) months, renewable after six (6) months thereafter, unless otherwise terminated earlier."

"Any publications existing at the time of this Decree with a Certificate of Authority signed by the President or approved by the Mass Media Council shall continue without obtaining a new Certificate until the expiration of its existing permit."

"The Media Advisory Council shall constitute itself immediately upon the promulgation of this Decree and shall within 15 days of its organization, promulgate rules and regulations and such other guidelines as it may deem necessary for the operation of mass media. Such rules and regulations and guidelines shall provide sanctions for their infraction, subject to the approval of the President of the Philippines. For this purpose the Media Advisory Council shall also assume the functions and prerogatives of the defunct Philippine Press Council, and the Press Consultative panel which was constituted by the Secretary of Public Information and representatives of the mass media on October 4, 1972, insofar as these relate to and conform with the requirements of this Decree.

For the full and proper implementation of this Decree the Media Advisory Council is hereby authorized to set up a secretariat which shall perform such functions and duties as may be entrusted to it by that Council. The Media Advisory Council shall submit to the President of the Philippines a monthly report on the actions taken and recommendations proposed on matters affecting the operation of mass media.

This Decree is hereby made part of the law of the land and shall take effect immediately and remain in force unless otherwise ordered by me, or by my duly authorized representative.

Done in the City of Manila, this 11th day of May, in the year of our Lord, nineteen hundred and seventy-three..

(SGD.) FERDINAND E. MARCOS
President of the Philippines
Malacanang
Manila

Philippine Agrarian Policy Today: Implementation and Political Impact

David Wurfel*

Friends have often expressed surprise that a student of agriculture should be, by training, a political scientist. But the focus of this study is government policy, a clearly appropriate domain for the political science discipline. The policies to be studied are those which affect the legal and economic control of land, and thus also — in a still dominantly agricultural society — the national distribution of wealth and power. Relative equality of wealth and power among the citizenry — and continuing government efforts to reduce gross inequalities — is a requisite of stable democratic government. The reduction of inequality also happens to be consistent with basic principles of justice to which I personally subscribe.

The purpose here is primarily to describe the nature of Philippine agrarian policy today, the degree of its implementaton, and the problems associated therewith, before assessing the likely political consequences of that policy in light of some of the literature on agrarian change and peasant unrest. But first we must make some reference to the context out of which the present policy emerged.

All the elements of present agrarian policy — land transfer, rent con-

* This assessment, based on nine months of field research, is grounded in respect for the expressed intention of President Marcos to free the tenant farmer from the bondage of landlordism. Insofar as this analysis offers expressed or implied criticism of government programs affecting the intended goals of policy, it is to be hoped that it may, where appropriate, help to stimulate improvements in policy formulation and implementation.

In no sense does any criticism of policy denigrate the contribution of that dedicated band of civil servants, to be found in greater or lesser numbers in every agency, who are expending great effort to carry out their respective programs in the best manner possible. These officials, as well as private citizens in all walks of life, have been extremely helpful to me as I carried my research from air-conditioned office to remote barrio, and back. In fact, without the cooperation of so many Filipinos — including the loyal service of research assistants — this inquiry simply would not have been possible. To them I am deeply grateful.

Field research in the Philippines has been supported, since 1974, by a grant from the Canada Council.

trol, government credit, organization of cooperatives, land settlement, and agrarian courts — were to be found also in earlier eras, but with differences in emphasis and scope. Previous upsurges of interest in agrarian reform were notable in 1954-56, 1963-64, and 1971. The political motivation for policy in each period differed. In the Magsaysay Administration, when the suppression of the Huk rebellion was so fresh in the memory of the landed elite, policy-makers were determined to destroy the mass support base of revolutionary counter-elites. Though the President and the Congress in the early 1960s, both aware of the increasing evidence of Huk revival, were impelled by similar concerns, building a mass base for the prominent elite decision-makers themselves was certainly an important consideration as well. An election was upcoming. Since 1972 Mr. Marcos seems to have been most interested in destroying the mass support — feudal in character — of his elite competitors, though the other two types of motivation have also been present. Only in 1971, which saw the enactment of the most progressive legislation before martial law, was there effective mass pressure for reform. In fact, without such pressure there probably would not have been substantial progress in reform at that time.[1]

Agrarian Reform in the "New Society"

Though the reforms of 1972-73 were the product of the most restricted decision-making process in the history of Philippine agrarian policy — consisting of the President and a few advisors — the mass pressures of 1969-71 certainly impinged on presidential thinking. In fact, the urgency which Mr. Marcos attached to agrarian reform can be seen from the fact that within one month of the declaration of martial law he had issued Presidential Decree No. 27 for "the emancipation of the tiller of the soil from bondage." The President, who had shown slight interest in land reform during his first 7½ years in office, decreed that all tenants on rice and corn land were "deemed owners" of a family-size farm. Hours before he penned the decree in his own hand — before TV cameras — he had succumbed to pressure, especially from his native region of Ilocos,[2]

[1] Thus Professor Huntington's dictum that there is "a basic incompatibility...between parliaments and land reform" (S.P. Huntington, *Political Order in Changing Societies* [Yale University Press, 1968], p. 388 ff) needs amendment. As Huntington himself later admits this does not apply when there are effective peasant organizations, which were active in the Philippines in 1971.

[2] There are no large landholdings in the Ilocos region and almost all landlords there would come within the 7 hectare retention.

to exempt landowners from less than 7 hectares. There were, in fact, several other limitations on the sweeping transfer of rights to the land.

Since October 1972 President Marcos, Secretary of Agrarian Reform Conrado Estrella, and others, have often repeated such phrases as "agrarian reform is the cornerstone of the New Society," adding, "On this reform, the foundation of this country is being built," and, "The entire machinery of government has been committed to fulfill the promise of this program." On the first anniversary of P.D. 27 the President went so far as to say: "The land reform is the only gauge for the success or failure of the New Society. If land reform fails, there is no New Society." It is within the context of these bold statements of priority that Philippine agrarian reform deserves to be examined.

Scope. In November 1972 the Department of Agrarian Reform, the agency responsible for implementing P.D. 27, announced that there were 1,437,956 hectares of rice and corn lands tilled by 1,078,817 tenants. These figures, however, were taken from the 1960 census and failed to account for changes in the intervening 12 years. The Department of Agriculture and Natural Resources reported 5.678 million has. planted to rice and corn in 1972. Extrapolating earlier trends, this would have meant more than 3 million has. cultived by tenants. In the first instance, therefore, it appears that about 1 million tenants were deprived of the benefits of land reform merely by manipulation of the data defining the scope of the program. (Interestingly enough the Bureau of the Census has not until now published the results of the 1971 agricultural census. Did it show an even larger number of rice and corn tenants?)

By 1975 research had established that 57 percent of tenants were farming land owned by persons with less than 7 has., and thus would not benefit from reform under the terms of P.D. 27. In June 1976 figures posted outside the office of the Secretary of Agrarian Reform reported a total of only 644, 199 tenants tillers on 1,058,214 has. of rice and corn lands, with more than *two-thirds* of those on landholdings below 7 has. Thus only about 10 percent of the tenant tillers on rice and corn land, according to the best unofficial estimates, are now supposed to be beneficiaries of land reform.

What happened to all the other tenants? Essentially DAR seems to have decided that if tenants cannot be found by their fieldmen, they must not be there. The "totals" are now the number of tenants interviewed by DAR teams. It is much to the credit of the DAR, however, that in 1976 they decided to launch a new, more thorough identification process, linked to "carpet parcellary map sketching" for the whole barangay, thus providing a much more reliable data base for administrators. In some bar-

angays where the carpet PMS is already complete, nearly 50 percent more tenants have been identified than during 1973-74, foretelling perhaps an *expansion* in the "scope" this time. Unfortunately, there were reports before that DAR fieldmen were sometimes too easily persuaded by landlords that the cultivators seen on the land were not really tenants, and thus should be ignored.

Accomplishments. Given the varying definitions of "scope," measurements of accomplishments will vary also. There are three steps in the land transfer process on which there is data. The first is the issuance of the Certificate of Land Transfer, which is essentially the same as the "allocation" of a lot under R.A. 3844, the 1963 legislation. CLTs can be cancelled or withdrawn without notice or hearing; they are only a preliminary indicator of right to the land.

As of June 30, 1976 DAR reported the "issuance" of CLTs to 197,973 tenants. (One CLT is issued for each plot; nearly half of all tenants receive two or more CLTs.) The term "issuance," however, refers only to the spewing forth by the computer, not to receipt by the tiller. Public reports in 1975 on the wide discrepancy between CLTs "issued" and "received" led to a revision of the data collection system at the regional level. A national compilation was made in February, revealing that of 281,000 CLTs "issued," only 127,000 had been actually received by the farmer. Even though the ratio of received to issued has probably improved somewhat since February, there are undoubtedly not more than 100,000 tenant-recipients by now. While this is more than 50 percent of accomplishment according to the most recent, and most restricted, scope, this is less than 25 percent of the goal announced in 1972. At the rate of 9,000 new tenant recipients in the first half of 1976, it will take nearly 18 years to distribute the certificates to all tenant beneficiaries as defined in 1972. DAR spokesmen have nevertheless talked frequently in recent months of "finishing" land reform by the end of this year.

The second step in land transfer, a much more meaningful one for both tenant and landlord, is the compensation to the owner by the Land Bank and the commencement of amortization payments by the tenant-becoming-owner. At this point the landlord-tenant relationship ceases.

As of June 30, 1976 the Land Bank had paid in cash and bonds over P331 million to landlords with 26,100 tenants, or 8 percent of the supposed beneficiaries of 1972. Though this three-year accomplishment is nearly three times that of the Land Bank in the 1969-71 period, the pace is not entirely satisfying. During 1974, the first year of LPP operations after the Bank's reorganization, there were only 3,472 tenant beneficiaries on paid-up land, compared with 5,746 in 1971. The following year, 1975,

payments benefitted nearly 400 percent more. And in the first six months of 1976 accomplisments were 57 percent of the previous year's level. At the 1976 rate, it will take the Land Bank more than 6 years just to compensate the landlords whose tenants have already received CLTs, and nearly 25 years to complete the task for the 1972 defined scope.

In order to become full owners the amortizing tenant must meet payments for 15 years. At the end of that period, land reform could be said to be completed.

Problems. If accomplishments have been far below expectations in the first two stages of Operation Land Transfer, there must be some explanations. Perhaps expectations were unrealistically high; we may have been infected with the PR man's syndrome.

One of the obstacles to faster implementation is a classic one, budget. DAR field personnel are the lowest paid of any government agency in the agricultural field. Lawyers attached to DAR teams receive no more, for instance, than junior research assistants at U.P. or Ateneo. Perdiems for the additional expense of moving officialdom from the team or district office to the barrio are practically non-existent. Thus morale is low and performance suffers. Particularly in the legal staff, inadequate salaries make it impossible to fill all the positions actually approved. While DAR's "actual expenditures" for operations rose appropriately from P45 million to P79 million between 1973 and 1974, the increase in FY 1975 of only 2.5 percent was only a small fraction of inflation, lower than the increase in the government budget generally. The intention to complete land reform must be reflected first in a substantial increase in budget.

An encouraging sign was the release of an additional P13 million in April 1976 for the Bureau of Lands to accelerate parcellary map sketching; the funds for this special project had heretofore been squeezed out of its own modest budget. As of the end of 1975 little more than half of the OLT target coverage had been mapped and sketched, and the lack of surveys — especially accurate ones — had become a major obstacle to the issuance of CLTs or payment by the Land Bank. In April the Bureau of Lands had requested P26 million to finish the job, but the remaining P13 million has not even been promised.

While budget is a problem which must be solved outside of DAR, the second major obstacle to more rapid implementation is, in large part, an internal one: confusion over policy and inordinate delays in decision-making. In the beginning it appeared as if this confusion might be avoided. A few weeks after the issuance of P.D. 27 a draft of the "Implementing Rules and Regulations" had been completed. The draft re-

solved most of the many ambiguities in the decree in favor of the tenant. However, the President ordered that promulgation of the rules be deferred pending experience to be gained in pilot land reform areas. Neither the November 1973 draft of the rules and regulations, or any modification thereof, have been promulgated to this day. The resulting confusions have been myriad.

In 1974 work was begun on another document which, it was explained, might obviate the necessity for the implementing rules and regulations, i.e., a draft Code of Agrarian Reform. DAR staff were aided in this task by lawyers from the U.P. Law Center and consultants from the private sector. Two different versions of the Draft Code have been completed, one in 1975 and another in 1976, but the most recent one is under "further study" and the promulgation of the Code seems as distant as it was in 1974. In any case, it would not clarify most of the issues which were treated with some precision in the draft rules and regulations.

Perhaps the greatest progress so far toward clarification of the issues was Secretary Estrella's unnumbered circular of May 3, 1976. The most important provision of the memorandum is that which authorizes the distribution of CLTs to tenants even on lands where the owner has filed some kind of complaint with the DAR, or where the land is under court litigation. If the courts or DAR lawyers make a subsequent ruling which invalidates the CLTs, then they may be withdrawn. In January 1976 there were 50-60,000 CLTs being withheld in such cases, often with the landowner having made no more than a verbal protest. According to the May 3rd circular CLTs were also to be delivered to the tenant, even when the owners claimed that the land had been conveyed to other persons before P.D. 27. After the CLTs are distributed the owner can present his documentary evidence to the DAR. In practice, such claims were often unsupportable, but the landowner, by promising to present documentation at a future date, would succeed in holding up the CLT.

The silence of P.D. 27 — unlike previous legislation — on what to do with areas within landed estates not directly cultivated by a tenant, especially roads, irrigation systems and homelots, is an increasing cause of difficulty in OLT. Both tenants and many landlords are urging the Land Bank to acquire such areas. Some unscrupulous landowners however are using continued ownership of irrigation systems or homelots to maintain control over their tenants. Even some "voluntary surrenders" of CLTs can be traced to such pressures. Fortunately the May 3rd memo provided, for the first time, some guidance on irrigation systems, instructing DAR fieldmen to organize irrigators associations and assist them to purchase the existing systems with Land Bank financing.

However, the same memo was entirely silent on the homelot issue, even though it had been discussed at length within DAR over a period of more than 2 years. The cause of this non-decision is not known, but the prolonged paralysis on this question is a crucial measure of the administrative malaise in DAR. The legislative authorization for Land Bank acquisition of homelots, in R.A. 3844, is undoubtedly still valid. Conflicts over homelot possession, rental and/or purchase price will surely become one of DAR's major headaches in years to come. It is possible that DAR's failure to clarify administrative policy on so many points reflects an ambivalence on the part of the President himself as to how far he wants to push the land reform. Certainly Secretary Estrella consults very closely with the President on many matters.

Landowner opposition. Vague and inconsistent administrative guidelines, or total lack thereof, are clearly, as in the case of homelots, weapons in the hands of landlords determined to fight land transfer at every turn. No one knows how many owners are of this bent, but it is certainly true of most smaller ones. The larger owners were hardly more philanthropic in their outlook, but were more effective in the first few months after P.D. 27 in taking evasive measures. In any case, the large owners have other economic interests and are not so dependent on land rent; thus they are less tenacious in their opposition than smaller landholders.

It is clear that a very large number of owners have resisted reform at every stage of the administrative process. The first step was to avoid detection at all, which tactic was surprisingly successful, given the fact that land is a terribly obvious commodity. If the land was identified, tenants were simply ejected, or given a modest sum to declare that they were merely laborers, again avoiding coverage by OLT. Others quickly mortgaged their land to lending institutions, perhaps investing elsewhere. Conversion to sugar, tobacco, bananas, or urban subdivisions was a somewhat later step undertaken by those who had not avoided identification, as well as by those who had. Conversion to urban land received DAR approval, under certain conditions; conversion of tenanted rice and corn land to other crops proceeded without benefit of official sanction and contrary to law. When an owner was unfortunate enought to be faced with the issuance of CLTs on his land, he could protest that the land had been sold to another or distributed to heirs, or insist that the occupants were not his tenants. Until very recently (see above) this led to indefinite delay.

When it came time for small owners to file for the right of 7 has. retention, only about 10 percent of those likely to be eligible submitted their petitions, on the principle that the less information obtained by DAR —

and much was required of these petitioners — the greater the chances of avoiding OLT.

The land valuation process has also provided ample opportunity for foot-dragging. Until December 1975 negotiations were being used to set the price of the land, outside the framework of P.D. 27. Landlords, despite repeated invitations from the DAR, regularly failed to appear, thus delaying indefinitely the completion of land reform. The Barrio Committee on Land Productivity, authorized in 1973, was activated in 1975 as an alternative mechanism. It now sets the average normal harvest for different classes of land in the barrio, 2.5 times of which becomes the land price under the P.D. 27 formula. The 11 members of the BCLP include 4 tenant representatives, 2 owner-cultivators, 2 landlords, the barrio captain, and the Samahang Nayon president, plus the non-voting DAR technician. Since in a land reform area at least one of the two mentioned barrio officials is usually a tenant, tenants are likely to command a majority. Fearing to be outvoted, landlords most often do not show up. (Ironically, the influence of the landlord — even in the process of being expropriated — is still so great in many areas that when they do appear they are often able to determine an outcome favorable to their interests.) Their non-participation in the decision, though made with a proper quorum, is then used as a basis for protest against that decision to the DAR. As of June 30, 1976, while 8,106 BCLPs had been organized, and 3,644 had forwarded to the DAR central office the decision made about productivity, only 1,861 of those had been approved. The remainder were classified as lacking complete data or "with protest." So far, *no* BCLP decision has become the basis of Land Bank payment. Landowners are simply not presenting to the Bank the voluminous documentation required. And as long as the Land Bank has not entered the picture, the landlord may still receive rent for his land. A recommendation now being considered to halt rent payment by CLT holders would provide a significant stimulus to speedier implementation.

Curiously enough it is the tenant who is said to be providing the main delay at the last stage of the compensation process. After the land price is agreed, the Land Bank comes to each CLT holder and asks him to sign a "farmer's undertaking" which fixes the amortization schedule and extracts a promise to pay. Hundreds of farmers — perhaps thousands — are refusing to sign. In some instances cultivators had been persuaded to sign blank forms after verbal agreement on the terms of the LTPA with the DAR technician, only to find later that the price had been hiked, apparently in private discussions between technicians and landlord. Other times they were promised that they would get their home — as well as

farm — lots for the price agreed, then to discover that there was no such promise in writing. Or the landlord may have agreed to condone past debts, then at the last minute added the amount to the purchase price. Sometimes the tenant is simply a shrewd bargainer. He sees that the price to be derived from the BCLP will be much lower than that in the LTPA, and simply wants to reopen the negotiations. Or he may even be the object of manipulation by unscrupulous "tenant leaders," encouraged to balk at signing in order to allow the "leader" to squeeze an extra donation from the landlord. On still other occasions the farmer is reportedly "reluctant to become an owner." If true, this is most likely to be the result of threats and/or enticements from the landlord, so that most fundamentally it constitutes another type of landlord opposition tactic.

That the landlord would be attached to his land, and want to retain ownership, is hardly surprising. That he should take advantage of every loophole, every ambiguity, is consistent with his own best interests. What is less easily understandable, however, is that DAR has never taken steps to penalize landlords for their many evasive, and sometimes illegal, tactics. In effect, it is the honest landowner, who complies with all regulations and does not ask for special favors, who is being penalized. This does not encourage further compliance.

The Distributive Effect. We have noted previously some of the inherent advantages for large landowners. Not only is the wealthier and more powerful owner better able to evade coverage, pay for legal maneuvers or invest in crop conversion, but he has also been benefited by the vagaries of the compensation scheme. The negotiated agreement, or LTPA, which has been the basis of Land Bank compensation so far, has produced average production figures for irrigated land of 146.7 cavans per hectare, and for unirrigated land of 71 cavans, as of June 30, 1976. Though entirely comparable data for the BCLP are not yet available, production figures for irrigated land range most often around 85 cavans, and for unirrigated land around 45 cavans, or less than two -thirds the LTPA levels. Thus, in spite of the fact President Marcos in May 1975 tried to make payment more attractive to those owning less than 24 has. by increasing cash payment from 10 percent to 20 percent, very few of those landlords have yet been compensated at all, and thus will eventually come under the BCLP scheme at much lower prices.

Some very careful assessments of the distributive impact of OLT, as between landlords and tenants, have already been done.[3] But economic

[3] See Duncan Harkin, "Agrarian Change and the Filipino Response," *Solidarity*, X:1 (January-February, 1976), pp. 13-32.

analyses assume the full implementation of existing decrees and regulations. In fact, the true distributive effect is going to be determined in large part by the degree to which implementation is "by the book." Because of the slow start of business activity by the Land Bank, the cash market value of the Land Bank bond is now little more than 50 percent of face value. Thus landlords in most urgent need of cash, usually the smaller ones, will suffer more from the compensation scheme than those who can afford to hold on to their bonds and get productive loans at 85 percent of face value. For the cultivator, failure to pay amortization payments — which is so far typical of more than two-thirds of all amortizing owners — certainly "softens the burden." It remains to be seen whether the Samahang Nayon can be an effective instrument to police arrears. The Land Bank staff will never be large enough to allow them to take direct responsibility.

In any case, inflation will also be a major determinant of the reform's distributive impact.[4] Whether fast or slow, it is likely to be a persistent advantage for the tiller. Hardly any landlord has chosen the option of receiving direct payment from his former tenant *in kind*, which, despite its other disadvantages, would protect the owner against inflation. Even though Philippine inflation may not be as bad as that in Japan immediately after land reform there, it is certainly on a steady upward curve. It will fall most heavily on bondholders without business acumen who merely keep their bonds and collect a modest 6 percent interest. Because of inflation, the fears expressed by some critics of Operation Land Transfer that most tenants would be economically incapable of meeting their amortization are not likely to be well-founded in the long run. It will be necessary, however, to create an enforcement mechanism that encourages the *will* to pay.

Even with the benefit of a rising palay price, there will, of course, be many amortizing owners who fall into economic difficulty and face the acute danger of losing their land. There are already many instances of transfer of CLTs from one cultivator to another, although it is strictly prohibited. The subterfuge used is that of "abandonment." A CLT-holder who "abandons" his land loses his rights too, and thus the CLT is reissued to a deserving farmer, in almost every case the one who is found to be farming the "abandoned" land. The new CLT holder is not just lucky,

[4] See Benedict Kerkvliet, "Land Reform in the Philippines since the Marcos Coup," *Pacific Affairs*, Vol. 47, No. 3 (Fall, 1974), p. 287 ff. Also Dennis Shoesmith, "Land Reform in the Philippines: Emancipating or Emaciating the Tenant Farmer?," *Australian Outlook*, Vol. 28, No. 3 (December, 1974), pp. 274-89.

however. He paid a consideration to the one who "abandoned" the land. This is a standard practice on leasehold land, where the right of leasehold — in Central Luzon, at least — fetches as much as P3-4,000 per hectare for good riceland. And since the transfer of leasehold rights is not illegal, it can be freely mentioned to an outsider.

The prospect for a widespread practice of subterranean transfer of rights can also be extrapolated from the experience of the landed estates, some of them under government administration for 20 or 30 years. In certain estates most lots appear to have changed hands two or more times, despite restrictions imposed. Some of those transfers were from cultivators to non-cultivators, i.e., the reestablishment of landlordism. The pressure of population on the land and the unequal capacities of men make this process to some extent inevitable. Put through the institutionalization of low-interest credit and cooperative marketing schemes government could prevent such a process from becoming the dominant and pervasive one, wiping out the benefits of land reform in one generation, as happened on such a large portion of the friar lands.

Government Credit and Cooperative Marketing

Recent studies have told us that the main source of private, high-interest credit — ranging from 20-200 percent — for the rice and corn farmer today is the *suki*, the grain buyer, who has preempted the role of the landlord, in part as a result of agrarian reform. Thus government efforts to extend low-interest credit through Masagana 99 and Masagana Maisan, as well as the attempt to build a cooperative credit and marketing system based on the Samahang Nayon, are timely and necessary corollaries to Operation Land Transfer and should be included in any study of agrarian reform, even though their purpose was primarily to increase production.

Masagana 99. This constitutes the most massive government scheme for agricultural credit in Philippine history. Since it began in May 1973 until the completion of Phase VI releases in March, more than P2.5 billion had been channeled through the Philippine National Bank and the Rural Banking System to more than a half million farmers — in the peak year of 1974. This financial outgoing is several times that provided for land reform.

The loans were given to tenants and owners alike, with the only collateral being the standing crops. Each applicant for a loan was supposed to fill out a "farm plan" with the assistance of an agricultural technician from the Bureau of Agricultural Extension or the Bureau of Plant Industry, in order to know the fertilizer and chemicals needed on his land. Chits were given for fertilizer and chemicals purchase, while cash was released

in order to allow the farmer to pay for planting, weeding and harvesting. During the first year of the program there was such pressure to "get the money out," that the farm plan was, at best, a formality, and hundreds of persons who were not farmers at all actually received loans. The manner of implementation was determined by the fact that the only measure of success was the amount that each bank was able to loan, or the number of loans which each technician was able to approve. Since rice farmers were given fertilizers at a subsidized price, and sugar planters were not, a lively trade quickly developed out of the eagerness of the rice farmer for cash. Whole barges of Masagana 99 fertilizers were shipped from Luzon to Negros, until a stop was put to the practice. But such sales to sugar planters within the same province, e.g., Pampanga or Iloilo, were on a smaller scale and were much more difficult to detect or halt. They have continued to plague the program until today, reducing the productivity of rice and thus the rice farmer's ability to repay his loan.

Repayment percentages, over 90 percent, were remarkably good for a government credit scheme during Phases I and II. By Phase III, however, the PNB's repayment had already dipped to below 70 percent. The Rural Banks, still claiming 91 percent repayment into Phase III, were attempting to fool the Central Bank by extending loans out of which old loans could be repayed. Bad weather helped bring the repayment percentage in Phase IV (November 1974 to April 1975) down to 62 percent for the PNB and 72 percent for the Rural Banks, according to official figures. As the Central Bank and the PNB became more and more alarmed about rising arrearages — which have now reached nearly P1 billion — more drastic measures were taken. The help of the PC was asked, some of the more obvious delinquents were taken to court, and a few officials were removed for having been caught in "fake farmer" rackets, i.e., taking loans given to agricultural technicians, and even barangay captains, to encourage them to assist more effectively in the collection process. Still into Phase V the collection percentage continued to drop. The farmer's perception of Masagana 99 as a "government loan" — having more the character of dole than credit — was an underlying factor which new politics could hardly touch.

In addition to intensifying the collection proces, it became more and more difficult for delinquent borrowers to borrow again — until in the current Phase VII it became absolutely impossible. Thus the amount of funds loaned, and even more sharply the number of borrowers, began to drop. Borrowers in Phases V and VI were little more than two-thirds of those during Phase III and IV. Thus the number of borrowers — who are both owners and tenants — is now less than the total number of CLTs

issued. And scores of thousands of rice and corn farmers are disenchanted with RB or PNB credit, whether the fault lies with themselves or the system.

Even though the interest rate of 12 percent is far lower than that for alternative sources of credit, the farmer also has other criteria by which he judges the desirability of a credit source. From usurers he has come to expect prompt service, without restrictions on use, free of forms and other paperwork — all of which is the antithesis of bank loans. Furthermore he values very highly a lenient approach to delinquency, often forgetting that he loses more than he gains from postponement of a usurious loan. Such values are deeply ingrained, and are not changed easily. For the vast majority of Masagana 99 loan recipients, this was their first brush with institutionalized credit. Now they are threatened with the stockade if they do not pay an overdue loan. Some are sufficiently frightened to sell their carabao in order to allow early repayment. Thus whether it is from psychological preference or economic necessity, a large portion of former Masagana 99 farmers are again propelled toward the usurer for credit needs. It is probably a much smaller group that benefited sufficiently or budgeted carefully enough that they are now no longer in need of borrowing.

Thus the long-term benefits to land transfer which Masagana 99 might have provided are likely to be rather minimal. The increased production achieved by many farmers was based on fertilizer input, but without loans most farmers cannot afford to put on the prescribed amount, so that yields will fall again. Fertilizer usage in rice farming already dropped 20 percent from 1974 to 1975, and is still on the decline.

The economics of the program itself were hardly redistributive. The Rural Banking system nearly doubled gross income from 1972, before Masagana 99, to 1974, the first full year of operation. And by 1975 the net income for the system rose to an all time high of 28 percent of gross income. Yet even these figures probably conceal the rural bankers' true gain. For instance, privately owned rural banks — which are often slower in paying the Central Bank than farmer borrowers are in paying them — sometimes establish "money shops" in the town market. Though advertising interest rates of 14 percent per annum, a closer analysis of *real* interest rates reveals figures above *100* percent, and this with Central Bank money borrowed at 1 percent per annum. The rural banking business became so profitable that 1974 saw the largest number of new banks opened in the system's history, 76 in all. These were often owned by the very same families that were supposed to be "victims" of land reform. Probably the greatest beneficiaries of the program are distributors of

agricultural inputs, who, at the local level are often the rural bankers as well, if not local politicians. In sum, the profits to lenders and distributors was probably greater than actual interest savings of farmers, though a precise measurement is very difficult indeed.

Samahang Nayon. The SN is the barrio unit of a national cooperative structure conceived by Dr. Orlando Sacay which is eventually supposed to include 40 Cooperative Rural Banks and 60 Area Marketing Cooperatives, as well as central cooperative institutions, of which the Cooperative Insurance System of the Philippines was the first to operate. By the end of 1975 there were 15 registered AMC's, not all of which were yet operative, and 2 registered CRBs, only one of which was functioning. At the base of the system there were 14,329 registered SN with nearly 100,000 members. In terms of membership this is one of the largest organizational structures in the Philippines — and it grew 25 percent during 1975. Total savings, composed of the general fund, the barrio fund, and the barrio guarantee fund, amounted to the impressive figure in January 1976 of P42.7 million. Total savings had nearly doubled in 1975. It is hardly accurate to say, therefore, as some critics have, that the Samahang Nayon program is dead. What is true, however, is that totals and averages hide a wide variety of health among the numerous associations.

Dr. Sacay himself has admitted that less than 20 percent of SN are really healthy.[5] This is apparently measured in terms of approximate adherence to the schedule of collections from members — P5 per month for the BSF and one cavan per hectare per harvest for the BGF — and fairly regular meetings of the various SN committees. There is essentially no place in the evaluation forms used for successful innovation, i.e., new projects, new types of activities.

Perhaps a majority of the SN are moribund: they are not collecting savings or holding meetings, and their members would resign if they could. But the Bureau of Cooperative Development will not allow any SN member who resigns to withdraw his savings, so even the most disgruntled still continue to appear on the membership roles.

The causes for this disgruntlement are many, and can be traced back to the origins of the program. SNs began to be formed in 1973 under great pressure from the top. Though they are officially "voluntary organiza-

[5] The statistics on which Dr. Sacay, Undersecretary for Cooperative Development, DLGCD, bases this admission are to be found in reports of the Agricultural Credit and Cooperatives Institute, financed by the International Development Research Centre, Ottawa; they are carefully guarded from the quizzical eye of the researcher.

tions," threats which held some potency in the early days of martial law were often used to bring in the new members to the time-consuming training programs. There were also false promises, e.g., "only those who join the SN will receive Masagana 99 loans."

As training continued it was explained, quite correctly, that the goal of the SN was to accumulate capital so as to create a cooperative rural bank and an AMC which could service the farmers. But the SN itself was not supposed to be engaged in either cooperative marketing or credit — though some of the healthy ones have done so extra-legally. The vast majority of SN members are not serviced to this day by either CRB or AMC, so understandably they have lost interest. One particularly acute DLGCD officer observed that if it had not been for the launching of the CISP program in late 1974 and early 1975 the whole cooperative structure in his province would have collapsed. Life insurance was well-sold by DLGCD field men and the payment of death benefits seems to have been quite prompt in the few instances where it has so far been necessary. But in time even the insured began to examine this rather minimal group policy more closely, and the enthusiasm has waned. In those municipalities where SN are not yet serviced by a cooperative marketing or credit structure it will probably be difficult to revive the disillusioned membership. They will be more skeptical than ever about new promises associated with the cooperative structure.

The creation of additional CRBs has been faced with some special obstacles created, in effect, by another agrarian program, Masagana 99. Upon release of Masagana loans the PNB, or the Rural Bank, was supposed to deduct 5 percent for deposit in the savings account of the SN, credited to the individual farmer. Many RBs failed to do this, but probably most did. When it came time to organize a CRB the capitalization was to be derived from the BSF of the Samahang Nayon. But the Rural Banks refused to release the savings, even on formal request of the board of directors of the SN, and produced a letter from the Central Bank to justify their stand. Their contention was that as long as SN members were overdue in repayment of their loans, the bank "had no funds" to pay out savings withdrawals. The Central Bank and the Department of Local Government and Cooperative Development (DLGCD) may soon be resolved, but the formation of Cooperative Rural Banks has already been delayed for more than a year, thus contributing to further demoralization among Samahang Nayon members.

The moribund state of so many SNs is a threat to the success of the land reform program. (The reverse is also true. Nothing more effectively destroys an SN than the failure of its members to receive the CLTs which

they think they deserve; and many have been so destroyed.) The SN is given the responsibility of guaranteeing the prompt payment of amortization by its members who are land reform beneficiaries. All CLT recipients are, in turn, supposed to join a Samahang Nayon. In case of complete default, the SN must find another landless farmer to cultivate the lot in question and assume amortization payment himself. In the interim the SN may have to take direct responsibility for the operation of the farm. This mechanism has not yet functioned, though it may soon be put to the test. It is a challenge even to a healthy SN with strong leadership. It is hard to be optimistic about what will happen in other types of SN, which are more numerous.

In sum, the government credit and cooperative programs designed to bolster land reform have operated quite imperfectly. It is yet too early to tell whether the major problems can be corrected fast enough to reinvigorate these programs. The cooperative mechanism is a delicate one, in which mutual trust and the nature of leadership are overwhelmingly important. It is not susceptible to rapid qualitative change at central direction, particularly when that direction is not responsive to local differences. The Masagana 99 program, on the other hand, depends much more heavily on a centrally administered bureaucracy. Bureaucratic leadership has reacted rather well so far to feedback, and may yet be able to alter policies and procedures so as to revive the Masagana 99 and put it on a stable footing.

Inevitably, however, a successful credit program, built on the proven ability to repay and designed to increase production, will conflict with a policy of agrarian reform dedicated to strengthening the position of the disadvantaged. In the past, production oriented considerations have always been given priority over those emphasizing equity. The conflict between the Rural Banks and the cooperatives is a case in point, and must be resolved at the highest levels. If the resolution is to be made in the spirit of agrarian reform, the cooperatives must be freed from unnecessary restraints. They could become the institutions most truly representative of the tiller of the soil.

Despite the public focus on land reform in recent years, there are a variety of other government policies which greatly affect the distribution of land. Those of longer standing have to do with disposition of public land, today centered in the Bureau of Lands and the Resettlement Division of DAR. The more recent developments are primarily focused on promoting agricultural production, but nevertheless have a very direct impact on patterns of land ownership and control.

Disposition of Public Land

Organized land settlement in sparsely populated provinces and municipalities was a major emphasis in the agrarian reform program under Magsaysay. It has continued to be popular among landlords, who see it as an alternative to land transfer in heavily populated areas. Today land settlement programs are handicapped by Muslim unrest in many parts of Mindanao. But perhaps the most basic reason for the relative lack of emphasis on resettlement today is that the Philippines is running out of vacant cultivable land. In 1974 the Bureau of Lands reported that there were only 346,129 has. of disposable public agricultural land on which there were as yet no applications — compared to 1,469,517 has. on which there were applications pending. Organized land settlement may well be de-emphasized also simply because it is a very expensive way to open up public land. The record of settler repayment on government advances designed to facilitate the resettlement process is very poor.

The argument used to be made that organized land settlement was preferable to the free-for-all so poorly supervised by the Bureau of Lands because it avoided land conflict and was able to enforce the rules against tenancy on homesteaded land. But the experience over the last two decades even cast those contentions in doubt. Tenancy is rife within the settlements and has been for years. Even settlement officers often have their own *kasama*, or share tenants. Thus figures on families resettled cannot be equated with cultivator ownership. There are now over 50,000 officially recognized settler families on nearly 700,000 has. of DAR land.

Though settlement areas are not without land conflicts, the situation on other public land is probably worse. The compilation and organization of statistics in the Bureau of Lands is so poor that it is quite impossible to tell how many disputed claims there actually are, but the problem was recognized as serious enough in 1973 that Secretary Tanco of the DANR drafted a decree to provide for the cancellation of illegally acquired public land, even without the lengthy, cumbersome court procedures which are now required. Unfortunately the decree has never been signed and the cancellation of what are certainly vast areas of illegal acquisition proceeds at a snail's pace.

Because the Bureau of Lands has no data on patents issued by land size, or information on the number of patentees who have tenants, it is impossible to know how many cultivator owners are created by its program.[6]

[6] A 1972 study by J. Steward in Hagonoy, Davao del Sur, which had been originally settled by homesteaders, revealed tenancy rates of *over* 80 percent. Quoted in Gelia Castillo, *All in a Grain of Rice* (Los Baños: SARC, 1975), p. 270.

Even though the great majority of patents are in the homestead and free patent category, limited to 24 has., the courts have invariably upheld the right of public land applicants to use tenants in the occupation and cultivation of lands for which they apply. This fact came to the attention of the President in 1973, causing him to issue P.D. 152, "Prohibiting the Employment or use of Share Tenants in Complying with Requirements of Law Regarding Entry, Occupation, Improvement and Cultivation of Public Lands..." However, even though the decree authorized the denial of application or cancellation of grant on the grounds of the use of tenants, there is no evidence available that any such denials or cancellations actually took place. From 1973 through 1975 more than 313,000 public land patents were issued, probably less than 1/5 of which established actual tillers as owners. Even so, 62,000 constitute three times the number of owner-cultivators tentatively created by DAR and the Land Bank in the same period.

Corporate Farming

Since martial law there has been a remarkable increase in the area planted to export crops, primarily because of the influence of world prices, but partially also to avoid land reform, at least in certain areas. Nearly 94,000 more hectares were planted to sugar in the crop year 1974-75 than just three years earlier. Based on field inspections in some of the areas where such crop conversion is taking place, but without the benefit of adequate statistics, it seems likely that at least half of that was formerly planted to rice or corn. And of that 47,000 has. at least half again was either purchased from cultivators or planted to sugar after ejecting or buying out the tenants.

Bananas began their most rapid growth before martial law, with production jumping from less than 2 million boxes in 1969 to more than 28 million in 1972. But since then an additional 5,800 has. has been planted. While some of this land was in old abaca plantations or uncultivated, the great majority of it was converted from rice or corn.

In almost all cases the conversions from rice or corn involved the displacement of either owner-cultivator or tenant. Tenants, of course, were thereby deprived of benefits of land reform. Owners were given rent for their land, and some were hired as laborers on plantations. The lease agreement seemed favorable to most owner-cultivators when they were first told about it — though they were seldom allowed to read it. Banana companies offered P400 or P500 per hectare and promised five years payment in advance. For the man with six hectares and a large family P30,000 in cash was a *tremendous* amount of money! Some were able to

invest this money in another piece of land, a small business, or at least a new house. Others were more profligate. For most the cash was gone within a year or more and alternate income sources were meager indeed. Within two years of the advance, some plantation managers came back to the owner-lessor to tell him a very new piece of news, that the advance was subject to interest and that a substantial interest payment was now due. As a result several former owner-cultivators have had to sell their land to the plantation in order to pay their debts. This process will undoubtedly accelerate over the years. In any case, renewal of the lease is at the option of the plantation, so that the owner could be permanently reduced to the status of laborer or tenant without actually losing legal rights to the land.

The plantation should be pleased indeed to get access to land for such a ridiculously low cost. For the net profit per hectare on banana land, according to the industry's own figures, was P11,000 last year! The landowner is getting a handsome 4 percent of the profit! Pineapple land is being leased by Philippine Packing Corporation for P200 per year, if level, and *P2.00* per year, if rolling. As in the case of some banana plantations, PPC has leased certain areas from absentees whose right to the land is disputed by the actual cultivator. But in the process the cultivator is being driven off.[7]

The physical ejectment of the actual cultivator is often the consequence of corporate cultivation under G.O. 47, enunciated by President Marcos in 1974 to boost the country's rice production. All corporations with more than 500 employees are required either to import rice at their own expense or to produce it; 158 corporations as of May 1976 have chosen to cultivate 28,460 has., about 19,000 of which is leased. Victorias Milling Co., for example, leased from the Mindoro Agricultural School, then proceeded to bulldoze the occupants who had been trying for years to get legal title to the public land they had so long cultivated. In rice and corn areas of Mindanao it is common for the corporation to enter into a lease with a small owner, similar to that of the banana plantation. In one instance in Davao the G.O. 47 corporate farmer was clever enough to tie up the desired area in leases only months before the public announcement of an NIA irrigation project — in direct violation, by the way, of G.O. 47. It is estimated that more than 15,000 has. have been lost to farming by tenants, owners or claimant-occupants as a result of G.O. 47.

[7] Vincent G. Cullen, S.J., "Sour Pineapples: Priest Exposes Landgrabbing Activities of Philippine Packing Corporation in Bukidnon," *Signs of the Times*, Manila, June 12, 1976, pp. 17-24.

Also in 1974 President Marcos issued a decree opening up another type of corporate farming. P.D. 472 required all holders of timber licenses and pasture leases on public land "to develop areas within their concessions ...for the production of rice, corn and other basic staples to take care of the consumption requirements of their workers and the people within their areas." But previously most of the easily cultivable hectarage within timber and pasture concessions had already been planted by land-hungry farmers, who were nevertheless unable to acquire any right to the land they tilled because the Bureau of Forestry refused to classify it as suitable for agricultural purposes, and thus "alienable and disposable." Many such farmers had petitioned the Bureau vainly for years, only to find that the interests of more powerful people were attended to first. Therefore, on the nearly 26,000 hectares already being farmed under the provisions of this decree, thousands of cultivators are being driven off of land to which they first set the plow. Only a small portion are being hired back as laborers.

Thus it seems fair to say that since 1972 about 70,000 hectares of agricultural land tilled by more than 20,000 families have slipped out of the control of the cultivator due to government policies encouraging agricultural production — or more than the area gained by 26,000 tenants through land reform. Since we have not yet entered into the balance sheet on the one side, cultivators who receive homesteads and free patents or, on the other, the seizing of ancestral lands from tribal groups, both Muslim and non-Muslim, or the loss of land through indebtedness — the most important and least researched process of them all — one must conclude that on balance, the trend on the land is *away* from the ownership and control of the cultivator and toward the expansion of the absentee landlord. This is a trend which has been uninterrupted for centuries. It is only a pity that with all the resources at the command of the government today, it cannot be halted.

A consequence of the continuing loss of land by the cultivator is the growth of the landless labor class, a category that has not benefited in any way from government credit or cooperative programs, or from land reform itself. Though its growth has been speeded by the recent efforts to evade land reform and by the emphasis on corporate farming, the ranks of landless laborers were being augmented already in the late 1960s by government credit programs to facilitate the purchase of tractors, financed by the World Bank,[8] programs which continue until the present. Such loans

[8] Bart Duff, "Output, Employment and Mechanization in Philippine Agriculture," International Rice Research Institute, Los Baños, Paper No. 75-01, December, 1974.

made it easier for landlords to eject their tenants and shift to farming with wage labor. Though one recent estimate suggests that there are 8 million landless laborers, 80 percent of the rural working force,[9] this includes all tenants, not just those without any tenure rights on the land, a more useful definition. In any case, landless laborers are of increasing importance, not just on sugar plantations, but in rice-growing areas, as well, and for the newer export crops that are expanding so rapidly. The government recently recognized their plight by the creation of a Rural Workers' Office in the Department of Labor.

Political Consequences

Since the political purpose of land reform and its ancillary policies was to create mass support for the New Society and its leader, and to undermine support for alternative leadership on both the right and left, it is well to take a closer look at the actual political impact, as policy-makers themselves may also be doing. Agrarian policies are perceived differently by different groups, of course. Those whose perceptions and attitudes we must attempt to understand are rice and corn landlords, their tenants, cultivator-owners and claimants dislocated by various types of corporate farming, and the corporate farmers themselves.

We have already described the way in which landlords have attempted to evade the impact of land reform. This is associated with various tactics designed to maintain the influence of a patron over his clients. Such landowners, who are undoubtedly in a majority, are often embittered against the government. A large portion have the attitude of "sitting out the duration," hoping that somehow land reform will "go away." Only a halt to land reform, and a more generous compensation for those who have already had their land taken, will mollify this group. They are now so suspicious of the government's intentions that they assume that land reform will be extended to other crops and pushed down to zero retention on rice and corn. Their preparations to meet such an eventuality, e.g., harassment or quiet dispossession of tenants, are creating further agrarian conflict. In this group there is a strong disposition to welcome a change in top governmental leadership.

Among the landlords there is a sizable minority, however, who are either more philosophical, more urban oriented, or simply have a wider

[9] Alfredo M. de la Rosa (Executive Director, Office of Manpower Planning and Development, National Manpower and Youth Council), "Training Policies, Programs and Institutions for Employment in the Rural Areas," Paper delivered at Asian Conference on Landless Rural Workers, Manila, March, 1976.

array of economic interests outside land, who are not opposed to land reform in principle, but are unhappy about the method of acquisition and the amount of payment. It is the group which might be turned from neutral to supportive of government through an increase in the cash payment by the Land Bank. This group will probably share the displeasure of their diehard compadres with the BCLP evaluation, but would be less likely to try to block its implementation.

On balance, then, landlords are hostile toward and apprehensive of the land reform program, and these attitudes will be intensified if the program is implemented further. Negative attitudes will also tend to become more generalized toward central government leadership over time. And as the reform is pushed down to smaller holdings, the hostility of small landowners will increase most rapidly. Such findings would seem to counsel a slowing down, or even halting, of the land reform program.

But the attitudes of tenants must also be accounted for. There is a segment of the tenantry which is also uneasy about land reform. They usually have a close, warm relationship with their landlords and are afraid of a future that might break that tie, forcing them to take greater risks. Thus when landlords suggest that they will no longer be able to give emergency loans or *rasyon* after land reform, such tenants might easily be persuaded to surrender their CLTs. Or they might be susceptible to landlord advice not to join a Samahang Nayon. In any case, this group does not constitute more than 10 to 25 percent of the tenant class, and are to be found most often in isolated towns. Their attitude toward central government is vague, but being easily influenced by landlords, could turn hostile.

The great majority of tenants, on the other hand, would seem to welcome land reform. Those who have been demanding reform over a period of years will tend to regard it as a matter of right, and thus be particularly critical of any shortcoming in implementation. Lachica reports that in Central Luzon most tenants believed that earlier land reform efforts were a response to the Huk insurgency.[10] The larger number who have not been part of an organized peasantry will be "grateful for the privilege given to us by President Marcos." Both subtypes are supportive of the national government today. The former category could turn against the government, however, if they decide that this reform is another "palabas," or sham. The latter's support will erode more slowly since their expectations were not so high in the first place. In any case, the failure to

[10] Eduardo Lachica, *HUK: Philippine Agrarian Society in Revolt* (Manila: Solidaridad Publishing House, 1971), p. 33.

receive a CLT — even for a reason which may seen "good" to an administrator — or inordinate delay in the opportunity to stop paying rent to the landlord could turn positive political attitudes toward central government into negative ones. To hold the support of the tenants, it would seem to follow that effective implementation of agrarian reform must be speeded up, including cooperative marketing and credit as well as land transfer.

And what of those unaffected by agrarian reform, but whose livelihood and status is profoundly altered by the intrusion of corporate farming. This is a large category composed of several subtypes only a few of which can be mentioned. If the tenant displaced had no expectation of land reform and is able to become a tenant elsewhere, despite the inconvenience of the move, his basic status has not changed. It is much more common, however, that those displaced are either owners or public land claimants. The former was probably able to sign a lease, often disguised as a "growers contract," with the farm corporation and in the first few years is basking in the luxury of his advanced cash payment. For most, however, that period ends all too quickly. They are forced into a search for wage labor or a tenant holding, a significant status deflation. In the meantime they are becoming aware of the tremendous profits being made from their land, especially in the case of bananas or pineapple. Insofar as they recognize the role which government played in their dispossession, their understandable frustations will be turned against government as well as corporate farms. At that point they are ripe for dissident recruitment.

The most immediately explosive case, however, is that of the cultivator-claimant who has been trying for years to get legal rights to his land, but who is physically forced to stand aside upon the entrance of a corporate farm. There have already been armed clashes with such people, but those with superior wealth usually have command of superior force, and the cultivator is effectively dislodged. A generation ago when this happened — and it happened often then too — the loser trekked to new unoccupied land and started again the tiresome process of making idle land productive. Today, however, it is seldom possible to find cultivable unoccupied land and started again the tiresome process of making idle sporadic wage labor. His bitterness is deep and his propensity to violence, great. All that is needed is leadership to turn that violence to political purposes. Thus increased rice, banana or pineapple production today may have been bought at the price of a widening rebellion within the next few years.

The corporate farmers themselves are not as pleased with the situation as one might imagine of an entrepreneur embarking on a new venture. They were forced into rice farming by G.O. 47 and P.D. 472 and some

claim it will not be profitable. In any case, it requires new capital outlays and involves new kinds of management headaches. Some of the corporations involved are owned by landlords dispossessed by land reform, so that their political attitudes are colored by both policies. But for the most part corporation executives and board members are affected by such a wide array of government programs that the agrarian dimension is a minor element in their thinking. Market prices and profitability are more relevant to their mood.

If there were an uninhibited flow of information to the President from all sectors of the Filipino populace affected by agrarian policy, we can see that he would have received strong signals both to speed up the reform, and to slow it down. Since it is his style to try to please everyone, just as if he were soon to face an election, his apparent indecision is, therefore, understandable.

But the feedback process is far from perfect. With an end to electoral competition, and the muzzling of the once free press, the upward flow of information outside the bureaucracy has been substantially restricted. Patterns of personal connections reminiscent of the "Old Society" determine who reaches the President's ear. Thus it is those with economic power and political influence who get their message across most often, i.e., the landlords. The one organized landlord group, with the acronym ALARM, feels dissatisfied with the President's response to its advice. But, as of old, the messages most persistently and effectively transmitted are particularistic ones, not suggestions for alteration of policy.

The peasant voice is undoubtedly weaker than it was before martial law. Though certain peasant leaders are occasionally allowed to speak to the President, and Samahang Nayon officials send telegrams or letters to Malacañang Palace from time to time, the channels have narrowed. Other peasant leaders are in jail or coerced into silence. A Presidential Action Committee on Land Problems had been created in 1970, with provincial committees reporting to it. However, its function of investigating and resolving expeditiously "disputes over land between small settlers and big landowners and between Christians and cultural minorities" was effectively limited to Mindanao. And by 1974 it had become inactive. It was reinvigorated by Presidential Decree in 1975, but continues to focus its attention on Mindanao, where, to be sure, land problems are the most acute. But only the most serious conflicts reach the provincial committee, and not a few erstwhile complainants are inhibited by the fact that the committee is chaired by the Provincial Commander of the Philippine Constabulary. Elsewhere the farmer's only appeal is to the very bureaucracy which is the cause of his problem. A caveat distilled by Samuel

Huntington from the experience of many countries is indeed relevant; "Peasant participation may not be necessary to pass [but] it *is* necessary to implement [it]."[11] However, this may be an inevitable limitation on land reform under martial law.

Given the predominance of communication from the landed class, it is not surprising that appropriations are inadequate and administrative clarifications infrequent. The President and his advisors, as is true of so many political leaders, are making decisions on the basis of short-term calculations. They are probably unaware of the fact that this is not a case of half-a-loaf being better than none.

A land reform which is primarily a public reform effort is harmless enough, since the wily peasant expects nothing of it anyway. A fully implemented reform, on the other hand, can create a newly satisfied and conservative peasantry, as it did in Japan. But a half-completed job has explosive potential. Those who have suffered from landlord evasion tactics are the most disillusioned. And while landlords themselves are unhappy, a large percentage of the peasantry, given a promise which seemed in the process of fulfillment, also feel cheated when fulfillment repeatedly slips into the future. This is hardly the basis for legitimacy and stability, especially when the traditional source of legitimacy, elections, has been discarded.

Philippine agrarian reform has already produced an increase in rural conflict since 1973. That conflict will spread most rapidly if the reform slows to a halt less than halfway to its original goal.

This does not mean, however, that peasant rebellion is imminent, despite some of the warnings in the literature. "Decentralized sharecropping systems in general and irrigated rice production in particular are likely to create a homogeneous landless peasantry with strong incentives for collective action... These economic characteristics would in turn lead to political radicalism," says Jeffrey Paige, adding even more emphatically, "Rice sharecropping... [is] most likely to lead to agrarian revolution."[12] Despite later qualifications, it is clear that the Vietnam example weighs too heavily in his thinking. In any case, for a country like the Philippines where, despite legislation, a majority of rice farmers are tenants and a majority of tenants are sharecroppers, such a prediction of tendency cannot be dismissed lightly.

[11] *op. cit.*, p. 394.

[12] Jeffrey M. Paige, *Agrarian Revolution: Social Movements and Export Agriculture in the Underdeveloped World* (New York: Free Press, 1975), pp. 62-63, 369.

Nor is the warning from Keith Griffin to be disregarded, in light of the rapid proliferation of wage laborers in Philippine agriculture. Says he: "Technical change in agriculture... tends to increase relative inequality and in some cases even reduce absolutely the standard of living of large sections of the rural population... Eventually... the tenant will have been converted into an agricultural laborer... The Philippines case study illustrates [a tendency toward] a polarization of classes... If... inequality is rising while employment and output are relatively stagnant, the stage will be set for a violent confrontation."[13]

Barrington Moore touches a different dimension when he discounts the likelihood of agrarian rebellion when patron-client relations are strong.[14] But precisely as a result of land reform policy, patron-client ties in the Philippines are eroding more rapidly than ever before.

Yet neither social nor economic conditions, per se, produce successful radical peasant political activity. Even if there is a critical "sense of deprivation" among cultivators, they must also have effective leadership and, as several writers have concluded from recent studies, be provided with the opportunities inherent in a breakdown of governmental authority.[15] Since authority is now being all too effectively exercised by the martial law regime, it is apparent that under present conditions agrarian rebellion could hardly be the cause of its downfall. The groundwork is being laid, however, for a situation in which peasant revolution might succeed, if President Marcos had already been overthrown. But, of course, since we are attempting to project several years into the future, variables could appear which are not now on the horizon.

[13] Keith Griffin, *The Political Economy of Agrarian Change: An Essay on the Green Revolution* (Cambridge: Harvard University Press, 1974), pp. 73-76.

[14] Barrington Moore, *Social Origins of Dictatorship and Democracy* (Boston: Beacon Press, 1966), p. 470.

[15] See Donald Zagoria, ed., Special Issue on Peasants and Revolution, *Comparative Politics*, VIII: 3 (April, 1976), passim.

Philippine "Revolution from the Top or Center": A Tentative Assessment of the Shaping and Sharing of Power and Wealth under Martial Law

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This is a preliminary appraisal of how power and wealth have been shaped and shared in the Philippines since martial law was imposed by President Ferdinand E. Marcos on September 21, 1972. Self-styled as a "revolution from the top" or "a revolution from the center", martial law in the Philippines is intended, among other things, "to save the nation" or to prevent or abort what the President saw as the gathering revolution from below in which the "leftists" were joined by the "rightists" in fomenting an upheaval. The other avowed goal was "to institute reforms" in a political, economic and social system marked by increasing concentration of power, wealth and opportunities for advancement resulting in the rule of "oligarchy." From what may be seen thus far I would like to begin and I can only begin, addressing two questions: How are power and wealth sought to be restructured or "democratized"? What are the discernible effects? In due course, historians and political scientists will evaluate to what extent and under what conditions the new political elite, wielding unprecedented power in a "constitutional authoritarianism", is willing and able to redistribute its unprecedented governmental and economic power so as to realize the avowed revolutionary goals of the regime. Is a "revolution from the top or center" feasible in the Philippines?

I. Goals of the "Democratic Revolution" and the "New Society"

In 1971, a year before he imposed martial law in the Philippines, President Marcos published his diagnosis of Filipino society and his ideas

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for the Democratic Revolution and the New Society. In his book, *Today's Revolution: Democracy*, he concluded that the fundamental defect of Filipino society is that it tends to be oligarchic. He meant that "the economic gap between the rich and the poor provides the wealthy few the opportunity of exercising undue influence on the political authority". In turn, because of their poverty, dependency and lack of organization, "the masses...perpetuate a populist, personalist, and individualist kind of politics". One result is that "corruption at the top is matched by corruption below". Moreover, oligarchic control of the mass media "has perpetuated the simplistic politics that have been obstructive of meaningful change...institutional change...the restructuring of society". In the end, the disillusioned and desperate "masses will just have to take power into their hands".

The crescendo of lawlessness, the strident cries and demonstrations for change by radical groups, the increasing terror and disorder and the inability of the government to cope with the situation, heightened the people's fears and anxieties. Watching all these, President Marcos said in 1971: "I believe that in this troubled present, revolution is a fact, not merely a potential threat, and that if we value our sacred rights, our cherished freedoms, we must wrest the revolutionary leadership from those who would, in the end, turn the democratic revolution into a totalitarian regime". He deemed it his duty "to revive the atrophied will of the political authority...the will of the sovereign people". He believed that "a reorientation must proceed; society must be revolutionized". He was determined to "democratize wealth and property" to make "equality of opportunity for all" a fact, to "revolutionize society for the sake of man, not for the sake of the State", to make the "Democratic Revolution, the authentic revolution", work; in short, to establish "The New Society" by a "Democratic Revolution", which is "constitutional, liberal and nationalist".

The President wrote that the "unlimited democracy" and the "free enterprise" economic system, which are both cause and consequence of the social and economic setting marked by the glaring gaps in wealth and power and by oligarchic dominance and mass subordination, call for change. But, he added: "because the political culture abets the status quo, that too has to be radically changed". Once more, in his own words: "Our populist, personalist and individualist culture must give way not only to collective responsibility, but beyond that to our historic responsibility." Whereas "collective responsibility" is limited to working for the good of all Filipinos during one's lifetime or generation, "historic re-

sponsibility'' is a commitment to contribute to that ''historic stream'' of generations that are the Filipino people.

This all-embracing change in values and behavior required of all Filipinos by the Democratic Revolution and the New Society would be a change away from an exclusively self-centered orientation to an inclusive orientation in which personal advantage is also linked with the good of others, of the whole nation, now and even beyond one's lifetime into the indefinite future. This is the broadest sense in which ''disciplina'' (discipline), the ubiquitous exhortation and warning of martial law authorities is being used in the New Society to evoke the desired behaviors of citizens vis-a-vis their fellows and leaders or in relation to the impersonal symbols and instruments of the State and society; presidential decrees, proclamations, general orders and instructions, new rules and regulations, old laws and codes, the flag, the national anthem, New Society songs, slogans, maxims, proverbs, citizen campaigns, presidential awards, commemorative ceremonies.

The President's design for ''a revolution from the top'' had been articulated, but few heeded its drastic implications. Then about a year later, on September 21, 1972, the President declared martial law all over the country. From the outset President Marcos has enjoyed the loyal and effective support of the military in enforcing his decisions and actions as commander-in-chief and as President. On the night of September 22, 1972, under presidential orders, the army closed down all radio and television stations and newspaper offices, and arrested three opposition senators, prominent publishers, journalists and commentators critical of the President and supposedly involved in a conspiracy against him and the government, a number of opposition delegates to the Constitutional Convention, a governor, labor leaders, thousands of activists and protesters, and a congressman known to be close to the President but suspected of arms smuggling. Notorious criminals at large were likewise apprehended. Checkpoints were set up and soldiers inspected all vehicles, padlocked the Congress building, and guarded the schools which were closed down for a few weeks. The Philippine Constabulary's Camp Crame and the Philippine Army's Camp Aguinaldo, both in Metro Manila, and other detention centers in the country, became instant symbols of the new martial law regime.

Then the army cracked down on the so-called politician warlords and their ''private armies'' all over the country. The most thorough and effective campaign for the surrender of firearms in the possession of private citizens yielded over half a million firearms according to the

President and the military. The President ordered the creation of military tribunals to hasten the wheels of criminal justice and pace the civil courts. For months news and rumors circulated about the arrest of more suspected subversives and criminals. Heavy penalties were imposed for defiance of the criminal laws. To dramatize the seriousness of law enforcement by the authorities a convicted Chinese drug pusher was executed by a firing squad. Presidential decrees, orders, proclamations and instructions issued forth in rapid succession, as if to underscore the will of the President, with the assistance of the military, to strengthen their control on the conduct of the citizenry. Some agencies, including strategic industrial firms and public utilities were headed by military officers or placed under military supervision. Military intelligence spread its surveillance far and wide, and especially in the colleges and universities known for radicalism.

II. The Shaping and Sharing of Power

Martial law overtook the Constitutional Convention which had been called to frame a truly Filipino constitution responsive to the clamor for reforms in a period of mounting ideological confrontations [Abueva: 1972]. The 1935 Constitution, written under American colonial rule, was deemed inadequate for an independent country struggling for political, economic, social and cultural development. While embodying democratic, developmental and nationalistic ideals and guidelines reflecting the will of the delegates before martial law intervened, the spirit and intent of the 1973 Constitution have been deflected, and its legitimacy challenged and impaired. The transitory and other provisions that were tailored to the requirements of the martial law regime have made its enforcement selective and therefore contradictory and inconsistent. The Supreme Court, by a vote of six to four resolved that the new Constitution had not been properly ratified in the first citizen assembly referendum hastily called by the President in January 1973, in lieu of the plebiscite prescribed under the then existing 1935 Constitution. However, the same court accepted the fait accompli that there was "no further obstacle to the new Constitution's being considered in force and effect."

A Supreme Court justice has described the new Constitution as in a "state of anaesthesia", because of the virtual suspension of those parts of it which hinder the exercise of martial law authority. President Marcos himself has candidly described his regime as "constitutional authoritarianism" — with a "crisis government". On the other hand, it would be inaccurate to deny that several of the progressive provisions of the

1973 Constitution are also being observed and implemented by the government.

The New Constitution provides for a parliamentary system in place of the old presidential system and an interim National Assembly was supported to be in existence since January 17, 1973 when the charter was deemed ratified. The Prime Minister would be the head of the government and the President, also elected from among members of the National Assembly, would be the symbolic head of state. However, President Marcos has not convened the National Assembly. By virtue of a transitory provision in the Constitution, he has exercised his powers and prerogatives under the 1935 Constitution and those vested in the President and the Prime Minister in the 1973 Constitution. Invoking another transitory provision which validated all his acts since martial law began, President Marcos has continued to exercise all governmental powers as he had declared in General Order No. 1: "I, Ferdinand E. Marcos, President of the Philippines...do hereby proclaim that I shall govern the nation and direct the operation of the entire government, including all its agencies and instrumentalities [September 22, 1972]."

The official results of the second referendum, held on July 27-28, 1973, indicated that 90 per cent of the voters wanted "President Marcos to continue beyond 1973 and finish the reforms he has initiated under martial law." The results also showed overwhelming disapproval of the holding of elections and the convening of the National Assembly. In the third referendum, on February 27-28, 1975, it was reported that 92 per cent of the votes cast "want the President to continue exercising his powers under martial law and the Constitution." All petitions to the Supreme Court seeking to invalidate the President's actions and the referendums, and to lift martial law, have failed.

Although President Marcos may rule indefinitely under existing laws as these have been interpreted, he occasionally hinted that the crisis government was transitory to a parliamentary democracy as intended in the 1973 Constitution. In late 1975 he announced that he was considering the creation of a "Legislative Advisory Council" or a *Sangguniang Pambansa* in lieu of or as a "transitional" Interim Assembly. Headed by him such a national council or assembly would include members of his Cabinet and other persons he would choose, some of them from the new *sangguniang* assembly or council structure at the provincial, city and municipal levels. Prospective members of the pending interim National Assembly provided by the 1973 Constitution may also be made members of the Sangguniang Pambansa. What is evolving is a national advisory or

quasi-legislative body whose members will be determined by the President. "So, we are slowly moving into a parliamentary government", he said early in his fourth year as the martial law leader.

Authoritarian rule is rather consistent with an indigenous concept of "organic hierarchy" and an authoritarian streak in Filipino society and polity which coexisted with an overlay of the modern concept of Filipino liberal democracy learned from the West. Thus, President Marcos by his assertion of martial law authority has become a "reincarnation", with a vengeance, of the pre-Spanish *dato* or *pangulo*, the contemporary "Pangulo par excellence" combining in his position and person the roles of "Chief Legislator, Chief Executive, Chief Administrator, Commander-in-Chief of the Armed Forces, Martial Law Chief, Martial Law Judge, National Patron, and National Integrator of the Society, the economy and the polity...and National Teacher of the idea of the New Society [Agpalo: 60].

Although the uniformed military quickly became less visible after September 1972 and no tanks and armor ever rambled in Metro Manila, the military have continued to play a prominent and strategic role as the President's right arm in law enforcement, counter-insurgency, various civic action and developmental activities, and in reinforcing the people's orientation toward the national community. The Secretary of National Defense and the top military leaders work directly and intimately with the President. The power, prerogatives, emoluments and prestige of the military establishment have never been greater than under present martial rule, even as reports of abuses and corruption by some officers and soldiers make affected citizens regard them with silent fear and burning hatred. The military now enjoys a larger share of the government budget. Its size is being expanded from 60,000 to about 250,000 in 1978. U.S. military assistance has increased from $63.5 in FY 1970-1972 by 40.2 million in FY 1972-75, or an increase of *about* 104.4 per cent [Shirmer, 1975]. Freed from their previous subordination to politicians below the President (the legislators and provincial governors), military officers have availed themselves fully of their enlarged opportunities to maintain peace and order and enforce the laws, and for this contribution to political stability they have been amply rewarded in status and power.

Alongside the officers of the armed forces, civilian technocrats exercise delegated presidential authority as Cabinet members and heads of departments, agencies or government corporations. Drawn from the universities, several from the University of the Philippines, and also from business firms and the military, these technocrats act as presidential

advisers, government executives, drafters of presidential decrees, and advocates and defenders of the New Society. Responsible only to the President who appointed them, they serve at his pleasure. They assist him in the exercise of his tremendous executive and legislative powers uninhibited by elected representatives or by a critical press. Given unusual opportunities to test their developmental ideas and apply their professional knowhow, much more perhaps than the allurements of power and publicity, the technocrats willingly assume the risks of success or failure in their high positions and in their commitment to the martial law regime. "They all believe in the goals and dreams of the President, for they have shared with him in forging the strategies and tactics of carrying them out; they have no solid political base which was the principal attribute of the well-known oligarchs of the pre-martial law political system; and the incentives of working devotedly and faithfully with the President do not only involve the fear of losing honor, life and fortune were the martial law administration to fail but also the joy and pride of fathering the birth of a new society [Agpalo: 59].

The President has publicly acknowledged that the Judiciary has "in a great and substantial nature maintained the political stability of the country...by its prestige, trustworthiness, fairness, good name and reputation" [Daily Express, Jan. 6, 1976]. In fact the Supreme Court has upheld the President or at least deferred to him each time that his status and acts have been challenged before it. As provided by the 1973 Constitution the Supreme Court now has administrative supervision over all lower courts, and definite time limits in the adjudication of legal disputes are observed, resulting in a speedier judicial process. Combined with improved peace and order, one effect is that property rights essential to a free enterprise economy are relatively secure in most parts of the country.

Still the President has ultimate power over the entire Judiciary because he may remove any judge or fiscal, and all decisions of the military tribunals become final only upon his approval. With this sword over their heads, the suspension of certain civil and political rights in the 1973 Constitution, the shrinkage of civil court jurisdiction and the existence of several military courts (about 20 military commissions and 40 provost courts) — official assertions of judicial independence meet with disbelief and criticism among some knowledgeable law practitioners, including members of the Supreme Court. In its report on "the State of the Nation After Three Years of Martial Law", the Civil Liberties Union (September 21, 1975) concluded in part: "For many, it is futile to invoke the rule of law. The administration of justice is muddled." The CLU report

also noted: "Veteran judges of long service have been dismissed through court notices of acceptance of their compulsory resignations."

From the first days of martial rule sanctions were imposed on all public servants to make the bureaucracy obedient, efficient and honest. The government was reorganized and purged of scores of corrupt or unreliable elements. Office heads were given blanket authority to separate, without an investigation, any employee deemed to be "notoriously undesirable". Several facing administrative or criminal charges were subject to summary dismissal. Moreover, official discretion in the purge of the bureaucracy was facilitated by requiring practically all government workers to submit their undated letters of resignation to the President. Many others not weeded out by this swift process would be removed by lay-offs to effect economy during the reorganization. Under the 1973 Constitution the President can fire any governmental personnel by the expedient of appointing his successor. Even Supreme Court justices could be dismissed by presidential decree. The abolition of Congress itself, a traditional symbol of representative government and legislative power, as well as of patronage and privilege outside the presidency, epitomized the determination of the martial law authorities to transform the political system, consolidating their power in the name of political stability, societal reforms and accelerated national development.

The enormously enlarged powers of the government to induce the compliance and cooperation of the citizens was best exemplified in their role as taxpayers. Tax collection was intensified as never before, resulting in many more people paying their taxes, including those in arrear, promptly and more honestly. The government mounted an extensive tax information campaign linking increased revenues to constructive projects and benefits for citizens, and tax deliquency to severe penalties. The latter included interest, fines, forfeiture, arrest and imprisonment, revocation of licenses and permits which were made renewable in shorter periods, withholding of government salaries and fringe benefits if not outright dismissal, and disqualification from transacting business with the government. On the positive side, partial tax amnesties were granted on undeclared incomes and so-called hidden wealth. Those who availed themselves of the amnesties were guaranteed immunity from any investigation or prosecution by the government. Again, the people were told that the expected revenues would finance the country's planned development.

Owing to the large and fragmented political elite in the pre-martial law era, quite often then "public policies were mangled, reforms aborted, budgets delayed, feelings of frustration and cynicism aroused, and social unrest enkindled [Agpalo: 59]". In contrast, the political elite of the

martial law regime is small, cohesive and effectively under the President's command. It is responsive to what it believes to be good for the people without the participation of their elective representatives or the influence of an independent press. The merits of the present political system were once described by President Marcos in terms of its "crisis government that had the real power to make quick decisions and to implement them without obstruction from any source..., attack problems with immediacy and directness..., to deal with both the unknown, the uncertain and the unexpected, and to adjust with swiftness, adequacy and efficiency to unprecedented situations [Speech, January 12, 1975]."

The mass media of the Old Society were faulted for being negative, irresponsible, corrupt, subservient to the oligarchs who controlled them, if not downright subversive. To reform the mass media, the martial law authorities initiated several moves. As stated earlier, several publishers and journalists were immediately arrested and detained, although all of them were subsequently released without being tried for any offense. Periodicals such as the *Manila Times*, the *Manila Chronicle* and the *Philippines Free Press* were "sequestered", never to resume publication. Radio and television stations belonging to the family of Eugenio Lopez, businessman brother of Vice-President Fernando Lopez, who also published the *Manila Chronicle*, were permanently stopped, presumably because their owners were believed to have conspired with the family of Senator Sergio Osmeña, the defeated presidential rival of President Marcos in 1969, to eliminate the President, so as to install Vice-President Lopez as President of the Republic.

It was said that ownership of the mass media would be broadened to prevent their ever becoming the tools of the oligarchs. Censorship and licensing of the media were introduced, while recalcitrant journalists were invited for interrogation by the military. Moreover, relatives and friends of the Marcos' set up their own newspapers and radio and television stations. The government also established the Department of Public Information to expand and oversee its own informational programs via the various communications media. Gradually, censorship was lifted and representatives of the private mass media were asked to institute a self-regulating system consistent with the stringent reporting norms of the New Society. But given the felt restrictions on free speech and assembly, the press is understandably timid and cautious and uncritical, preferring to be on the safe side. Certain subjects seem taboo by tacit understanding, and these include the President and Mrs. Marcos on one hand, and the military, the New People's Army, and the Muslim rebel-

lion, on the other unless cleared by the military officers concerned. Rarely do Malacañang or the Department of Public Information dictate headlines although they control some sources of news. Unlike earlier on, foreign correspondents are free to write and dispatch their stories on the theory that these are for foreign consumption and would not easily be known inside the country. Filipino reports are less wary of the Media Advisory Council or the Department of Public Information than of the military, who seem to have the ultimate say on behavior supposed to be subversive.

The Catholic Church has been the most forthright and courageous source of complaints about official abuses and injustice, especially against political prisoners and labor groups, using the pulpit, masses, prayer meetings, and its mimeographed bulletins which, though not enjoying mass circulation reach significant numbers of the intelligentsia beyond the religious circles. Highly critical reports on the three years of martial rule have been printed and circulated by religious and lay leaders and by the Civil Liberties Union. The newspapers did not publish their contents, but their toleration by the authorities is a sign of the somewhat relaxed control of public criticism and the media. This has been due to the confidence of martial law authorities concerning their power and popular support, to their sense that continued repression of free speech is counterproductive because the media news lacks credibility and legitimacy, to the criticism of the foreign press, including the expulsion of the Philippines from membership in the International Press Institute, and to the criticism of some American officials and citizens which might threaten continued U.S. assistance to the Philippines and hurt the international reputation of the President and the martial law regime.

In sum, President Marcos, with the active participation of his wife who is also Governor of Metro Manila, is the undisputed head of a new encompassing power structure or grand coalition which consists of: (1) the military; (2) Cabinet members and technocrats and the bureaucracy under them; (3) persons close to the President or Mrs. Marcos whether relatives or loyal friends and former politicians; (4) the local officials who also hold office by presidential appointment; and (5) the businessmen who enjoy the political stability and economic incentives which the administration provides. At the base of this political pyramid are the millions whose welfare is the aim of the New Society, in whose name change and reform are being initiated, and whose support provide the regime with legitimacy through referendums and citizen assemblies, and the *sangguniang bayans* and barangays. Gone is the old pluralist power structure

based on the two major political parties, and the new minor parties and polity movements. There is only one nationwide, non-party political aggrupation allowed to exist.

II. The Expansion and Sharing of Wealth

President Marcos has declared "the conquest of mass poverty" and the "democratization of wealth and property" to be among the major aims of the New Society. He has therefore sought popular approval and legitimacy of his "constitutional authoritarianism" not only via the referendums and Supreme Court decisions but also particularly through policies and programs intended to strengthen the national economy, expand and improve government services to the people, effect land reform and redistribute incomes.

The administration has sought to help the poor farmers and laborers by simultaneous measures calculated to provide them employment, to raise their productivity and incomes, and to reduce their losses from the severe inflation that hit the country from late 1973 through 1974, with the start of the oil crisis. The measures taken ranged from price support of agricultural products to subsidies of farm inputs, from salary increases to price controls, from expanded infrastructure programs to medicare hospitalization, from manpower training to agrarian reform, from new and increased taxes and improved collection to greater government expenditures, from heavy foreign borrowing to the vigorous and effective attraction of foreign investments into the country, and from crash rice production schemes to the systematic promotion of exports. Moreover the government was reorganized.

Undoubtedly, national decision-making has been simplified and expedited by the concentration of governmental powers in the President. As called for in the 1973 Constitution, the creation of the National Economic Development Authority, with the President as chairman, ensures better coordination in both planning and implementation. Fiscal and budgetary processes do not have to contend with a legislature.

According to one economist "these improvements...which substantially shortened the time and reduced the costly bargaining between divergent political factions and vested economic groupings have, on the whole, led to the more efficient and rational allocation of scarce government resources. These improvements...gain greater significance considering the absolute amount of government resources, as well as the share of the government sector in GNP which has been increasing substantially since 1972 [Kintanar: 20]."

Under martial law President Marcos has instituted far-reaching fiscal

reforms which might have been impossible under the separation of powers and the checks and balances of the old political system. Tax reforms and improved tax information and administration increased the revenues from P5.1 billion in FY 1972 to P15 billion in FY 1974. Unusual budget surpluses were recorded up to 1974, although by 1975 a deficit of P630 million was expected. The number of people who filed their income taxes increased four times during the same period. The changes affect the basic structure and institutions of taxation and promise to be progressive and self-sustaining. There has been a deliberate dispersal of infrastructure and other resources of the government on a more equitable regional basis. The Government is allocating a greater share of GNP to capital formulation, including highways, irrigation and electrification, using its increased revenues and greater foreign borrowing. Staples — rice, sugar and cooking oils — are sold at much lower than international prices. The subsidy program, which included fertilizer for the farmers, amounted to P2 billion in 1974. The redistributive effect of the Medicare Program and the Family Planning Program may be also seen as a fiscal reform.

In the euphoria of the first year's achievements under martial law, the administration spoke of another economic miracle in Asia looming in the Philippines. On the third anniversary of the New Society, the President asserted: "Judged by any of the known indicators for economic growth, the conclusion points to a high level of performance of the national economy." He said that during the three years of the New Society, GNP rose by an annual average of about seven per cent. He spoke of "unprecedented prosperity in the rural areas, an obvious upsurge in the purchasing power of the Filipino farmers, and a general air of confidence and optimism in the countryside." He reported the rise of employment levels by an average of five per cent in the preceding three years and the reduction of unemployment to only 4.1 per cent in 1975. He cited the administration's success in "bringing the government closer to the people". The farmers were and would continue to be "the main beneficiaries of the major programs launched over the first 1,000 days of the New Society."

Compared to about $200 million to 300 million at the start of the New Society, international reserves rose to $739 million a year later, leaving a balance of payments surplus of $612 million. By September 1975 the international reserves stood at $1.17 billion, indicating the strength of the national economy in spite of worldwide stagflation. However, because of the sharp decline in trade, due to the depressed market for exports, the

merchandise trade surplus of $95 million in FY 1974 shifted to a deficit of $801 million in FY 1975. Accordingly, aggravated by the price of crude oil imports, the balance of payments position declined from the FY 1974 surplus of $437 million to a deficit of $352 million in FY 1975 which became $500 million as 1975 ended. While prices of major exports dropped drastically, receipts from merchandise trade grew by 11 per cent; non-merchandise trade improved by 26 per cent, and transfer receipts by 12 per cent. Buttressed by larger borrowing, these movements checked the declining balance of payments.

Other indicators point to the New Society's three-year economic upsurge at aggregate levels, not considering the distribution of benefits and income to the people most of whom are poor and live in the rural areas. In FY 1975 gross domestic capital formation amounted to P10.34 billion; in real terms it grew by 22.3 per cent compared to the 7.9 per cent growth in FY 1974.

In FY 1975 paid-in capital of newly registered business firms expanded by about 30 per cent to a level of P1 billion. Investments in registered firms grew by 34 per cent, consequent mainly on a 192-per cent increase in local business investments. In the first three years of martial law, 13,300 new corporations were established with a total paid-up capital of P2 billion. The aggressive attraction of foreign investments drew over P2 billion into the country and the relocation there of the regional headquarters of some 35 multi-national corporations. The number of tourists increased by almost three times.

The impact of the more impressive statistics of economic advance upon various segments of the citizens is varied and have been the subject of conflicting evaluations, depending partly on which segments are considered, on the time horizons involved, on the development strategies favored, or on the political circumstances of the analysis. To begin with the seven per cent increase in GNP from 1972 to 1975 is the average of the yearly increases: 10 per cent in 1973, 6 per cent in 1974, and 5.9 in 1975. Prior to martial law the average growth rate was 5.5 per cent from 1969 to 1972, and 6.25 per cent from 1967 to 1972 [NEDA: 113]." Even if the new prosperity reported were equitably distributed, per capita income fell from about 4.7 per cent in FY 1974 to three per cent in FY 1975, the latter being almost at par with the yearly increase in population. The external debt by year-end 1975 was $4 billion or 37.4 per cent over that a year earlier. What cannot be gainsaid, however, is that the country surmounted the unprecedented problems caused by the world economic crisis in 1973-1974.

Even President Marcos admits the setback caused by recession and inflation and the evident vulnerability of the national economy to international economics, especially because of its newly bolstered export orientation. As he reviewed the first three years of the New Society at the Rizal Park, he acknowledged "serious problems...shadowing our economic life [September 21, 1975]." Significantly, he noted: "We cannot escape the feeling here of being perpetually engaged in a race with problems and crises, regardless of our response at any given period," not to mention the advantages of the nearly absolute authority he wields in an authoritarian regime. Significantly, too, on the same public occasion he announced a dramatic purge of some "2,000 undesirables in the national government," devoting 12 out of the total of 27 pages of his speech to its details. This prompted critics and oppositionists to suspect that he did not have much real progress to report to the nation after three years of martial rule and was therefore diverting the people away from the shortfalls in his reforms and development efforts.

As if to preempt the judgment of his detractors, he admitted: "Now underneath these surface impressions of vitality and stability, there are profound problems that embattle our New Society. ' The general signs of national strength and progress somehow do not yet completely translate into realities sufficiently relevant to the ordinary individual... Growth is rendered in statistics and changes in the landscape, changes in the cities, in the roads, in the infrastructures. But more than this we need a new vigorous climate of confidence and hope..."

What did the people think about the President, the New Society, the problems they faced, the government programs intended to solve those problems and improve their welfare, and the quality of their lives in the New Society? It has been stated that official returns of the three referendums were overwhelmingly favorable to his continued rule under martial law, and against holding national or local elections. During the referendum in July 1973, one-tenth of the voters wrote their remarks on their ballots and these were analyzed by faculty members in the College of Public Administration, University of the Philippines. Voters' comments on various economic aspects of the government's development programs varied. Those concerning economic conditions in general were 50 per cent favorable and 34 per cent unfavorable. But on specifics, 90 per cent complained about high prices, 93 per cent worried about low salaries and wages, and 90 per cent were unhappy about the short supply of prime commodities. The following received mostly unfavorable comments: transportation (73 per cent), infrastructure (70 per cent), electricity (64 per cent). Agricultural reforms in general elicited almost equal percent-

ages pro and con (about 22 per cent), with as many as 55 per cent of the comments being mutual or ambivalent. Land reform also obtained almost equal approvals and disapprovals (about 42 per cent). Most negative remarks on land reform showed dissatisfaction with its implementation rather than opposition to it.

Against the regime's identification with the poor, its goals of "democratization of wealth", income distribution, and improved levels of living, it is important to assess relevant indicators. One such set comes from survey research conducted by the Institute of Philippine Culture for the Philippine Social Science Council from November 1973 to April 1974, during the country's and the administration's high levels of achievement since the inception of martial law. Asked to compare their lives at the time of the survey (more than a year after martial law) to the year earlier, 52 per cent said their lives were about the same, 28 per cent were happier, and 20 per cent were not quite so happy. Rural residents had a "greater proportion of status-quo persons (56 vs. 49 per cent) and fewer who [said] they were happier in late 1972 or early 1973 [soon after martial law] than they were at the end of 1973 or the beginning of 1974 [E. Porio, F. Lynch, M.R. Hollnsteiner: 41]."

Most survey respondents perceived changes in their communities compared to five years earlier (1968-1969). However, more "respondents report emphatically that there is now less money available than five years ago (50 vs. 42 per cent), fewer jobs to be had (50 vs. 38 per cent), fewer chances for advancement (47 vs. 42 per cent), and higher prices to contend with (54 vs. 42 per cent). A slight plurality said "there are better houses available in their communities (44 vs. 41 per cent)."

Other responsible scholars agree that, despite the greatly intensified efforts of the government to improve the economy, it will take a long time to redistribute income in a country where the upper 20 per cent of the people earn 50 per cent of total family incomes, while the lower 50 per cent receive les than 20 per cent. In the three years since September 21, 1972, these inequities seem to continue, improving somewhat in some places, worsening in others and in the country as a whole. Based partly, on a national household survey conducted in April-September 1974, an economist at the University of the Philippines said: "In conclusion, we can say that public finance has not improved the very unequal distribution of income in the Philippines. There has been a heavy reliance on indirect taxes which are inherently regressive. The progressive taxes have been ineffectively collected...[Tan: 267]." An economic consultant to the National Defense College and the Department of Public Information said

in December 1975 that "the fruits of growth are still as unevenly distributed as in the last ten years", although noting that the problem of equity" is really a problem of social history [Valdepenas: 9]."

One foreign visitor wrote in early 1974: "The effect of the improvement [in GNP], at least so far [to early 1974] has been to make the rich richer and the poor poorer. The President's propagandists like to say that the Philippines now is being run along "modern management lines"; if the Philippines is to be considered a kind of corporation, with Marcos as chief executive officer, then it is unfortunately fair to say that the big shareholders are getting big dividends, the smaller middle-class investors smaller dividends, the very poor, scarcely anything at all... The Filipino working man continues to get poorer in real terms [Kaun, 1974: 9]."

The 61-page "Message of Hope to Filipinos Who Care", written and edited by former Senator Jovito Salonga and the Jesuit historian Horacio de la Costa, and signed by more than 300 persons, concluded in October 1975: "the undue concentration of wealth in a few hands has become compounded. Political power is now monopolized by one man. Wealth is increasingly concentrated in the hands of persons who either exercise martial law authority, or are their relatives, associates, cronies, or patrons [Salonga and de la Costa, et al: 26]." The Civil Liberties Union, in its 81-page report, "the State of the Nation After Three Years of Martial Law", concluded: "The two striking features of the economy are that: (1) Notwithstanding the record growth rates officially claimed by the government and the sector of big business, the overwhelming majority of our people, composed of working men and fixed-income groups, have been considerably impoverished; and (2) the economy has become even more dependent than it has ever been on external factors, on foreign creditors, and foreign capital [Diokno et al: 27-28]."

The Philippines was certainly only one among many countries which recently experienced double-digit inflation, although it had one of the world's highest rates in 1974. The government has succeeded remarkably in reducing the inflationary rate, even as it repeatedly blamed recession abroad and the oil crisis for the domestic inflation and its effects on prices and levels of living. Actually studies show that the "imported inflation" accounted only for a relatively small part of domestic inflation: not more than 10 per cent according to the National Economic Development Authority and the Communications Research Center; not over 16 per cent according to the Central Bank. On the basis of these figures and his own study, the chairman of the economics department at the Ateneo de Manila

University concluded that "90 per cent of the inflation is really due to the mismanagement of monetary and fiscal policy of the Philippines... Spending has been increasing by almost 18 per cent every year, whereas our output has been increasing by something like five to six per cent." While praising the restoration of law and order and the administration of justice as positive for economic development, the same scholar pointed up certain weaknesses of the government in its development efforts: (1) the inability to make socialized pricing work; and (2) the tendency of the industrial program... to go into fairly ambitious capital intensive projects which will take generations to pay off...and to spawn industrial processes that have little to do with the resource endowments of the country and will therefore continue to be dependent on large, imported energy consumption [Valdepeñas: 9].

Certainly, President Marcos is intensely aware of the situation. "In our own country," he has said, "the accumulated experience of the past three years promises more challenges, rather than relief. For once we set our program of reform in motion, there is no alternative but to prosecute it to its legitimate end [September 21, 1975]."

IV. Concluding Notes

In this preliminary assessment of President Marcos' "Democratic Revolution" and the "New Society", otherwise known as martial law Philippines, I shall conclude with these notes regarding some avowed goals and objectives of the regime and their realization.

1. The Shaping and Sharing of Power. Political power is much more concentrated now than before martial law. The breadth and depth and range of political participation are defined by the President who exercises executive, legislative, military and administrative functions. Three years after he declared martial law, the President himself observed "Among some of the poor, there is still the nagging fear that they have again been left behind, and that we have liquidated an oligarchy only to set up a new oligarchy... (1975)."

Although this concentration of powers under martial law is supposed to be temporary, it is indeterminate. The very uncertainty of succession to President Marcos enhances such power concentration; so do the conditioned behavior of the people after the initial shock of exemplary arrests and detention; the subsequent organization of elite and mass participation along new modes and channels; and the control of the mass media and the spread of official information and propaganda.

It may be that the new structure has first to be established by consolidating power at the top and that such power is also needed to institute and

enforce reforms and programs such as land reform, tax reform, government reorganization, the control of rebellion and lawlessness, and so on. It may be that a guided democracy or "constitutional authoritarianism" is merely a transition to the parliamentary system envisaged in the 1973 Constitution. Certainly, the transition is being suggested by the President and his men, but without any timetable announced or even as yet determined. That the "Democratic Revolution" is nationalist seems to be indicated by the self-conscious innovations in institutions, by the newly established relations with socialist countries and by the diversification of foreign trade, although the economic nationalism of pre-martial law days has been arrested or re-directed to foster economic growth with the aid of foreign capital and technology. That the "Democratic Revolution" is liberal seems only true in relation to the repression of the first two years of martial law, and perhaps in relation to what may now be a gradual trend of relaxation of controls conditioned on the compliant behavior of the citizenry.

2. The Expansion and Sharing of Wealth. The expansion of wealth — in terms of volume of production of goods and services, higher productivity accumulation of capital stock, availability of capital for investment, greater corporate activity, larger foreign exchange reserves, seems both an official claim and a verifiable fact. It seems true that the new economic gains are going mostly to the capitalists, entrepreneurs, and the managers, to the larger producers of export products, and the urban-based businessmen, the professionals and the merchants. Given the high population growth and inflation, the new wealth and incomes are probably not being redistributed any better than before martial law. On the other hand, this observation would be disputed by the regime. And it also may be argued that most capitalistic or private enterprise economies take a long time to really take off, and that in the Philippines the bases for such take off are being laid with greater vigor, determination and rationality than ever before. But how long will the "democratization of wealth and property" take?

In another paper I did state the following gains under martial law: "The New Society has definitely improved peace and order, except in the rebel areas of Luzon and Mindanao, substantially increased government revenues and expenditures, boosted food production and built infrastructure as never before, raised large foreign loans for development, attracted foreign investments, promoted and expanded exports, developed tourism, implemented land reform on rice and corn lands far beyond all previous efforts, and instilled a measure of citizen discipline and social

order. Export markets have been diversified. Diplomatic and trade relations have been opened with China, Soviet Russia and other Socialist States. Philippines sovereignty is being asserted in the operation of U.S. military bases in the islands. Greater support has been given to research in science, agriculture, technology and even the social sciences. Given its ends and norms, the government in the New Society has introduced greater rationality and a long-range perspective in its planning and management."

In that same paper I also said that the commitment of President Marcos to democratize or redistribute both power and wealth is both highly laudable and highly problematic. The means and their effectiveness are yet to be demonstrated, and it will take much time. Meanwhile, in addition to the positive changes noted above, "the most clear-cut political change is the increasingly pervasive strength of the Marcos regime. Political and economic initiative continues to come from the center. Not only is the Marcos regime concentrating and mobilizing wealth, it is also concentrating and mobilizing other instruments of political power, in particular, the military, the mass media, and foreign resources. These instruments of political power contribute a technologically modernized form of elite domination. In this fashion, elite rule persists. Indeed, the ruling elite now possesses greater power than ever before (Rosenberg: 257-258)." If this concentrated and pervasive political and economic strength can be utilized to change the political and economic structure fundamentally, President Marcos and the national alliance under him will have proved their basic thesis that the "democratic revolution" can be mounted from the center or the top, thus preempting for good, as he has intended, the bloody revolution from below. Otherwise, "so long as resources and power continue to be lodged in a few in this otherwise enlightened age, the potential for grassroots movements looms ever greater (Hollnsteiner: 36)."

3. The Dilemma of the Revolutionary. The most radical change benefiting the people directly is land reform in rice and corn lands and yet it has been described as a conservative land reform because the Marcos administration is compensating the landlords quite liberally and is tolerating some circumventions and legal resistance by landowners. Any change in strategy to hasten the land reform, and then to extend it to land planted to sugar and coconut, and to urban land would give credibility to the goal of "democratizing wealth and poverty." It would surely also threaten the coherence of the present ruling coalition under President Marcos. In the near future it seems more likely that smaller and less

painful incremental changes will continue to be made in the economic structure. The democratic heritage of the past three generations, the basic conservation of Filipino society, and the so-called "politics of integration" calculated to unify the nation and to preserve the new political structure combine to convert revolutionary zeal into rhetoric and moderate change. Perhaps, not until the President can change the composition of his grand alliance, now still dominated by the biggest economic interests under him, will he dare to risk all to make the "Democratic Revolution, the authentic revolution."

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Assessing Municipal Government Performance in Thailand: Political and Administrative Considerations

Ronald L. Krannich

Municipal government was introduced into Thailand during 1933. Similar in conception to local governments in Western democratic countries,[1] Thai municipal government is structured according to two major objectives: democracy and competent government. The first objective is mainly political; it involves promoting grass-roots democracy through citizen participation in electoral and representative decision-making processes. The second objective is mainly administrative; democracy is to be translated into the efficient and effective delivery of urban services. As such, Thailand's municipal government system is structured according to the political and administrative values of the 1930s.

After more than forty years of experience with this form of government, the performance[2] of Thailand's 118 municipalities remains in question. For central officials in charge of supervising the municipal system, municipal governments are viewed as inefficient and ineffective. Municipal officials perceive their governments as less than competent as well as undemocratic because of numerous central level controls placed upon them. Overall, most Thai observers feel that municipal governments have not achieved their original objectives.

[1] Arthur Maas (ed.), *Area and Power: A Theory of Local Government* (Glencoe, Ill.: The Free Press, 1959); Anwar Syed, *The Political Theory of American Local Government* (New York: Random House, 1966); and W. Hardy Wickwar, *The Political Theory of Local Government* (Columbia: University of South Carolina Press, 1969).

[2] My usage of the concept of performance encompasses two dimensions associated with the concept of productivity: effectiveness and efficiency. "*Effectiveness* concerns the extent to which government programs achieve their objectives...*Efficiency* concerns the organization of resources to carry out government programs and functions at minimal cost." *Improving Productivity in State and Local Government* (New York: Committee for Economic Development, 1976), p. 14.

While there is widespread dissatisfaction with the performance of municipal governments, no systematic empirical evidence exists to support such negative evaluations. Indeed, the basic ingredients for assessing performance — operational objectives, performance standards, evaluation criteria, and output data — are nearly absent. Furthermore, rising expectations continue to demand greater performance. Resulting from this situation is an elusive concept of municipal performance based upon diverse expectations derived from different spatial and temporal contexts. As perhaps best stated by a major spokesman for the Thai municipal system,

> Thai municipalities have developed over a forty year period. Some of you remark that they still are not progressing the way they should. There are many kinds of shortcomings that must be overcome, and we have attempted to gradually improve these. If we compare our municipal system with similar systems in other countries, we notice that we have not developed compared to them. But if we compare our ages, then we must sympathize with the fact that we began later. At present we should be proud that we progressed according to the condition of the government and the situation of the nation. But this is not enough for people who love their nation and wish to see it progress rapidly and develop continuously according to the increasing wants of the people.[3]

Such divergent perspectives can lead to paradoxical evaluations of municipal performance.

Attempts to assess municipal government performance inevitably raise the question "Compared to what?". In doing so, three different evaluations become apparent. These evaluations relate to comparisons with other countries, internal developmental histories, and indigenous cultural expectations. First, in comparison to municipalities in more developed countries, Thai municipalities do not appear to perform very well. Second, in comparison to the developmental history of Thai government, these same municipalities are probably performing better than before. Finally, in comparison to rising Thai expectations, municipal governments fail to accomplish ever changing performance standards. Cross-national comparisons and indigenous expectations are the major bases for most negative evaluations.

[3] Chalau Thammasiri, "Improving Municipalities," *The Local Government Journal of Thailand*, Vol. 13, No. 4 (April, 1973), pp. 31-32. In Thai language.

Although performance evaluation can be viewed from different comparative perspectives, the paucity of basic data for assessing municipal government performance in Thailand leaves us with the widespread Thai observation that municipal governments "do not perform as well as they should." Taking this Thai observation as a departure point, this paper examines the bases for such evaluations, explores various dimensions of performance evaluation, and observes that Thai municipalities cope with rather than solve problems, muddle through in performing basic functions, face decision-making dilemmas, and encounter difficulties in responding to provincial and central administrative units as well as to local residents. Policy and performance are characterized by a relatively unproductive political arena, three decision-making levels dominated by administrators, and numerous resource limitations that create complexity as well as question the capacity of municipalities to perform basic street-level services. Given the nature of this system, performance objectives are either absent or displaced by the pre-eminence of administrative routines.

While Thai municipal governments are characterized as neither wholly democratic nor wholly competent, they probably perform no better or no worse than municipal governments elsewhere. Given the intuitive nature of present evaluations and a corresponding lack of performance indicators, there is an apparent need for more systematic bases for evaluating municipal government performance. In doing so, performance evaluation should include input, output, and impact measures of both political and administrative performance. Present performance indicators are mainly input and administrative in character; such indicators accentuate images of incompetence and corruption in municipal governments and consequently exacerbate the very problems they are supposed to solve. These images may be largely peripheral to what municipal governments fail to do or actually accomplish. In the final analysis, introducing an on-going system of performance evaluation will most likely improve the policy making and implementation processes. To do otherwise means to continue a governmental form without knowing what it actually accomplishes.

A. Policy and Performance Considerations

Practitioners seek answers to practical questions. Faced with value choices for improving municipal government, practitioners find descriptions and explanations of their behavior inconsequential for solving day-to-day problems. What they need is a doctor who can analyze their problems and prescribe cures for the many ills afflicting government. As

practical men they want advice on "What should I do?" and "How should I do it?". Their questions are worthy of our attention.[4]

Practitioners seek to be "rational" in making policy decisions. In order to become more rational men, they attempt to increase resources, stability, and predictability.[5] For the most part, however, intuition grounded upon inexperience and extremely limited knowledge have been major characteristics of Thai efforts to improve municipal government performance. More rational alternatives have not been forthcoming. In the meantime, the urban policy process in Thailand continues to be characterized as highly unstable and unpredictable.[6]

Take, for example, Thamada Municipality. From the perspectives of key practitioners, the seeming simplicity of assigned functions becomes extremely complex. Like other municipalities, Thamada experiences numerous constraints in the resource areas of personnel, finance, and managerial talent. These constraints, combined with a highly political, unstable, and unpredictable urban policy-making process, result in a government that muddles through in performing basic functions. After one year, the chief administrative officer (municipal clerk) and the chief executives (executive council members consisting of a mayor and two councillors) acknowledge certain realities that prevent them from taking "rational" actions normally associated with the values of efficiency and effectiveness. Their concluding evaluations reflect their different role situations:

[4] Similar concerns, although not confined to the subnational level, are found in Warren F. Ilchman and Norman Thomas Uphoff, *The Political Economy of Change* (Berkeley: University of California Press, 1971); and Naomi Caiden and Aaron Wildavsky, *Planning and Budgeting in Poor Countries* (New York: John Wiley and Sons, 1974). For both an antithesis and synthesis of changing orientations in comparative administration pertinent to this inquiry, see Warren Ilchman, *Comparative Public Administration and "Conventional Wisdom,"* Sage Professional Papers in Comparative Politics, Vol. 2, 01-021 (Pacific Palisades, Calif.: Sage Publications, 1971); and Peter Savage, "Optimisim and Pessimism in Comparative Administration," *Public Administrative Review*, Vol. 36, No. 4 (July/August, 1976), pp. 415-423.

[5] Caiden and Wildavsky; and Douglas Yates, "Urban Government as a Policy-Making System," paper prepared for delivery at the 1975 Annual Meeting of the Midwest Political Science Association, Chicago, 1975.

[6] I have dealt with this point at length elsewhere: Ronald L. Krannich, "Policy, Personnel, and Politics in Thai Municipalities," paper prepared for delivery at the 1976 Annual Meeting of the Association for Asian Studies, Toronto, Canada, March 19-21, 1976; and "Mayors and Managers: The Struggle for Political Life in Thai Administrative Settings," paper prepared for delivery at the 1976 Annual Conference of the American Society for Public Administration, Washington, D.C., April 19-23, 1976.

Municipal Clerk

Overall, the job of the municipal clerk is very demanding. He is continuously involved in administering routine matters and responding to unanticipated problems and crises. His present municipality, like others he worked in, lacks personnel and financial resources that would enable him to adequately discharge responsibilities according to his and others' expectations. At times the job is an exercise in futility, and at other times a satisfying experience in overcoming one obstacle after another.

The municipal clerk knows that many activities should be delegated to his subordinates. But in reality, he finds very few subordinates who can handle responsibilities that also require accountability. Instead, he often works 14-hour days, whereas many other officials only work one or two-hour days. In addition, he often finds the human relations environment dysfunctional for accomplishing goals; leaders and followers of informal groups within the Education, Finance, and Engineering sections refuse to cooperate and coordinate their activities — unless threatened with disciplinary action. Because of the envy, jealousy, and vindictiveness arising from interpersonal relationships, subordinates gossip and sometimes write anonymous letters accusing each other of misconduct. Most officials are somewhat lazy, come to work late and leave early, lack initiative, avoid responsibilities, and are best noted for avoiding both the office and their work. A few subordinates are local hoodlums or delinquents who do not mind cursing or threatening their superiors. Like the mayor, the municipal clerk finds that he cannot order things done, but rather, he must "satisfy", cajole, and influence others to do their assigned work. Not surprisingly, few matters get handled properly without the supervision of the municipal clerk.

At the same time, the municipal clerk finds that members of the executive council, though well-meaning and hard-working, are relatively ignorant of the rules and regulations. Furthermore, they have little or no knowledge of good administrative practices. They remind him of his friendly local merchant whose family business is run according to the personal wishes and whims of its owner. Hence, the municipal clerk must continuously advise the mayor and councillors on how to properly conduct policy. But often the executive council makes mistakes because they fail to consult with the municipal clerk; they are afraid of losing "face" by having to always seek advice from their subordinate.

Given all his responsibilities, the municipal clerk finds himself squeezed in between the good-natured, yet administratively incompetent, executive council at one level, and the reality of a poorly staffed administrative organization at the other level. Few seem to know what or how they are doing, while nothing seems to get done properly; there are always unsolved problems. Caught between the two, the municipal clerk finds little time to engage in the luxuries of reorganization and long-range planning. Al-

though he works hard, his social status is low and he seldom receives recognition for his accomplishments. As a result, his morale is somewhat low and, on occasion, when he meets the chief of the Personnel Section in the Division of Local Affairs, he inquires about the possibility of being transferred to a better municipality. While he knows most municipalities are about the same for municipal clerks and that he gets transferred every three or four years anyway, a transfer to a more prestigious municipality or to one nearer to Bangkok or his hometown would be nicer than staying in Thamada. And he would resign if a better job opportunity became available.

Executive Council

In contrast to the municipal clerk, executive council members expect to do a better job than their predecessors. But experience with the day-to-day operation of municipal government has a way of changing their optimistic expectations.

In practice, executive council members soon discover that municipal government is not a simple operation. There are many things they want done for their community, but there is always some obstacle — be it a lack of funds or some rule or regulation — that prevents them from taking action. In contrast to their business experiences, municipal government functions with large amounts of confusion, delay, and inertia. Relatively simple problems become difficult and complex. Also, they feel that central and provincial officials control their municipality too closely; everything seems to require prior approval from those officials. And to complicate things still further, the people gossip and complain about everything: that their municipality does very little, what it does is usually in the interests of the elected officials, that their representatives never fulfill election promises, that their taxes go into the pockets of corrupt politicians and municipal officials, and that their town is embarrassing, with dirty and poorly maintained streets, drainage systems, and markets.

The experiences of executive council members convince them that local residents do not understand the difficulties in conducting such a seemingly simple operation. After all, the municipality has little authority because of all the administrative controls placed upon it by the provincial and central levels of government. Furthermore, in attempting to accomplish community goals, one often encounters others who only want benefits without taking responsibilities or paying costs. Municipal government is not a free lunch and, much less, a privilege to control; it involves personal sacrifices for the community rather than the pursuit of self-interests.

Many municipal officials share similar experiences that result in pessimistic evaluations of the municipal system and those they work with. At best, municipal government is seen as a complex organizational activity that must be approached with something more than good intentions and the power to vote, be it the power to choose representatives or to select optimal

policies. At a minimum, that something consists of a better mixture of organization, men, money, material, and methods that holds the promise of making municipal government better, but by no means perfect. In the meantime, most officials seem to know the problems, but few seem to know what to do about them.[7]

Practitioners need help when faced with situations such as in Thamada. Instead, they often receive moral edicts from the central government which emphasize acquiring the virtues of heroes in contrast to villains:

> The good official must sacrifice, be patient, and tolerant; he must see the suffering of others as his own; he must be selfless in not expecting reciprocity to arise out of assisting others. In order to get work results, he must be benevolent, dedicated, and must sacrifice and take care of his subordinates and the people. Furthermore, he must please his superiors at every level and in every division and department ... Officials must act like saints, sacrifice their lives, bodies, and personal happiness. If you can't do this, then don't work in these positions.[8]

Lacking an on-going system of performance evaluation that would link objectives with outcomes and provide prescriptive information on policy alternatives, practitioners receive little useful advice for solving practical problems. Not surprisingly, then, practitioners' parochial experiences and limited knowledge become the bases for identifying problems and advocating solutions. They muddle through, uncertain about the consequences of their actions.

Given the absence of operational objectives, evaluation criteria, performance indicators, and reliable output data on municipal governments in Thailand, this discussion is necessarily exploratory in nature. It emphasizes some major considerations for evaluating municipal government performance: decision-making, participation, and resource capabilities.[9] Who determines policies, how decisions are reached, what

[7] Krannich, "Policy, Personnel, and Politics," pp. 30-33.

[8] Sanit Wilaicit, "If You Want to be Rich, Don't Become a Civil Servant," *The Local Government Journal of Thailand*," Vol. 13, No. 3 (March, 1973), n.p. In Thai language.

[9] This discussion is based upon a municipal government research project I conducted in Thailand during 1973-74 under the sponsorship of a Fulbright-Hays grant. The most complete compilation of research findings is reported in Ronald L. Krannich, "Dimensions of Urban Political and Administrative Behavior: The Role of the Municipal Clerk in Thailand" (unpublished Ph.D. dissertation, Department of Political Science, Northern Illinois University, 1975).

resources are available or absent, and what consequences arise from combining these elements are questions which focus on performance considerations in relationship to the Thai objectives of democracy and competent government. As in the case of Thamada Municipality, those who participate in the decision-making process are less than successful in achieving municipal objectives. There are many reasons for this situation.

1. Political and Administrative Decision-Making

Decision-making is herein conceptualized as the process of both determining policies and implementing policies. For analytical purposes, policy-making and policy implementation can be treated as separate processes; however, in practice they constitute a single policy process because the relationship between the political and administrative arenas is one of interdependence. It is an exchange relationship involving information, communications, and coordination within and between arenas.

Decisions affecting municipal government performance take place at three distinct levels — central, provincial, and municipal — and these decisions are determined within both political and administrative arenas. The levels and arenas are linked together and form an integrated decision-making system wherein participation and resource allocation are concentrated.

a. Types of Decisions

Two general types of decisions are made with respect to the two general objectives of municipal government. The first decision is electoral and participative in nature; and it relates to the objective of democracy. It is perhaps best termed voting and petitioning behavior. Theoretically, democracy in the municipal system means the right and duty of citizens to participate in local government. In actual practice, however, democracy is accomplished by permitting local residents to cast votes every five years for candidates running in municipal assembly elections and to petition representatives thereafter. How electoral decisions affect other decisions is uncertain; the immediate consequence is to recruit individuals who eventually formulate policies — the next type of decision.

The second type of decision concerns the objective of competent government. In the municipal system competent government means the efficient and effective delivery of public services by both political and administrative means. Policy formulation and policy implementation decisions made by elected and appointed officials affect the achievement of this objective.

b. Policy Levels and Linkages

Decisions emanating from organizations at the central and provincial levels affect both types of municipal decisions and objectives. At the central level, the political arena consists of the Parliament, Prime Minister, Cabinet, and Minister of Interior. Together they set general policies governing municipalities. Policy statements are found in Royal Decrees, legislative acts, and ministerial orders.

Linked to the central political arena are subordinate administrative units within the Ministry of Interior. This central administrative arena defines, clarifies, and implements general policy statements by means of supervision, control, and administrative rule-making and adjudication. Major decisional matters involve municipal elections, organizations, personnel, and finance.

Municipal level policy-making is linked to the central and provincial levels. At the municipal level the contents of the annual budget become the central focus of decisions. This document must closely follow the specifications of the Municipal Budgetary Act and, in addition to municipal assembly approval, the budget must be approved by administrative units at the provincial and central levels. Furthermore, special projects requiring central government subsidies depend on a series of decisions that begin at the municipal level, proceed through governors and Ministry of Interior officials, and end with the Budget Bureau in Bangkok.

The most important policy-making centers on maintaining and expanding the two major municipal resources: personnel and finance. In the first case, personnel matters are controlled by a highly centralized personnel structure. The Municipal Personnel Committee within the Ministry of Interior makes all policies governing municipal personnel. Policies include setting guidelines, clarifying procedures, and recruiting, training, transferring, promoting, and disciplining most municipal officials. In addition, this committee acts on specific personnel cases forwarded to it on recommendation of provincial level municipal personnel subcommittees which, in turn, decide specific personnel cases forwarded to them by municipal level personnel subcommittees. Given the highly centralized nature of personnel decisions, personnel subcommittees have limited discretion over their internal personnel matters.

Equally important to personnel decisions are financial decisions. In addition to the municipal budget document, many other financial matters are subject to decisions at the provincial and central levels. In the case of municipal income, all revenue categories are defined by the central government. Municipalities cannot create new revenue sources; any in-

creases or decreases in revenue capacity are restricted to the centrally defined categories. As for municipal expenditures, they are strictly controlled and supervised by both central and provincial administrative units. For example, all municipal expenditures involving more than $100 must receive the approval of the governor; and those of more than $2,500 must also receive approval from the Ministry of Interior.[10] In practice this means all purchases of more than $100 must await approval from either the provincial or central levels. Furthermore, in matters concerning municipal accounts, municipalities are supposed to submit monthly income and expenditure reports to provincial governors for supervisory purposes, and each year National Audit Council teams audit accounts in each municipality. Consequently, few financial decisions are left solely to the discretion of municipalities.

Policy implementation decisions take place at all levels and cannot be differentiated with ease between levels. For instance, policy decision made by the Cabinet or Minister of Interior will become a policy implementation decision for sections within the Department of Local Administration. Decisions of these sections, in turn, are implemented by provincial level administrators, who consider these as policy-making decisions emanating from above. Similarly, municipalities must act on decisions made at the provincial level, decisions they treat as higher level policy-making.

It is only at the municipal level that policy-making and policy implementation decisions can be more clearly differentiated. At this level, assembly and executive council members set policies, and implementation decisions made within the administrative organization result in the final delivery of services.

2. Participation

Professional administators, rather than the general public or elected representatives, participate the most in municipal government. Not only do they implement general policies set by the political arenas, but they also interpret, clarify, and make rulings that define these policies. Furthermore, they serve as guardians of the rules, regulations, and proce-

[10] Thailand, Ministry of Interior, *Ministry of Interior Regulation of 1958 Governing Municipal Money Deposits, Withdrawals, Maintenance, and Inspections*, Section 19. In Thai language.

dures and thus can limit or expand the actions of policy-makers. And most important, they are the advisers, planners, and project determiners for those individuals who have final policy-making authority. While members of Parliament and the Cabinet, Prime Minister, Minister of Interior, mayors, councillors, and assemblymen theoretically set municipal policies, in practice they depend heavily upon professional administrators in nearly every phase of the policy-making and policy implementation processes.[11]

a. Central Level

At the central level, the most important participants are the Director-General and Deputy Director-General of the Department of Local Administration, the Director, Assistant Director, and section chiefs within the Division of Local Affairs and the Division of Local Finance. Consisting of approximately fifteen career civil servants, this group interacts daily for planning and implementation purposes; they propose legislation and act as advisors and planners to higher level officials who lack adequate staff assistance; and they decide what matters should merit the attention of the Minister of Interior who, in turn, influences higher political levels. For example, numerous proposals for reforming the present structure of municipal government officially emanate from the Prime Minister, Cabinet, and Parliament and must be approved by them in the form of new legislation. But in practice, such proposals originate from within the fifteen-member group of professional administrators.

Central level administrators act as an internal pressure group vis-a-vis the central level political arena. The origins and specific content of proposals are largely a result of their interests in resolving many routine administrative problems arising within the present system as well as their desire to promote a more modern form of municipal government. However, when proposing such legislation, they are sensitive to political considerations. The result are proposals that they feel will be approved but which will not seriously compromise their major desire to create the best solution to present problems. And it is this fifteen-member group,

[11] These observations for Thailand are very similar to Walsh's findings that administrators, rather than the public, make the major demands on urban governments. Annmarie Hauck Walsh, *The Urban Challenge to Government: An International Comparison of Thirteen Cities* (New York: Frederick A. Praeger, 1969).

particularly the Deputy Director-General of the Department of Local Administration and the Director of the Division of Local Affairs, which receives the most credit for major municipal advancements — both routine efficiency and new policy achievements. In practice they combine, with significant consequences, the roles of policy-maker and policy implementer at the highest and most important level of the municipal government system.

b. Provincial Level

At the provincial level, those who directly participate in municipal government are the governor, deputy governor, and local government inspector. But on a day-to-day basis, the local government inspector is the key communications link between the municipality and the deputy governor and governor.[12] He functions as a supervisor and consultant to municipalities and is responsible for either facilitating or delaying important municipal policy matters requiring the governor's approval. In addition, he can determine which matters either should or should not reach the attention of the governor. At the same time, the governor can either facilitate or delay important municipal communications requiring central level approval and has discretionary authority to report other important matters, particularly discipline, to units in Bangkok.

Of equal, yet indirect, importance is the provincial police. This unit operates relatively independent of municipalities and governors, even though the Department of Police is under the authority of the Ministry of Interior. Since the provincial police perform the municipal-assigned function of maintaining public peace, its decisions have significant consequences for urban communities. For instance, implementation of many municipal policies depends on the enforcement of local ordinances. If police functions are inadequately performed, which is often the case, municipal governments will most likely be blamed for the consequences. Furthermore, failure of the police to assist municipalities means that municipalities must develop alternative strategies to cope with problems arising from violations of local ordinances. Seemingly simple municipal

[12] The role of the local government inspector in municipal government is discussed in the following works: Anok Sitthiprasat, "The Role of the Local Government Inspector," in *Documents of the Thirteenth National Municipal League of Thailand Meeting* (Bangkok: Ministry of Interior, Department of Local Administration, 1972), pp. 87-97; and Komphot Manutpicu, "The Role of the Local Government Inspector" (unpublished Master's thesis, Thammasat University, 1965). Both in Thai language.

decisions, then, will become complicated by having to reach a series of additional decisions that do not necessarily depend on either enforcement codes or the questionable cooperation of the police.[13]

The Provincial Water Authority and Provincial Electricity Authority are also important provincial level units that make decisions affecting municipalities. As public enterprises, these units are relatively independent of municipalities and governors, and they seldom coordinate their decisions with either municipalities or each other. A number of consequences arise for municipalities when they do not receive cooperation from these provincial units. For example, a new water pipe might be lain that ends in creating traffic congestion and destroying sections of streets and drainage pipes. Not only must the municipality repair this damage, but if the police fail to regulate the situation, the municipality may be blamed by local residents for the resulting inconvenience and disorder. If electricity failures disrupt the local movie theater at night, the patrons might blame the municipality. Or a broken water main might floor a neighborhood or an electricity failure results in shutting down the water pump station, and thus effectively ends water service for a while. Many residents will blame the municipality, the municipality may blame the electricity and water authorities, and they, in turn, may blame each other and the Budget Bureau in Bangkok. In the meantime, municipal governments may have to cope with these problems by better educating the local citizens about the exact functions of their municipalities — that they do *not* provide electrical, water, or police services.

At the provincial level municipal decisions are made only by professional administrators. Here, no elected officials are directly involved.[14] Because of this, decisions made by provincial officials are viewed by them as involving routine administrative functions. But, on the other hand, such decisions have important policy implications for both municipalities and the larger municipal system.

[13] Of all units municipalities seek assistance from, most mayors and municipal clerks indicated to me that they receive the least cooperation from the provincial police. Mayors' relationship with the police is examined in Krannich, "Mayors and Managers," pp. 20-21.

[14] Each province has an elected provincial assembly. But it has no role vis-a-vis municipalities. However, some members of the provincial assembly may also be members of the municipal assembly. When this occurs, individuals with dual membership may use their provincial assembly positions to place political pressures on the governor concerning municipal matters.

c. Municipal Level

At the municipal level, the number of individuals involved in decision-making is considerably enlarged in comparison to other levels. In terms of electoral behavior, between 35 and 60 percent of the eligible voters participate in municipal elections every five years.[15] Petitioning behavior is unpredictable. Local residents seldom make demands on their elected representatives. However, on occasion, especially merchants whose economic interests are frequently affected by municipal policies, local residents register formal complaints, threaten demonstrations or violence, write anonymous letters, or spread gossip and rumors detrimental to both elected representatives and appointed administrative officials. In addition, one or two weekly newspapers critically evaluate the performance of municipal officials and municipal government as a whole.[16]

Because of their position and authority, municipal assembly members play a more important role in decision-making than most other local residents. But they are subject to the pressures of various community groups and sectors, particularly the press, merchants, and residents within their own neighborhoods. More important still are pressures from executive council members and from leaders of factions within the assembly. Few, if any, assemblymen make decisions independent of these groups and individuals.

While assemblymen formally participate only during assembly sessions, in practice many are in constant communication with executive council members and administrative officials concerning daily problems of the municipality. By so doing, they directly affect the implementation of policies by pressuring the executive council and administrative officials into actions they would not ordinarily take. As for opposition assemblymen, some may indirectly pressure the executive council by means of manipulating the local press, merchants, governor, and community organizations.

[15] Election statistics are compiled in the Ministry of Interior, Department of Local Administration, Election Division. In general, electoral participation is greater in smaller municipalities than in larger ones.

[16] Local Thai presses do not have very good reputations for independence and integrity. Instead, they are often controlled by special family, political, and economic interest groups within each municipality.

The mayor and two councillors are the most important individuals participating in municipal government. Their positions empower them to make, within certain limits, the major decisions affecting the community. These decisions range from proposing the annual budget before the assembly to directing routine administrative matters. They are directly involved in day-to-day policy-making and policy implementation processes.

Of nearly equal importance are the decisions of the municipal clerk and section chiefs. As a group of six individuals, they possess both administrative discretion and technical expertise to either facilitate or hinder executive council decisions. Participation of these officials is continuous, and it determines municipal government outcomes on a daily basis. The relationship between these officials and the executive council, on the one hand, and administrative subordinates, on the other hand, is one of necessary dependence, cooperation, and coordination.

d. Administrative Dominance

Decision-making and participation in the municipal system are complex and interrelated matters between government levels and policy arenas. Theoretically, participation in municipal government is widespread because of the democratic principle of electoral participation. But in practice such participation takes place only once every five years and results in deciding only who shall sit in the municipal assembly. The most important decisions relate to policy content and its implementation, and these are determined by a few individuals, groups, and organizations at all three levels and in both the political and administrative arenas of the municipal system. throughout this system, it is the administrative arena that participates most frequently and, either directly or indirectly, determines most policies, including those made within the political arenas. Because of this, the practice of municipal government stresses the objective of competent government more than the objective of democracy. Consequently, the dominance of administrators, administrative organizations, and administrative decision-making and the emphasis upon efficient and effective delivery of public services are particularly characteristic of participation and decision-making within the municipal system.

3. Resource and Delivery Capabilities

Finance, personnel, and management are the final major ingredients for assessing performance in relationship to the major municipal objective — efficient and effective delivery of public services to urban popula-

tions. In general these resources possess two interrelated characteristics: inadequate levels and under-utilization. These are constraints on resources that affect performance in most municipalities and at all levels within the municipal system.

a. Finance

There are many features to municipal finance that are important to municipal capabilities. First, municipal income is extremely low in comparison to its potential. Functioning on the basis of a seldom revised 30-year old revenue code, municipal revenue categories are limited and tax rates are very low.[17] In addition, because of inadequate control systems, revenue is not fully collected.[18]

Second, approximately 25 percent of municipal budgets depend upon central level subsidies, which are allocated mainly for educational and specific developmental purposes six months following the introduction of the annual budget. Because of this timing, annual budgeting is subject to considerable uncertainty, and decision-making remains incomplete as municipalities must reconvene special assembly sessions in order to revise their original budgets. Furthermore, since there are no standards for determining needs, central subsidies are subject to political pressures that result in inequities among municipalities.

Third, municipal budgets are mainly line item budgets, although some elements of performance budgeting have been introduced. In addition, traditional accounting systems operate for the major purpose of preventing and detecting corruption. Consequently, neither the budgeting nor accounting systems are related to evaluation and performance objectives, and therefore they provide little useful information for decision-making purposes. Because of such a financial structure, decision-making becomes an unsystematic and incremental process of increasing expenditures in response to revenue increases and to the whims of individual

[17] The problems of local taxation are examined in Anan Lewchalermwong, *Taxation and Tax Reform in Thailand* (Bangkok: The National Institute of Development Administration, 1972).

[18] The reult of this revenue system is an average per capita expenditure rate of $12.25. In 1973 this figure ranged from a low of $4.55 in Aranyaprathet to a high of $23.20 in Kantang. Municipalities in the Southern Region have the highest per capita expenditure rates whereas those in the North and Northeast have the lowest. While municipalities have higher per capita expenditure rates in comparison to most other units of government in Thailand, such rates remain low in comparison to many other countries.

group interests within the assembly, executive council, and permanent administrative organization.

Finally, the system of municipal finance at all levels is geared toward increasing municipal income rather than expenditures. For example, all 118 municipalities are classified according to their total income, and many decisions concerning allocation of subsidies and personnel are based upon this income indicator.[19] As a result, municipal performance is only measured by revenue-gathering criteria, i.e., how much revenue is extracted from local residents, rather than by expenditures directed toward community services. Because of this rationale, no one is really certain what municipalities accomplish, other than whether they are honest or dishonest in handling financial matters and increasing or decreasing their income.

In short, because the financial system emphasizes control for preventing corruption, there is no rational basis for ascertaining the performance of municipalities in terms of the actual services being delivered within communities. Financial capabilities remain at a very low level and questionable budgeting, accounting, and control procedures result in ensuring the retention of low performance levels.

The logic of such a financial system is built-in incapacity. It fails to fully utilize present and potential financial resources. It accentuates the image of corruption in municipal government, since it is designed to identify financial irregularies rather than to measure and energize financial performance. All this results in recording many cases of corruption and creating a profusion of rules, regulations, and procedures that translate into more red-tape and greater administrative inertia. Municipal finance has yet to be viewed as something more than a collection and corruption control system that can be utilized in a more systematic manner for performance-type decision-making purposes.

b. Personnel

The difficulties with municipal finance are both related to and similarly reflected in the municipal personnel system. As with other governmental

[19] In 1973 the Department of Local Administration conducted the first evaluation of municipalities. The results of this study pointed out the major problems of the present budgeting and accounting systems. An abbreviated version of the complete report is presented in the following: Research and Evaluation Division, "Report on the Analysis of the Municipal Work System," *The Local Government Journal of Thailand*, Vol. 14, No. 6 (June, 1974), pp. 7-16. In Thai language.

units, municipalities often lack sufficient qualified personnel. Moreover, they fail to fully utilize existing personnel resources. This is reflected at all levels within the municipal system, and it poses a serious resource constraint on improving performance capabilities of municipal governments.

The municipal personnel system is characterized by numerous weaknesses. First, financial limitations mean that municipalities cannot hire additional officials they feel are needed. Since the revenue categories that classify each municipality also determine the number and grade-level of officials permitted for each municipality, municipalities cannot increase personnel on their own. Similarly, central and provincial level control units are understaffed because of their own financial limitations. This means, then, that many officials at all levels are overworked and that municipal business is conducted slowly within and between levels.

Second, municipalities experience many difficulties in recruiting competent officials, especially in positions demanding technical expertise. This problem is partly due to the low status and advancement opportunities of municipal personnel that discourage many people from becoming municipal officials. For most, status and advancement opportunities are greater at the provincial and central levels than at the municipal level. In recognition of this problem, the central level Municipal Personnel Committee must recruit, train, assign, and transfer key personnel for all municipalities. This involves mainly the positions of municipal clerk, assistant municipal clerk, chief accountant, and engineers. Other municipal officials, particularly those for positions requiring very little specialized training and knowledge, are usually recruited by each municipality. In spite of both central and municipal recruitment efforts, excepting larger regional cities, most municipalities are unable to fully recruit needed personnel.[20]

The inability to acquire needed personnel is also related to the underutilization of existing personnel. While a municipality may feel it needs additional personnel, this often is not true. Rather, there is seldom a rational basis for determining personnel needs, and the internal organization of personnel is often inefficient. Consequently, many municipalities are overstaffed, though they claim to be understaffed, because of failure to properly utilize existing personnel according to standard principles of efficient personnel management. For example, a recent organization and

[20] Most municipalities are unable to fill at least one or two vacant positions. In the smaller and more remote municipalities the number of vacancies is often higher.

management study was conducted in three municipalities — those considered to be the best examples of efficiency and effectiveness. The research team found that the division of work between officials was greatly imbalanced. Some officials, particularly those in superior positions, worked 67-hour weeks, whereas other officials had little or nothing to do. Work assignments and delegation of responsibilities were unequal and inefficient. While these municipalities felt they lacked sufficient personnel, the study concluded that, on the contrary, they were overstaffed and could easily reduce the number of officials if they were more efficiently utilized through personnel reorganization.[21] Since the research was conducted in the best organized municipalities, it was assumed that a similar, and possibly much worse, situation prevails in most other municipalities.

The quality of municipal personnel is relatively low in comparison to officials with provincial and central administrative units. Except for the few officials who are recruited, trained, and transferred by the Municipal Personnel Committee, most municipal officials have less than a twelfth-grade education. Furthermore, few officials have received any pre or in-service training whatsoever, and for those who have, training programs are very superficial, usually lasting no more than two weeks.

c. Management

Management, the third resource, is related to the general difficulties with municipal personnel. While members of the executive council are supposed to provide leadership for municipal government, in actuality this leadership is confined mainly to conducting election campaigns and the internal affairs of the executive council and assembly. This is political leadership, which is centered around personalities and is regulated by individual expectations rather than by formal rules, regulations, and managerial principles. Mayors and councillors are drawn essentially from the business sector and thus are relatively inexperienced in the methods and procedures of conducting government. In fact, most have prior experience in conducting small family businesses on highly personal and non-legal bases. Once elected to municipal office, they are dependent upon permanent administrative officials for advice on how to manage municipal government.

[21] Research and Evaluation Division.

The permanent administrative officials, in turn, lack training in managerial methods; most of their knowledge is based upon experience, which is of a trial and error nature. Few are well-versed in standard methods and practices of public administration. For example, in simple matters relating to correspondence and filing, few offices have any system of organization other than the personal housekeeping habits of officials. Documents and important correspondence are piled in cabinets, on tables and floors, and under chairs. The major criterion of organization is chronology. In some cases, cabinets designed for filing purposes instead become the personal territory of officials; family pictures, neckties, cartons of cigarettes, lunch bags, and bottles of beer and whiskey occupy the space rather than the important papers on the floor. Everything is kept, but many items cannot be found when needed. Since all paper is considered business, very little is thrown away. Given the absence of a basic filing system that would provide useful information and discriminate important from unimportant documents, many officials feel they need bigger offices in order to accommodate present levels of paper. But until officials acquire some basic office management skills for determining what to retain and discard, expenditures for enlarging municipal offices will be wasted on providing additional storage space for tons of useless paper.[22]

Of all municipal officials, municipal clerks possess the most knowledge and experience in managerial methods and procedures. Many have university degrees in law, political science, or public administration. Because of their academic training, they enter the municipal service with some background in governmental operations. Also, most receive some in-service training in basic managerial methods. But compared to officials in similar positions at the provincial and central levels, i.e., district officers, deputy district officers. deputy governors, and provincial section chiefs, municipal clerks have weaker educational backgrounds and receive less training in such methods.

Most municipalities experience numerous managerial problems. Many are relatively simple matters that could be easily solved given some basic knowledge and training in standard public administration methods. But few municipal officials receive such training. Rather, administrators

[22] Such basic managerial problems are examined in the organization and management study of the Research and Evaluation Division. In addition, I made similar observations during my visits to 55 municipalities.

continue to organize their work according to individual intuition and personality needs. The result of this is often dependence on personalities rather than processes for accomplishing administrative tasks.

The capacity of municipal governments to deliver services is characterized by many resource limitations. Finance, personnel, and management comprise the major interdependent resources affecting municipal performance. All three resources are deficient. While they have gradually improved during the past decade, particularly the quality of personnel and management resources, nonetheless much improvement is still needed. Finance, however, remains a critical resource affecting municipal performance, and of all resources, it has progressed the least. Overall, there remains much room to organize present and future resources for increasing the capacity of municipalities to achieve greater performance in the delivery of public services.

B. The Question of Performance

As noted earlier, the major conclusion of most Thai involved with the municipal system is that Thai municipal governments "do not perform as well as they should." The expectation that municipal governments should be both democratic and competent has been largely unfulfilled in practice. Instead, municipal governments experience two interrelated problems: 1) decision-making is highly centralized and controlled by administrative officials within the municipal system, and 2) politics is unproductive because of frequent instability and corruption arising within municipalities. The first problem is largely a result of the second problem: the central government maintains tight controls over municipalities because of possible political instability and corruption. Local political arenas are distrusted by the central administrative arena. Consequently, central administrative control over local political arenas continues to displace the objective of democracy.

1. Form Versus Function

Preliminary evidence suggests that municipal governments deliver minimal, indeed inadequate, services to their constituencies. The problem of performance, as one municipal clerk put it, is simple:

> Of the four ingredients of good administration, i.e., men, money, material, and method, Thailand only has the men, and they don't like to work. We operate on a different set of principles than do more developed countries.

Such simplistic conclusions, however, neglect a major conceptual problem underlying the problem of performance. It is a persistent characteristic of decision-making: form versus function. While the form of municipal government appears democratic and competent, there is in fact a weak relationship between this form and the actual performance of municipal government. This is partly a result of a decision-making style: most changes proposed for improving municipal government performance are changes in form rather than function; decisions reflect an overwhelming desire to emulate "modern" forms of municipal government, i.e., those in France, Britain, and the United States, rather than deal with actual problems of Thai municipal governments. It is uncertain whether this decision-making style is due to the desire of many officials to impress their superiors by proposing "modern" solutions or it reflects the fact that many decision-makers are more familiar with foreign forms of municipal government than with the realities of the Thai municipal system. Consequently, the conceptual repertoire of officials has been mainly limited to changes in forms; decision-making is imitative rather than innovative.

2. Self-Fulfilling Prophecies

The outward appearance of democratic and competent government has been maintained by means of centralizing authority and decentralizing responsibilities. The result is a formal system of control that emphasizes moral functions: preventing and detecting corruption and insuring adherence to rules and regulations at the lower levels.

However, the very nature of this control system probably exacerbates the very problems it is designed to prevent. As one deputy governor crudely conceptualized this system, it is designed to process garbage rather than to promote performance:

> The central concept of control is not the same as the local concept of control. The central concept is concerned with controlling garbage — rules and regulations. The concept of government is that it must follow rules and regulations. For example, if there is a bad official, you just transfer him elsewhere according to the rules. The concern is with form rather than function — the objective is to maintain the form at all costs. The local concept of control is to get rid of the bad officials and insure that local government is getting things done. In the present system, the central level controls local government and thus it creates the very problems that makes it so hesitant to decentralize. They deal with garbage — approve this, approve that, keep the unproductive form alive. He who maintains the form well gets recognition and promoted. The central officials have no

> municipal experience and are in their positions for only a short time. They are concerned with following their irrelevant rules. Most have to depend on low-level clerks in order to keep some continuity in central control. At the local level, things don't get done because of this adherence to rules and regulations. Provinces and municipalities should be able to control alone. We should get rid of the bad officials rather than rotate the garbage elsewhere.

Adherence to rules and regulations at the expense of performance means that maintaining form is given higher priority than providing public services.

Central administrative units are structured mainly for gathering information on adherence to rules and regulations. They generate tons of paper that have few purposes other than to detect whether or not municipalities are correctly following the exact specifications of rules and regulations. There are no central units that actually measure or promote municipal government performance. As a result, the very structure accentuates the images of incompetence and corruption in municipal governments. Given the central government's awesome power to control, many municipal officials adjust to the system by currying favor with superiors and engaging in political intrigue associated with writing anonymous letters and covering-up violations of regulations; it is relatively easy to make mistakes, particularly if one tries to take the initiative in performing his job. Furthermore, no one knows how well municipal governments are actually performing their functions, since there is no basis for evaluating performance. In the meantime, most people agree to the vague notion that Thai municipal governments "do not perform as well as they should"; beyond such a general statement, no one is certain how they should be performing.

Given the conceptual frameworks of central officials and the information this particular control structure provides for them, decentralization of authority to local units is highly improbable. The dilemma for central officials is this: Since most information indicates that municipal governments are irresponsible, how is it possible to give them more responsibilities without generating greater incompetence and corruption? But the control structure is designed to create a self-fulfilling prophecy: since many municipal governments fail to adhere to the rules and regulations, more rules and regulations are issued which, in turn, mean that more violations of more rules and regulations will be detected. It is largely because of this formal-legal orientation that many officials manage to

generate a rather uncomplimentary stereotype of municipal officials: the latter are viewed as inherently irresponsible, tricky, lazy, and untrustworthy.

Such a system of control discourages performance and encourages the maintenance of form at the expense of function; the control system, rather than those being controlled, is a problem. What is needed, then, is a new system design that would emphasize performance criteria rather than control of forms. To continue with the present system means to further involute performance objectives by maintaining non-productive and dysfunctional forms. At the municipal system level, the concept and system of control are in need of review and change.

3. Discouraging Role Performance

The structure of the municipal system affects the role performance of key political and administrative actors. For example, as the chief administrative officer within each municipality, the municipal clerk is expected to make major contributions to developing urban management, control, and planning capabilities; he is supposed to provide leadership stability and maintain administrative competence in the face of possible political instability and relatively unenlightened local political leadership. But this expectation has been largely unfulfilled. Instead, the role of the municipal clerk is extremely complicated.

Although some municipalities afford municipal clerks the opportunity to fully perform their roles, most do not. Municipal clerk performance is discouraged as adherence to authority patterns and forms takes precedent. As a result, municipal clerks spend most of their time drafting letters and documents and signing papers, all of which have questionable relevance for delivering efficient and effective municipal services.

The municipal system also discourages the performance of key political actors. For example, in many communities, assemblymen, councillors, and mayors are considered mediocre local leaders. Many people feel that the best community leaders avoid municipal government service altogether. They know municipal government will waste their time because they cannot get much accomplished in the midst of central control and the plethora of confusing rules and regulations. As a result, often an outstanding mayor will resign after one term in office; his experiences discourage him from further municipal government service.[23] The honest

[23] These observations are based upon conversations with many officials and local resi-

and competent mayor receives little in return for all the time, energy, and money he sacrifices for the community. Municipal government, therefore, often encourages the recruitment of less competent individuals who use their positions for personal gain. In other words, municipal government is not designed for encouraging participation of the best and brightest political leaders.

The municipal system also discourages the recruitment of highly qualified municipal officials. Few individuals desire to work for municipalities because they are aware that municipal officials have low status and narrow career advancement opportunities. And those who are municipal officials usually became so by career accident. For example, many municipal clerks became municipal officials as a second or third career preference after having failed to become central government officials. Furthermore, after serving in the municipal service, many municipal officials find the service to be even more unattractive than they first anticipated.

Status and career advancement opportunities remain unresolved problems. Until these two problems are solved, municipal governments should not expect to substantially improve their personnel difficulties. The only realistic solution, until the broader structure and operation of the Thai bureaucracy is significantly improved, is to abolish the special municipal civil service system and integrate all municipal officials into the regular government civil service. This action will effectively solve the problems of status and career advancement and will provide a new supply of more highly qualified officials, particularly those who are now regular government officials. To do otherwise means to continue recruiting individuals who do not particularly desire such employment, who are prepared to resign as soon as better opportunities arise, and who are failures at entering the regular government civil service.

As currently structured, the municipal system severely limits the role performance of municipal officials. It is a system designed for controlling the behavior of both political and administrative officials rather than for promoting individual and system performance. Since the system is not

dents I met during my travels to various municipalities. Many mayors mentioned that they would resign as soon as they completed their first term in office. As suggested in the case of Thamada, these mayors are frustrated with their inability to get things done in the face of many central level rules, regulations, and control procedures. For an interesting personal account of one such frustrated mayor, see Surin Prasertwong, "My Experience," *National Municipal League of Thailand Journal*, no. 2 (August, 1974), pp. 7-9. In Thai language.

designed to achieve performance objectives, political and administrative officials cannot be expected to fully perform their roles.

4. Proposed Conceptual Changes

The major difficulties limiting municipal government performance are conceptual in nature. While most officials are aware of financial, personnel, and managerial problems, few officials view problems as interrelated. Rather, problems are treated in isolation, and proposals for change focus mainly on tinkering with the formal structure of municipal government. Given the interrelated nature of most problems and processes, such thinking is conceptually deficient. For instance, increasing local revenue may pose both a problem and provide a solution, but it has no relationship to increasing the performance of municipal government as long as budgeting and accounting systems have no performance objectives other than collecting more revenue and detecting more corruption. In short, except for some very general notions of what municipal governments should do, objectives are neither operationalized nor capable of being measured. The present concept of performance is more a philosophical concept than an element within the system that can be specifically defined, measured, and manipulated.

A new system design for promoting both political and administrative performance is needed. A number of prerequisites are necessary for this. First, municipal governments need to receive more serious attention than they have in the past. The degree to which they are considered serious matters is best reflected by a number of facts: control is maintained by central government officials who have no municipal government experience but who advance to the key municipal control positions for the sole purpose of waiting to be promoted and transferred to higher central government positions within a two-year period;[24] municipal government still operates under a 30-year old revenue code; very few municipal officials

[24] In the Thai language this procedure is termed *fak ratchakan*. This means to place an official in a position temporarily. In the case of central officials involved with municipalobseant,' government, this means they have to be placed in some position temporarily while they wait to be promoted to a higher grade-level and position. While they wait, they get a little experience with controlling municipal government. Municipal officials, particularly municipal clerks, complain about this *fak ratchakan* practice because these central officials without municipal experience play an important role in determining the career patterns of municipal officials. For an examination of this problem along with accompanying evaluations of central officials by municipal officials, see Krannich, "Mayors and Managers," pp. 74-77.

have received training; little research, planning, and evaluation has been conducted on municipalities; and municipal government is officially accorded low status by virtue of being controlled by a Division within the Department of Local Adminstration.

Second, decision-making remains formalistic in content. Rather than attempting to understand the Thai municipal system, key decision-makers often employ a traditional decision-making style of adopting Western political and administrative forms in the name of "modernizing" the Thai system. There has been no magical problem-solving quality arising from such forms, and they often result in creating confusion for those officials who are involved with the non-theoretical, day-to-day routines of municipal government. Such a decision-making style probably creates more problems than it is supposed to solve.[25] Because of this, there is a pressing need for decision makers to learn more about Thai municipal government and to promote initiative, innovation, and creativity in decision-making. The continuing imitation of foreign forms has questionable relevance for the Thai setting.

Third, there is a pressing need to recruit and train officials in the methods and techniques of systems analysis. It is from within this field that problem-solving capabilities are most likely to emerge and have an impact on designing and maintaining a municipal system that is performance oriented. The traditional academic fields of political science and law are of limited usefulness for developing planning and performance capabilities; such fields are more applicable for maintaining a formal-legal structure. At present, the Ministry of Interior has less than a dozen officials who are trained in the methods and techniques of systems analysis.[26] These individuals are important resources for identifying and conceptualizing problems and proposing solutions relevant to empirical realities. Unfortunately, their skills often are under-utilized. Although

[25] Some central officials indicated to me that this was precisely the key problem to managing the municipal system. They felt that those who introduced the present form of municipal government in 1933 and made subsequent reforms did not understand Thailand very well. Rather, they created numerous problems for future generations of officials who have had to manage the native forms. Consequently, many central officials feel they merely cope with problems they inherited from previous officials.

[26] The first municipal evaluation study ever conducted by a research team directed by a Thai official with training in systems analysis took place in 1973. Research and Evaluation Division.

Thai universities do not provide training in systems analysis, many more officials who are sent abroad to study should receive training in such a field.

These proposals stress the importance of shifting from concepts of control to concepts of system performance. The present system of municipal government is oriented toward traditional concepts of control that centralize authority for the purpose of maintaining formal-legalistic forms. it has yet to be conceived in operational terms for performing urban governmental functions. Organization by objectives requires major conceptual changes that stress measuring and monitoring governmental outputs and impacts as well as developing planning and evaluation skills on a routine basis. Such concepts have yet to be introduced at the central, provincial, and municipal levels of government. Traditional law, political science, and public administration concepts still dominate decision-making processes, which are more oriented toward imitating foreign forms than toward utilizing an innovative capacity to solve problems emanating within the Thai environment.

C. Conclusion

Municipal government performance in Thailand is better than before but it is still in need of major improvements in comparison to other countries and in relationship to rising Thai expectations. As a poor country, Thailand cannot afford to waste scarce resources by maintaining a governmental system that muddles through without knowing what it accomplishes. Since 1933 Thailand has maintained a formal structure of municipal government that is supposed to be both democratic and competent. Neither objective appears to have been achieved in actual practice.

Practitioners usually mean well, but they often don't know what to do when faced with routine governmental problems. Their typical response, based on intuition and limited knowledge, is to tinker with the formal structure of government: create a new structure or introduce a new rule or regulation. While such problem-solving approaches do result in change, such change does not necessarily result in solving problems. Rather, it is largely symbolic change which may generate unintended consequences which, in turn, may create new problems.

Thus far the structure of the Thai municipal system defines performance in terms of input indicators and administrative criteria. By doing so, it is difficult, if not impossible, to know what municipal governments actually accomplish other than increasing and decreasing their revenue, personnel, and honesty. A municipal system intended to achieve democ-

racy and competent government should be one designed to measure what it does in terms of actual outputs and impacts. How well are municipal governments providing services to their constituents? Who benefits from the various services? Are services being provided in the most economical manner? What are the consequences of providing alternative policies? These questions are concerned with output performance, and they require new systems concepts and technologies for organizing municipal governments.

An on-going system of performance evaluation can have important implications for improving municipal government in Thailand. Such a system would require that policy objectives be operationalized in terms of expected outcomes and that the policy implementation process be monitored in relationship to the objectives. By doing so, decision-makers willthe be in a better position to evaluate policy alternatives for making value choices. As the Thai continue to expect improved performance from their municipal governments, assessing the performance of those governments will be necessary. Performance assessment will require new concepts that link objectives to inputs and outputs as well as involving evaluation of political and administrative performance.

Contemporary Thai Politics
—An Analysis of the Political Trends After October 14, 1973—

Likhit Dhiravegin

Introduction

No one, whether layman or social scientist including, political scientists could have anticipated the October 14, 1973 uprising and the downfall of the military regime. The perpetuation of the regime as it was, had been taken for granted. But after the drama unfolded itself with the "October Revolution"[1] the picture has become clearer and it reveals the weaknesses inherent in the military regime. Had an in-depth analysis been undertaken, prediction of such an outcome could have been anticipated.

Events after the "October Revolution" covered a gamut of political crises ranging from protests, demonstrations, riots, severe suppression, to political assassinations. For a time, the newly established democracy in Thailand was on the brink of collapsing. These political turmoils are conditions which degenerate into what Samuel Huntington calls "political decay."[2] This situation is of greatest significance because it will have a great impact upon the political future of Thailand, a point to be discussed later.

In analysing contemporary Thai politics one cannot avoid two things. First is the necessity to trace the development of history. For what becomes of today is somehow related to what happened yesterday. While historical development provides an insight into the present situation, it is by no means the only factor. New factors have entered the scene which

[1] This term is used by Prof. Saneh Channarik of the Faculty of Political Science, Thammasat University. See Saneh Chammarik, "Thai Politics and the October Revolution," in *Journal of Social Science Review* (Special English Edition), Social Science Association of Thailand, Vol. 1, No. 1 (March 1976). pp. 3-41.

[2] See Samuel Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), Chapter 1.

have asserted their influence. The second thing that one has to undertake is to project the political situation into the future. Based upon this analysis, and in combination with some theories, one can venture to make a prognosis of the political future of the country. Of course, predictions, especially those of social scientists, have to be taken with a grain of salt. But at times, predictions could be borne out by later development.

Such is the focus of this paper, a discussion of contemporary politics in Thailand with reference to the historical development of the country and with an attempt to make a prognosis of its future political trend. The historical development will be discussed first, but only briefly to provide the background for analysis of recent political events.

The Historical Setting[3] — Bureaucratic Polity and Pre-October 14, 1973 Politics

As with other countries in Asia, Thailand in the 19th and early 20th centuries had been faced with the colonial threat. Flanked by the British and the French, the rulers of this small kingdom attempted to steer the ship of state through the stormy sea with an aim of survival. The emphasis was on political independence. Political independence was understood by the leaders to be an attempt to create a strong and unified state with a modern administrative structure and "modernized" legal, financial, educational and other systems. That is, the key for the country to survive was to become "civilized" and civilization in this context was of course based on Western criteria. As did the leaders of Japan under the Meiji Restoration, the leaders of Siam undertook two significant tasks: political (administrative) and economic development. Political development was carried out by bringing the loosely administered semi-autonomous provinces under the leadership of Bangkok. This was the famous Chakkri Reform of 1892 which aimed at creating a centralized political system. Along with this was the development of economic infrastructure: railways, roads, communication networks such as telegraph, etc., all of which were supportive of the new administrative system. In the new administrative system, ministries along Western lines were created to replace the traditional administrative system. The newly created bureauc-

[3] For a similar discussion, see Likhit Dhiravegin, *Political Attitudes of the Bureaucratic Elite and Modernization in Thailand* (Bangkok: Thai Wattana Panich, 1973), Chapter II.

racy was first manned by traditional Thai king's men with the aristocrats and princes as top officials. Foreign advisors of various nationalities: British, French, German, American, Danes, etc. were employed to give advice to Thai officials and to lay the foundation of the new administrative system patterned after the Western style. The employment of these foreign advisors was also aimed at creating a political balance among the Western powers. But as the scope of the administrative work had expanded and as the system had become more bureaucratized, there was need for more competent Thais to fill the positions in the various ministries. Commoners were sent to study abroad under the king's scholarship program. The majority of these students were first sent to England and other European countries. France, being a republic was at first deliberately avoided due to its radical political history. Later, this policy was changed and a number of Thai students were sent to study in France. What proved to be the insight and foresight of the royalists at that time was that it was the returned students from France who staged a coup d'etat on June 24, 1932 which brought an end to the age-old absolute monarchy.

The fall of the central power of the monarch and the aristocrats had left a power vacuum. Because of the absence of other political institutions apart from the bureaucracy created and developed as a result of the attempts of the monarch to modernize the country, the bureaucratic institution moved in to fill the power vacuum.

The bureaucrats who were well-trained in the technical knowledge of a new administrative system had become not just the executors of routine work, but they had also asserted their influence in formulating the national policy. While the civil bureaucrats assumed the role of both policy executors and decision-makers, the attempts to develop an independent representative political institution were not very successful. Internal struggles among the "June 24 coup promoters," political betrayals, etc. fit exactly Lord Acton's famous statement "Power corrupts; absolute power tends to corrupt absolutely." The failure of a functional political institution of a democratic type together with the background of a political culture and tradition of authoritarian rule has led to the assumption of political power by the military. Numerous military coups had taken place since June 24, 1932. The picture of the post 1932 era was thus that of military leaders who controlled political power with collaboration from or acquiescence of the civil bureaucrats. This system in which the formulation and execution of policy were undertaken by military and civil bureaucrats while the democratic political institutions were not

given a chance to develop was most aptly called "bureaucratic polity."[4]

The military leaders who controlled political power and the civil bureaucrats who controlled the administration of the country had later come to form an alliance with the business elite. This resulted from the anti-Chinese policy of the Pibulsonggram government before the second world war. Certain laws discriminated against the Chinese such as those on preservation of occupations. In order to safeguard their business interests against political persecution, the Chinese businessmen have resorted to various methods including joint investment in business enterprises, with powerful military and civil bureaucrats, thus providing powerful military and civil bureaucrats with sinecure posts. They also formed a familial relationship by inter-marriage. This last method was the most effective. Children of wealthy businessmen married children of high ranking military and civil officials.[5] This has led to a "holy alliance" between the military-civil bureaucratic elites and business elite which reminded one of a similar military-industrial complex in the United States. This triangular structure has become even more entrenched after the coup of 1958 staged by Field Marshal Sarit Thanarat and maintained by Field Marshal Thamom Kittikachorn and Field Marshal Prapass Charusathian and Col. Narong Kittikachorn until the October 14, 1973 uprising.

Such was the political system before October 14, 1973. It was characterized by a strong centralized military government with a division of spheres of influence among a few military figures which have formed a corruption system. As long as the sharing of the pie could more or less satisfy various factions, the "system" seemed to function smoothly. But as I shall seek to point out later, there was a great deal of tension in the system before the "October Revolution." Against the background of apathetic masses who considered governmental affairs beyond their interest and responsibility and whose demands from the political system were no more than the gifts of grace of minimum welfare and security against foreign intruders, the system was allowed to function without major challenge. But such a system could not hold forever in a changing world. The periods under Sarit's government and the later Thamom-

[4] See Fred Riggs, *Thailand: The Modernization of a Bureaucratic Polity* (Honolulu: East-West Center Press, 1967).

[5] Cf. William Skinner, *Leadership and Power in the Chinese Community of Thailand* (New York: Cornell University Press, 1958), pp. 186-199.

Prapass-Narong governments were periods of major social changes especially in quantitative terms. The national economic development plan launched under Sarit and the Vietnam war which led to the influx of American G.I.'s and high spending had great inpact upon the society. This period also saw changes even in the traditional agricultural sector; new crops were grown and massive geographic mobility (particularly migration from the rural areas to the urban areas, especially to the capital) had occurred. Added to these changes there was population growth at an astronomical rate.[6] Another factor was the increased discontent among the intellectuals, especially university students, with the inefficient and corrupted system of government and administration. The coup of 1971 staged by Thanom-Prapass-Narong was found distasteful to the intellectuals[7] and was viewed as the return of a former military regime. This situation has posed the problem of legitimacy to the military government.

What Caused the "October Revolution."?

There are several factors which contributed to the "October Revolution." But the following are the most significant:

1. The nature of a rigid military regime whose virtue was short-term stability maintenance. But in the longer run, it could not adapt to a rapidly changing situation. The control over the society with increasing demands was made possible only through coercion. While the system appeared to be able to maintain stability, the undercurrent of social grievances became amplified. The grievances resulted from changes in Thai society as mentioned earlier. Thus, a small incident could be manipulated to spark a massive protest rendering it impossible for the regime to stay in power. The downfall of this kind of regime is only a matter of time.

2. The long year of tenure of the leading military generals since Sarit in 1958 to Thanom and Prapass until October 14, 1973 had created a chain of leaders succeeding each other or prepared to succeed each other. But the desire to maintain such continuity had led to the attempt of

[6] Chammarik, *Op. Cit.*, pp. 12-14.

[7] One senior official and scholar, Dr. Puay Ungpakorn, former Governor of the Bank of Thailand who later became Dean of the Faculty of Economics, Thammasat University, presently Rector of the same university, wrote an open letter to the chief of the Revolutionary Party asking him to return to a representative system. This is the famous letter under the heading of "Letter of Nai Khem Yenying to Nai Tanu Kiatkong."

creating a family dynasty. The last two strong men of the military regime became closely related by inter-marriage. Col. Narong, the son of Field Marshal Thanom married the daughter of Field Marshal Prapass. Col. Narong was groomed for succession in the power structure of the Army. To further guarantee their security in the system which was plagued with factional struggle, an in-law was appointed to occupy a strategic position in the navy while the man in charge of the Royal Thai Air Force was the friend whom the families could trust. This attempt to create a family dynasty had inevitably produced great displeasure among other members of the armed forces. Mobility for other officials was blocked. This was also in violation of the seniority system. The potential of Col. Narong to rise rapidly in the Army because of his family connection was found especially distasteful by professional soldiers. In a sense, this kind of "zero-sum" game had led to a sheer conflict of interest.

3. The essence of the military regime that existed in Thailand was a corruption system of interests divided among several factions. This had resulted partly from the military-civil bureaucrat-business complex discussed earlier. Business elite sought political protection from the military and some civil bureaucrats, while the latter two groups enjoyed economic gains. There arose a separation of spheres of influence centered around powerful figures in the military, police, or civil bureaucratic organization. So long as this Mafia-type corruption system was maintained, the military regime could enjoy political stability. But tension would arise, if agreement on the spheres of political and economic interests could not be reached. The coup of 1971 was followed by about a year of political immobilism until a Revolutionary Council was set up by the Thanom-Prapass families each of them holding two or three key positions in the Cabinet. The delay in the establishment of the council indicated that there were serious conflicts in the division of power. These conflicts became obvious when the retiring police chief Prasert Rujirawong's term of office was not renewed. Rumour had it that the conflicts also had something to do with personal matters. Col. Narong ordered his men to tear down a police kiosk and got away without being duly punished. This was a challenge to the police chief and it indicated that conflicts of interests or on personal matters were acute. After the coup of 1971, the powerful Board of Investigation and Follow-up of Government Operations (BIFGO) was set up and Narong was made Deputy Secretary-General. With the power vested in him, a number of investigations and arrests were made against people who were proteges of some military generals who were Mafia heads. This kind of operation inevitably produced an

impact which upset the equilibrium of the corruption system. Discontent among the leaders of various factions was to be expected because their security was threatened. Thus, the downfall of the government headed by Thanom-Prapass would be welcome. Such was the situation before the October 14, 1973 uprising.

4. The loss of legitimacy of the leaders and the regime was another factor. When one talks about legitimacy, one usually has in mind whether the leader or leaders have come to power in an accepted way. that is, whether they come to power by election or some other established norms. In the case of Thai political culture, such a norm as election was not very significant. Whoever succeeds in coming to power is justifiable for he has proven that he has accumulated, in the previous life, enough merit to justify holding his position. Power is self-justifiable. This is a religio-political belief of the Thais. But the second aspect of legitimacy which is important in Thai politics is government performance measured in terms of efficiency in solving societal problems and guaranteeing minimum welfare and well-being of the people. The rulers, according to Thai political belief, have the duty to protect the ruled. There is a kind of noblesse oblige among the rulers while what is to be given to the people is a gift of grace expected of leaders. Just a few months before the "October Revolution," there were rice and sugar shortages. The scene of people in a rice exporting country with the family domicile documents in hand standing in line in order to buy rice from government authorized shops had extremely significant political implications. Even a street cleaner could see that something was very wrong with the present system. This situation would certainly make the government lose its legitimacy. Rumors of corruption as the cause for the shortage of staple food were widespread. The position of the government was shaken more by its attempt to cover up the Tung-Yai hunting scandal in which reserved animals were hunted by high-ranking officials. The government had lost its goodwill and credibility. The masses had become disillusioned with all the promises of the government, and they were in a ready mood to render support to an anti-government campaign.

5. One very important institution in Thailand is the monarchy. After the 1932 coup, the relationship between King Rama VII and the political leaders had not been smooth. This had resulted in the King's abdication later. King Rama VIII's reign was cut short by his assassination. The present monarch succeeded his brother when he was still a minor. But as time progressed, the king has played an increasingly important role in

checking the abuse of power by the military. This had culminated in the appointment of Prof. Sanya Dhammsakdi as the Prime Minister after the October uprising.

Amidst the riots in the October uprising, the king had asked the Thanom-Prapass government to resign and Thanom, Prapass and Narong to leave the country. The King then appointed Prof. Sanya Dhammsakdi Prime Minister.

6. All the above factors were very important in contributing to the uprising of October 24, 1973. But the group that sparked off the anti-government campaign which brought about the downfall of the regime was that of students. The students' role in politics dated back to the period of Pibulsonggram's government. It was the students who staged demonstrations against the "dirty" election of February 1957 which brought the downfall of Field Marshal Pibulsonggram. When Sarit came to power by a coup in 1958, he banned all student political activities. But in 1971 under the government which was formed under the 1969 constitution, the National Student Center of Thailand (NSCT) was set up. This loosely organized student center has learned to get organized by first staging an anti-Japan campaign and anti-Proclamation No. 299 issued by the Revolutionary Council in which the judicial power would be controlled by the Executive, and later a demonstration against the dismissal of some students of Ramkamhaeng University for publishing a satirical article on the Tung Yai hunting scandal. This last demonstration toward the very end, turned into a demand for a Constitution. This politically sensitive demand prompted the government to give in and promise to reinstate the dismissed students. But Ramkamhaeng University's Rector was ousted as a price also.

What the students have learned from these demonstrations was that they could mobilize strong mass support and they knew the real sensitive issue which the government tried to avoid. In other words, they began to realize their strength. Also, they got expressed or implicit moral support from the university professors and some higher institutions of the country.

When the crucial incident of "Constitution 13" occurred in October 1973 which involved the arrest of 12 students and professors and later other politicians, it could be expected that protests by the students would come as a matter of course. This happened and led to the situation as analyzed above, when the masses took to the street after days of verbal attacks on the personalities and the corrupted regime. It was estimated that the anti-government campaign could amass about 500,000 people.

This was the first time in the history of Thailand that there was such a massive demonstration against a common target — the Thanom-Prapass-Narong regime. The bloodshed that followed after the Black Sunday October 14 incident did not deter the mobs. The situation went out of control. Riots spread to various places. Anarchy loomed over the capital. Amidst the turmoil and the frenzied mob, political pressure was brought to bear upon the government to resign and the three leaders to leave the country.

Had the military organization remained solid; had the masses not been discontented with government performance; had the military regime become more open for mobility and adapted to the changing environments (which by its nature it could not do), October 14, 1973 might just have passed as another crisis. But this was not the case. If one examined the situation closely, one would see that the political situation and the position of the Thanom-Prapass-Narong regime were volcanic. It only took a small incident to touch off the eruption.

The Royally Bestowed Government

After the "October Revolution" Prof. Sanya Dhammasakdi, as already mentioned, was appointed Prime Minister by His Majesty the King. His immediate job was to heal the societal wound caused by disunity and to build a groundwork for a democratic political system. A Constitutional Drafting Committee was set up. Later, a royally initiated National Convention was created. Members of the National Convention were drawn from various professional groups and appointed by the king. This convention selected members of the Legislative Assembly to replace the Legislative Assembly of the old regime. While the drafting of the new constitution was in process, ten of thousands of students went to the countryside to "propagate democracy" to the rural people. Campaigns to spread democratic knowledge and values were also done through the mass media especially on television. These were attempts of the government to build both the infrastructures and superstructures of democratic institutions. Constitution, election and the related process could be taken as superstructures while political culture and values and hence behaviour pattern in politics could be taken here as infrastructure. While the success of these attempts is yet to be evaluated, one can at least say that during this period there was a very high degree of political consciousness. The pent-up frustrations surfaced and grievances were voiced by the people in the forms of street demonstrations and protests. The masses have learned one lesson from the "October Revolution" — to bargain with the threat

of riot. This violent tactic inevitably led to a response in kind from the authorities. While attempts to restore unity, primarily between the military and civil bureaucrats and the people were being made, conflicts based upon ideological grounds began to emerge. This rift between the right and left became intensified. The terminology of right and left are used here loosely. The rightists were those who preferred the maintenance of the *status quo* in the economic structure; while the leftists were those who preferred change at a rapid pace. There are of course many shades of both groups and in between there was a great number of the so-called "silent majority."

The events during the Sanya government which ran about 14 months had given us some political insight. The observations one could draw are the following:

1. There was a serious problem of political leadership in Thailand. As mentioned before, the development of the administration or bureaucratic structure had outgrown the development of political structure. This fact, coupled with the long years of military rule, had not contributed to the building of political leadership. When the military regime was toppled, one could hardly find suitable persons who could assume the role of premiership. There were very few opportunities for the country to train political leaders who could assume responsible roles, who know the "art of the possible." Most Thai leaders in the public sector were recruited from the military or bureaucratic ranks. One of the negative aspects of the military regime was the deprivation of the country of political leadership-building. As a result, the administrators continued to assume the role of politicians. Many Cabinet members were civil servants and a large number of members of the new Legislative Assembly were also government officials. This state of affair was inimical to the operation of the country and to peaceful resolution of conflicts. At times, when caught in a crisis, these bureaucrats-cum-politicians just passed the buck to a man in a higher position in the hierarchy and even to his Majesty the King.[8]

In a newly won democratic system which faced numerous political economic and social problems, there was a great need for competent leaders to manage the affairs of the state. The absence of such leaders could indeed impair the chance of creating a stable democracy.

[8] Some people suggested that the question of whether the voting age should be reduced from 20 to 18 should be referred to His Majesty the King for decision.

2. The second problem which was a result of a long tenure of military regime was the accumulation of unsolved economic and social problems. These problems had been covered up but then exploded into the open after October 14, 1973. Judging from the grievances voiced by the workers and peasants, one could not deny that social discontents were prevalent. But all these problems, if they were to be solved at all, required time. Holding external and new internal problems constant, it would take at least one decade to solve various problems the society was facing. But the expectations of the people were high. It was generally conceived that the new political system would be more effective in solving problems. There was thus a temporal crisis. The slow process of reform could lead to political unrest and destroy the legitimacy of a democratic form of government. There were numerous cases of political violence. At the time of political violence, some people began to have nostalgia of the heyday of Sarit's rule when there was "law and order." More than at any time in history, Thailand needs strong (not necessarily despotic) and competent leaders in government who have the guts to launch social reform. But inherent in the Thai system is the strong self-interest oriented bureaucracy. It is one thing to have policy formulated, but it is another thing to have policy implemented. Unless, the leaders could tackle with the bureaucrats, attempts to bring about reform would be a herculean task.

3. Related to the problem of temporal crisis *vis-a-vis* the massive problems is the weakness of the administrative structure and the distribution of income. The centralized political structure which dated back to the 1892 administrative reform has turned Thailand into a country of "primate city." There is thus a big gap between the capital city and the rural areas. The differences range from economic conditions, medical services, educational facilities down to cultural activities. While Bangkok can be said to be relatively modern, a large part of Thailand is still quite backward.

Another serious problem is income distribution. While the income per capita is $300 annually, it cannot be denied that this average figure tells only a partial story of economic growth. Income per capita in Bangkok differs greatly from other parts of the country. There is at present also a big gap between the few rich and the poor masses. While the number of expensive cars running in Bangkok would impress many visitors, poorer sections of Bangkok, especially the slum areas, are in destitution. This gap resulted from the economic development plans started under Sarit whose advisors relied on beautiful statistics of annual growth percentage

while neglecting the income distribution or social equity aspects. To remedy this gap, effective measures of reform have to be adopted. But there was a reluctance to do this within the Sanya government.

4. *Institutionalization of Democratic Processes*

For a democratic system to survive, it takes more than just a constitution, an election and the like. What is of greatest significance are certain sets of values which are supportive of a democratic process. Such values as egalitarianism, majority rule, toleration and respect for other's viewpoints, etc., are basic foundations upon which democracy can flourish. But in a culture where authoritarianism is strong, it will take some time for such new values to take deep roots, and replace the age-old dictatorial outlook. Also in a country whose historical political systems were mainly military military regimes with power seizures prevalent, the feeling of the possible return of a military regime lingers on. In fact, at times of political unrest, many people as already mentioned even become nostalgic of the Sarit regime whose drastic measures against arsons, hooliganism, for example, had brought "law and order" to the country. This is a dangerous state of affairs. For a democratic form of government to survive and become viable, the democratic processes with the basic values supportive of such processes must be given time to become institutionalized. That is, democratic political culture must become deep-rooted and a democratic form of government must be taken by the people as sacred; a violation of its very principle, such as power seizure by force, would be protested against. Take the United States, for example. A proposal that the American Armed Forced should take over by force the Office of the President would run counter to the American people's belief in freedom and which has been deeply ingrained in American political culture. But it will take a long period of time for the said belief to become a tradition. In the case of Thailand, perhaps it will need at least two regular election terms or eight years at a minimum to lay down the groundwork for the system to develop and become a tradition. The question is: will we have the eight years? Already there have been signs that certain elements have been attempting to create certain incidents hoping that they would give the appearance of political turmoil, a situation of crisis which would give the military the excuse to seize power again. Against this background, there are also now the relatively politically conscious masses who have begun to make numerous demands by various means including demonstrations. At times, they have resulted in violence and bloodshed. Such incidents were too numerous to record here. Suffice it to refer to one incident happening in the south in which grenades were thrown at a mass rally killing a

number of people and wounding many others. Worker's strikes and peasants' demonstrations demanding justice were on the increase. Compared with the period before the "October Revolution," the frequency was astronomical.[9] Given the country's present economic conditions, these phenomena are likely to continue. If these demands of the workers and especially the poverty-striken peasants were not satisfied by the system, democracy, in the eyes of these people, might lose its relevance in Thai society and hence its legitimacy. Thus it could be seen that the institutionalization of the new political system has to be done against increasing political participation by the more politicized masses and the capacity of the system to ameliorate the people's grievances. Unless the democratic processes have become effective as channels for peaceful conflict resolution, democracy in Thailand will not be likely to survive the political crises prevailing in the society at the present moment.

5. The fifth problem facing the country since the "October Revolution" is the ideological conflict. That is the struggle between those who prefer, generally speaking, the maintenance of the *status quo* or, for some, going back to the regime before the "October Revolution," or the "right" and those who advocate change at a rapid and somewhat radical manner or the "left." The gap between those two groups has become wider and almost to the point of no return. These differences in ideological orientation could lead to antagonistic confrontation. It is the first time in Thai history that there is a lack of value consensus of such a scale. Politics has become in the eyes of the ideological contestors a zero-sum game. One group's survival is another group's destruction. This situation is especially so after the change of regimes in Indo-China. Already, there have been incidents of confrontation between the National Student Center of Thailand and the rightwing vocational students. Many rightwing groups such as the militant Red Guar and Nawapol have been formed. Of course, these may be only the manifestation of more complicated politics. Behind the scenes is a more complex picture. This includes internal struggles among the military and the fear of a socialist revolution

[9] There were 501 labor strikes in 1973. Of these 501, 399 strikes occurred after the October incident. This is a fourfold increase. See *Kurnboriharn Rangarn Prachum Pee Ngobpramarn 2516-2517* (1973-1974) (Labor Administration Department for the Fiscal Year B.E. 2516-2517) Labor Department, Ministry of Interior. Table 4.1 and supplementary mimeographed sheets.

by the groups which have vested interests in the present structure. The storming of Thammasat University during the Kukrit Administration could be interpreted as a symbolic attack on the progressive or leftist elements. Whatever the forms, the essence remains the same. That is, there exists in Thailand at the present time a serious basic ideological conflict. If the channel for resolution is blocked, this conflict could lead to bitter future struggle.

The Kukrit Government

After the 1975 election, the Democrat Party despite the majority was not able to form a government. Kukrit and his Social Action Party were able to form a coalition government. What he attempted to do was to bridge the gap between the urban and rural areas. This was done by the program of income redistribution of an unprecedented type — to put money into the rural development project in the country's 5,000 tambol (or communes). The first project was launched in April 1975 with a budget of 2,500 million baht and the second project was launched in February 1976 with a budget of 3,500 million baht. In Bangkok, there was an attempt to raise the people's minimum income to 1,000 baht. Free bus rides were given to low income people and students. Attempts at reform in other areas were made but they proceeded at a slow pace. Land reform programs although accepted in principle had not yet been implemented. The government encountered numerous obstacles and lost control of the situation which led to the dissolution of the parliament after it had stayed in power for less than a year. What one could see during the Kukrit government are the following:

1. The first observation about the Kukrit government is that it was a weak coalition government. The weakness of a coalition government is usually taken for granted. But in the case of the Kukrit government, the weakness was aggravated by personality conflicts in the Cabinet. At times, the conflicts between the Prime Minister and Deputy Prime Minister appeared in public. Under such circumstances, the Prime Minister had a hard time persuading other Cabinet members to agree on policies. At the same time, the main concern of the government was to stay in power. Thus, any move which might threaten the stability of the government, be it reform or otherwise, would be avoided. There was indeed not much a weak coalition government could do.

2. The power of the bureaucrats and the threat of a military coup put in a check on the government's initiatives. Bureaucratic polity still re-

mained intact. Policy implementation was not undertaken effectively and efficiently. Rumours of military coups were constantly haunting the government and the people. Enforcement of law and order was inhibited by the lack of co-operation from the law-enforcing authorities who were engaged in the game of power struggle. It culminated in the ransacking of the Prime Minister's residence by a group of police, which was later followed by the attack on Thammasat University. Violence occurred occasionally in the provinces resulting in casualties while law-breakers went uncaught. For a time, democracy was on the brink of collapsing. People longed for the return of law and order, and some even wished for the return of a military rule.

3. Reform programs were done either half-heartedly or inefficiently. This was a result of the still-intact alliance between the military-civil bureaucrat-business elites. The elected politicians and the Cabinet Ministers were largely members of the groups which have vested interests in the system. Many wealthy businessmen were Cabinet members. Under such a situation, genuine reforms were hard to come by. In fact, when one examines the composition of the Cabinet and the majority of members of parliament, one could see that they were still drawn from the bureaucrats and business circle while the military were of course their allies.

4. The fourth feature that should be mentioned is that many reform programs of the government were done for purely political reasons with an eye on the next election. The income redistribution programs, for instance, were adopted hastily in order to gain popularity. This had raised doubt about the government's sincerity. Some personalities in the Cabinet hardly gained respect from the masses. As a result, the government was losing credibility as time progressed.

5. The last point is that this has been the first time since the last civilian government after the end of the Second World War (not including Prof. Sanya's government) that an elected civilian government was given the chance to run the country. Despite the weak government, the lack of leadership, the limited time *vis-a-vis* the enormous problems and the high degree of politicization and the embryonic growth of democracy, the government deserved sympathy and commendation. The Kukrit government had performed very well in this stop-gap period. The very positive thing the Prime Minister did was to steer the ship of state of democracy through the stormy sea risking a military coup which could have resulted in a blood bath. Various incidents which occurred tended to suggest that they were created in order to provide a legitimate cause to stage a coup

d'etat. But the Prime Minister refused to be trapped and craftily avoided the declaration of the state of emergency which might open the way for a legitimate stepping in by the military.

The Election of April 4, 1976 and its Implications

No-one who is interested in Thai politics could help feeling that the period before the dissolution of parliament and the election in April could be interpreted as anything other than a breakdown of the political and social fabric of Thailand. Democracy, at that time, had become irrelevant. For what the country needed was to put a stop to the violence, assassinations of political figures and election canvassers. One was tempted to feel that the country was bursting at the seams. In the terminology of political development theory, one would be reminded of "political decay" coined by Huntington as previously mentioned. The progressive or "radical" or "leftist" elements were harassed. The Secretary General of the Socialist Party of Thailand was killed in February 28, 1976. The New Force Party's office was bombed and later on March 24, 1976 at an election campaign of the New Force Party, a grenade was thrown which killed 9 persons and wounded 26 others. At the anti-American military presence in Thailand demonstration on March 22, 1976 a number of grenades were thrown killing 4 persons, wounding 73 people. Who was behind all these violent acts was hard to know. But one thing we could say was that there was a state of panic and urgency in the country. After the Indochinese episode, a number of people feared the same kind of occurrence. There was a tremendous effort at rousing nationalist sentiments and revival of Thai traditions and values. These were manifested in the mass media and in songs. The effort to counter a radical political change was in full swing. In fact, the country during that short period had turned into a suspended nightmare. The future was uncertain. The political struggle became fierce. The fabric of political structure was thin and torn. There was an atmosphere of tension and pessimism. In a nutshell, the threat of a volcanic eruption loomed large.

At the election of April 4, 1976 and the aftermath which was characterized by quietness, a return to normalcy was greeted with great relief. The results of the election were of great significance for the Thai political future. The progressive elements did not fare well. In fact, they were going down the drain. Even the safe seats of the United Socialist Front in the Northeast Region were lost. The right, especially the civilian rightwing, was on the rise (see table I and Diagram I). It could be said that generally, the civilian faction was ascending in power while the military

Table I

Changing Patterns in House of Representatives Composition

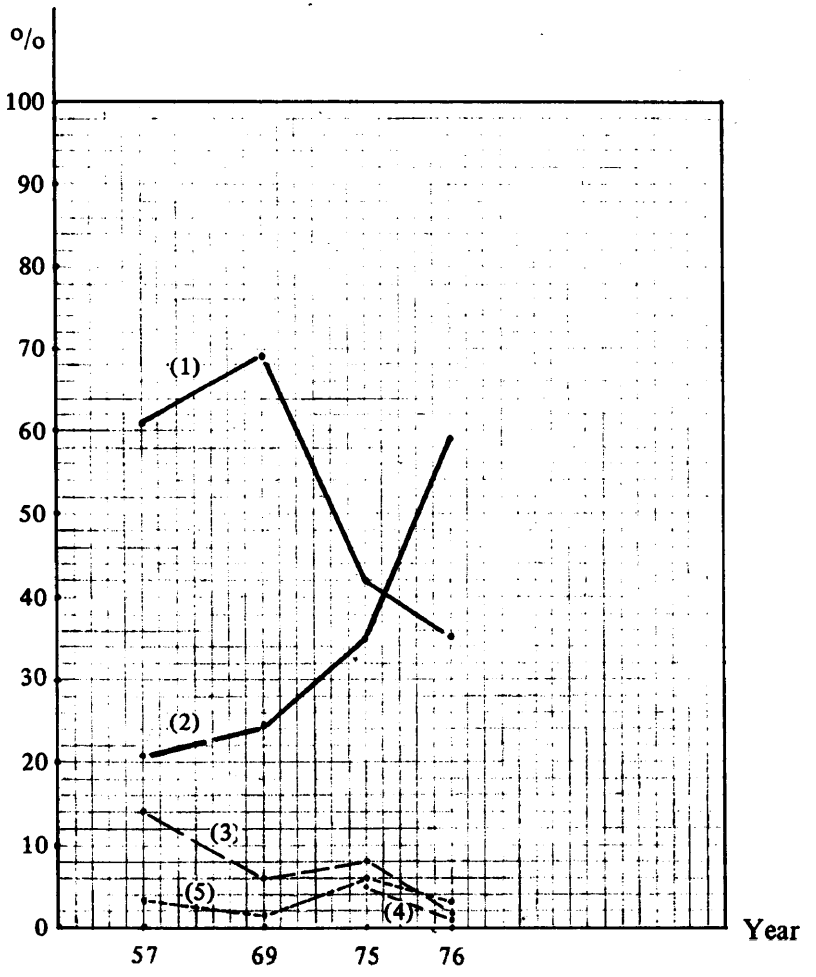
	1957		1969		1975		1976	
Political persuasion	**Party**	**% of House**	**Party**	**% of House**	**Party**	**% of House**	**Party**	**% of House**
Military right	Seri Manangkhasila Progovernment independents Progovernment fragments of other parties	61.5	UTPP Progovernment independents	67.5	Social Justice Social Nationalist Thai Nation Social Agrarian	40.1	Social Justice Social Nationalist Thai Nation Social Agrarian	35.8
Civilian right	Democrat	20.5	Democrat	25.0	Democrat Democracy Social Action People's Sovereignty	34.9	Democrat Democracy Social Action People's Sovereignty	58.8
Middle	———	—	———	—	Thai New Force	6.0	New Force United Democracy Front	1.4
Left	Free Democrat Economist Hyde Park	14.5	People Economist United Front	6.0	Socialist Socialist United Front	9.3	Socialist Socialist United Front	1.1

	1957		1969		1975		1976	
Political persuasion	**Party**	**%o of House**	**Party**	**%o of House**	**Party**	**%o of House**	**Party**	**%o of House**
	Freedom		Democratic Front					
Other	Antigovernment independents	3.5	Antigovernment parties and independents	1.5	Other parties	9.7	Other parties	2.9

Source: 1957 data: Wendell Blanchard *et al.*, *Thailand, Its People, Its Society, Its Culture* (New Haven: HRAF Press, 1958), p. 2.
1969 data: Clark Neher, "The Politics of Continuity", *Asian Survey*, 10:2, (February 1970), p. 162.
1975 data: Jeffrey Race, "The January 1975 Thai Elections: Preliminary Data and Inferences," *Asian Survey* 15:4, (April 1975), p. 376, Table 1.
1976 data: *Bangkok Post*, April 6, 1976 and other local newspapers.
N.B.: Form of table adapted from Jeffrey Race, *op. cit.*, p. 380 Table 4.

Diagram I

Changing Patterns in House of Representatives Composition



N.B.: 1.....Military right 2.....Civilian right
3.....Left 4.....Middle
5.....Other

was declining to some degree and it could be interpreted as a defeat for the moderate liberals such as the New Force Party.

How could we explain the poor performance of the progressive elements assuming that the election was clean?

There are probably four main reasons for the defeat of the progressive and the moderate elements:

1. The Indochinese episode after the change of regimes, especially the end of monarchy in Laos, had led to a panic that such a situation could be repeated in Thailand. The fear of a communist system has been instilled in the Thai people since the Pibulsonggram regime. For a period of over three decades, propaganda against communism has been launched. This fear was reinforced by reports of massacre and atrocity in Cambodia, and, to a certain degree, the belief in the much quoted domino theory. This insecurity had probably worked against the "progressive" elements who were made to be suspected with an accusation of being communists by rival parties.

2. Before the election, there were great campaigns launched which were aimed at arousing nationalistic sentiments among the Thais. The most quoted slogan calling people to protect the "Nation, Religion and Monarchy" was emphasized. Such a nationalistic feeling had contributed toward the victory of the right-wing parties (both with military and civilian persuasion, see Table I and Diagram I).

3. The third factor had to do with psychological problems which were related to what had already been discussed. The uncertainty of the political future had led people to cast the votes the middle way — i.e. for the party with a moderate line which would undertake reforms but generally could be trusted to stay in line with the existing structure — the Democrat Party. When people were not sure, they would choose the safest course. The Democrat Party provided this very image.

4. Already mentioned but warranting some more discussions here were the attempts by the rival parties to launch image and character assassination. The "progressive" parties and their leaders were accused of being communists, accepting subsidies from foreign sources and being proteges of communist leaders abroad. They were also accused of planning to destroy the social institutions of the country. Leaders and candidates of these parties were also harassed, and threats were constantly made to the extent that the leader of the Socialist Party of Thailand had to quit campaigning and went into hiding. In such an atmosphere, it would be next to impossible to run in the election.

Conclusion

As in the period after the 1932 coup d'état, which was a transitional period, at the present time Thailand is in another transitional period. In fact, one could interpret the "October Revolution" as a continuation of the 1932 coup or as the second phase of the developmental process of democracy in Thailand. The country now has a civilian coalition government with the Democrat Party controlling the largest number of the House members.

The country has now a history of heroic struggles for freedom and democracy of October 14, 1973. It has passed through a very painful experience of political violence. It has allowed the now more or less politically conscious populace to participate in the bargaining process, to demand remedy of their grievances and protection of their legitimate rights. The degree of political awakening has been in the process of developing while the attempt to build up democratic political institutions in which legitimacy of government could be upheld and resolution of conflict could be peacefully made is also in the process. How successful could Thailand become is of course too early to assess. We have to observe how well the new system could perform. But we could venture to present a few points of analysis based upon the information we have. For the democratic system to work in Thailand one has to consider the following factors:

1. The success of institution building which was already discussed. If the present form of government was allowed to function for a certain period of time, some, as mentioned before, eight years, democracy or a democratic process would take deeper roots. But this of course depends on how stable the present coalition is. The Democrat Party was held together by M.R. Seni Pramoj. It would be interesting to observe whether it could stand the test of factional struggle within the party after Seni passes away. Being a party with some experience, the Democrat Party could play a core role in helping build up a democratic form of government in Thailand.

2. Economic and social problems. The immediate problem for the government is to bridge the gap between the rich and the poor and to narrow the gap between the urban area, especially Bangkok, and the rural areas. This has to be done with due consideration to population growth pressure. At the present growth rate and with some hope of decline, the population of Thailand could turn into 70 million within a period of 15 years (see Table II). Even an optimistic assessment by the World Bank

inclined to give a high figure.[10] Unemployment, educational facilities, housing and other social problems such as crime, drug addiction, etc., which would only serve to weaken democracy would have to be tackled. Government performance is very significant because it is directly related to the question of legitimacy of the government, and even of the regime.

3. Strong and competent leadership could probably be developed out of the democratic systems if given enough time. Through practice and relatively long tenure in office, it is hoped that capable leaders would be produced in due course. The leaders must have the guts to launch a genuine reform program irrespective of who or what might stand in the way. For democracy and for the society to survive, there is a need for a strong political leadership.

4. The insurgency problem is an urgent factor to be taken into consideration. For a smooth functioning of the system and a guarantee for the continuity of the reform program, it is imperative that the insurgency problem be dealt with politically and economically. That is, politically the government must begin a process of negotiation to bring about a peaceful end to the problem. This would be very difficult if not impossible. But so far, not a single attempt along this line has been made. Economically there must be an effort to develop the poverty-stricken areas. Economic well-being must be emphasised and persecution by government authorities must be stopped. It must also be borne in mind that a military operation could never put a permanent end to the problem. The U.S. bombing of Vietnam was a clear case in point.

5. Related to the above four factors is the need to reform the government organization especially as regards bureaucratic structure. The present bureaucracy is an outgrowth of a traditional lord and master type of structure which has now lost touch with time and reality. A new structure with a new philosophy and outlook must be developed. Thailand is lucky to have a well developed bureaucracy seen in terms of institutionalization. The existence of a strong bureaucracy is advantageous for the country but if it is allowed to block change, it would become counterproductive. Only after the civil servants are made to be accountable to the people and to be subject to political control by the Cabinet can democracy function.

6. The major interest group which has played a crucial role in

[10] See Nestor R. Cervantes, "Thailand Curbs Population Growth," *Bangkok Post*, April

Table II

Thailand: Population Projections by Age Group and Dependency Ratios, 1970-1990

Age Group	Millions				Percent	
	1970	1980	1985	1990	1970	1980
1. 0-14	17.2	23.6	27.0	29.6	45.0	45.1
(0-4)	6.8	9.2	10.1	10.7	18.1	17.5
(5-14)	10.3	14.4	16.8	19.0	27.5	27.6
2. 15-64	19.3	27.2	32.3	38.5	51.3	51.8
(15-19)	3.9	5.5	6.5	7.8	10.4	10.5
(20-64)	15.4	21.7	25.8	30.8	40.9	41.3
3. 65+	1.1	1.6	2.0	2.4	3.0	3.1
4. Total (1+2+3)	37.5	52.4	61.3	70.5	100.0	100.0
5. Dependents (1+3)	18.3	25.3	28.9	32.0	51.3	51.8
6. Potential Labor Force Ratios (per 100 aged 15-64)	16.3	23.0	27.4	32.6	43.4	43.8
7. Child Dependency Ratio (1+2+2)	189.0	186.9	183.4	176.9	—	—
8. Total Dependency Ratio (4+2)	194.8	192.9	189.5	183.1	—	—

Table II

Thailand: Population Projections by Age Group and Dependency Ratios, 1970-1990

Age Group	Percent		Average Annual Rate of Growth			
	1985	1990	1970-80	1980-85	1985-90	1970-90
1. 0-14	43.9	42.0	3.25	2.70	1.91	2.78
(0-4)	16.5	15.1	3.03	2.02	0.99	2.25
(5-14)	27.4	26.9	3.39	3.10	2.46	3.06
2. 15-64	52.8	54.6	3.50	3.53	3.55	3.52
(15-19)	10.7	11.0	3.50	3.49	3.47	3.49
(20-64)	42.1	43.6	3.49	3.54	3.58	3.53
3. 65+	3.2	3.4	3.98	3.76	3.77	3.87
4. Total (1+2+3)	100.0	100.0	3.40	3.17	2.86	3.21
5. Dependents (1+3)	52.8	54.6	3.30	2.77	2.04	2.84
6. Potential Labor Force Ratios (per 100 aged 15-64)	44.6	46.2	3.51	3.54	3.55	3.53
7. Child Dependency Ratio (1+2+2)	—	—	—	—	—	—
8. Total Dependency Ratio (4+2)	—	—	—	—	—	—

Notes: The assumptions used in this projection were
(a) fertility: slight fertility decline beginning in 1970 such that the birth rate would fall by one-third to 1990.
(b) mortality: moderate mortality decline corresponding to a yearly increase of one half year in the expectation of life at birth.

Source: Chalothorn, T.: "Population Projection for Thailand 1960-1990," National Statistical Office, Thailand, reproduced in Asian Development Bank, 1970: Chapter Six, Table B5.11.

Prachoom Chomchai, "Thailand" in Dr. Shinichi Ichimura (ed.), *The Economic Development of East and Southeast Asia*. Honolulu: East-West Center, 1975, p. 146.

Thailand's politics in the past four decades has been the military. The military, or to be more precise, the army, used to determine the political fate of the country. Thanks to the failure of the Thanom-Prapass-Narong's military regime of family dynasty creation, the military is now at its low ebb. The pyramidal — hierarchical power structure before the "October Revolution" had its top chopped off after the trio fled the country. There remains a plateau on which no one has emerged to put a new top on the pyramid. This has created a leadership problem in the military organization and it has led to an internal power struggle. As a compromise, for the first time in the history of Thai military organization, a navy man was appointed the Supreme Commander of the Armed Forces. The military or military regime has also lost credibility. The ability to just maintain law and order by force is no longer the *rai son d' etre* for assuming full control of the country's administration because for the past 16 years since Sarit; it has not proven that it could run the country efficiently and for the benefit of the people. There is also the possibility of resistance should a coup be attempted. Of all the above mentioned factors which had worked to prevent a military coup, the factional struggle seemed to be the most significant which has weakened the military. Instead of being a solid group with power and spheres of influence and interests satisfactorily divided as in the past, the organization is now fragmented.[11] So long as this situation remains, it will be favourable for the growth of democracy. Some military have already learned to play the game in the system. The late General Kris Sivara, and Air Chief Marshal Dawee Chulasapya for instance have turned to play their political role in the new structure. These military-cum-politician generals would gradually learn to play a new game of politics.

Some people are pessimistic about the future of Thai politics. One writer compared it to the Fourth French Republic,[12] while others expressed optimism.[13]

7, 1976, p. 8; and Juan L. Mercado, "Thai Family Planners Hopeful," *Mainichi Daily News*, May 4, 1976.

[11] One obvious case was the infighting within the military over promotion in April, 1976, See *Bangkok Post*, April 25, 26, 27, 1976. See also Aroon Larnlue, "Dissension in Army Causes Alarm," *Bangkok Post* May 3, 1976. See also *Bangkok Post*, May, 6, 7, 8, 1976.

[12] See article by Aroon Larnlue, "Fate of the Coalition Government and the Democrats," *Bangkok Post*, May 28, 1976, p. 8.

[13] See Article by Dr. Prachya Davi Tavedikul, "How Stable is the Seni Govt.?" *Bangkok Post*, June 8, 1976, p. 8.

Many are uncertain and a large number are ambivalent about the present system, Whatever one's attitude and opinion, the fact is Thailand has closed one chapter of its history and is in the process of entering into the next chapter. The process of passing through this liminal period will be long, painful and difficult, but it is unavoidable and the Thai have to live through it.

Ideology and Development Planning in Indonesia

Martin Rudner

Indonesia's 'New Order' since 1965 has had ideology take on the characteristics of a revitalization movement. Initially, at least, ideological formulations were shunned as too reminiscent of the recent, discredited past, by the military-based regime. However, the sudden breakdown of established norms and behavioral patterns plunged the country into a maelstrom of political violence and social upheaval. Out of the crisis of anomy, an uneasy ruling coalition of forces moved cautiously and deliberately towards forging a revitalized, i.e. more self-satisfying, political culture.[1] Their expressions of political values, priorities and goals were soon to crystallize, subtly but nevertheless distinctly into new ideological constructions.

The original antipathy to ideology on the part of the main constituent forces supporting the New Order, the military, senior bureaucracy and modernist urban intelligentsia, also reflected their underlying consensual orientation towards a materialist, rationalist world-outlook *(weltanshauung)*. This contrasted with the more predominantly idealist values conventionally ascribed to the Indonesian cultural order. Boeke attributed the stagnation and impoverishment of colonial Indonesian society to the prevailing "economic mentality." Subsequent scholarship has been divided over whether such negative economic attitudes and propensities derived from the colonial experience itself or from a tradition of spiritualism. However, Indonesia's cultural heritage was generally believed to

[1] ff. A.F.F. Wallace, 'Revitalization Movements', *American Anthropologist* Vol. 58 (1956) pp. 264-281; Clifford Geertz, 'Ideology as a Cultural System', in David Apters, ed., *Ideology and Discontent*.

be incompatible with the requisites of economic development.[2] In recent times the conflict between political culture and economic purpose came to a head with Sukarno's emphasis on the primacy of political goals, under which the manipulation of ideological symbols became an expedient substitute for reality in economic policy.[3] Consequently, prolonged disinvestment and capital deterioration led to falling real national income during the early 1960's as Indonesia's economy descended into anti-development.

The New Order sought to reverse the Sukarnoist conception of precedence in coping with the challenges of nation-building. Sukarnoist ideology considered imperialism the continuing cause of national decay. By way of response, his ideology focused on political posturing aimed at overcoming residual imperialist manifestations which in turn, would anyhow release the country's economic potential.[4] Struggle for political liberation thus had ideological precedence as the instrument for eventual economic development. The New Order was to turn this thesis around. Poverty was felt to jeopardize the nation by spawning communism, so that economic development obtained ideological precedence as the means of achieving ultimately a stable process of political modernisation. Economics accordingly emerged in the New Order consensus as the key to political goal attainment.[5] However, the different political factors stressed differing norms, priorities and eventual distrubutive effects in their development expectations. Ideological homogeneity under the New Order was therefore compromised by the predisposition of political organs at various levels of authority and representing differing interests to

[2] For examples of these lines of reasoning supporting the same conclusion see Clifford Geertz, *Agricultural Involution* (Berkeley, 1963), and Allan M. Sievers, *The Mystical World of Indonesia* (Baltimore. 1971).

[3] *Vide*, Reuven Kahane, *The Problem of Political Legitimacy in an Antagonistic Society: The Indonesian Case* (Beverly Hills, Calif. 1974).

[4] See Charles A. Fisher, 'Economic Myth and Geographic Reality in Indonesia', *Modern Asian Studies* Vol. 2 (1967), pp. 155-89 on this point.

[5] *Vide* Martin Rudner, 'The Indonesian Military and Economic Policy: The Goals and Performance of the First Five-Year Development Plan, 1969-1974', *Modern Asian Studies* Vol. 10 (1976), pp. 249-84, and 'The Military in Indonesian Development Planning, 1964-1974', in *Military and State in Modern Asia*, ed. Harold Z. Schiffrin (Jerusalem, 1976), 197-227.

postulate disparate, sometimes conflicting, criteria for economic planning and development strategy.

The Legislators Decide

Political authority under the New Order has been concentrated in a triarchy composed of the military, economist technocrats, and the bureaucracy. This was (and still is) a coalition of convenience, complementarity and shared concern, but unequal power. Effectively, bureaucrats administered, technocrats counselled, and the military operatively governed.[6] Each enjoyed specific influence in particular institutions of state, at ascending levels of authority. The bureaucracy as administrators also had an official legislative voice; technocrats were notably influential in the Cabinet and in specialized state agencies, such as the central bank and national planning board *(Bappenas);* while overall executive functions came under military control, including certain key ministries, the super-Cabinet ASPRI attached to the presidency, and, indeed, the Presidential Office itself.

Around this core heirarchy of power was an outer circle of supporters of the New Order. More in the nature of separate allies than partners, at the outset these ranged from the student movement in the revolutionary *pemuda* (youth) spirit, to modernist intellectuals, to orthodox Islam, joined later by entrepreneurial interests and ethnic minorities.[7] Though bound together by their opposition to communism and Sukarnoism, *pemuda* enthusiasts and Islamic zealots through their initial militancy carved out particular constituents for themselves, urban and rural respectively, which were kept mobilized for subsequent political action.

The supporting elements of the New Order were brought together in the People's Provisional Consultative Assembly, the *MPRS*. With the dis-

[6] *Vide*. R.W. Liddle, 'Evolution from Above: National Leadership and Local Redevelopment in Indonesia' *Journal of Asian Studies* Vol. 32 (1973) esp. p. 288; and Ulf Sundhaussen, 'Decision-Making within the Indonesian Military', in *Military and State in Modern Asia*, op. cit., Allan Samson, 'Indonesia 1972: The Solidification of Military Control', *Asian Survey*, Vol. 13 (1973).

[7] *Vide* Justus von der Kroef, *Indonesia Since Sukarno* (Singapore, 1971), Chap. 3; R.W. Liddle, 'Power, Participation and Political Parties', in *Power, Influence and Communication in Indonesia*, eds. Lucien Pye and Karl D. Jackson (forthcoming). On the organization and ideology of *Pemuda* youth movement, see B.R. O'G. Anderson, *Java in a Time of Revolution* (Ithaca 1972); and on Islamic politics see Liddle, 'Evolution from Above', loq.cit., and Allan A. Samson, 'Army and Islam in Indonesia,' *Pacific Affairs*, Vol. 41 (1971-2).

banding of Sukarno's 'guided democracy', the *MPRS* remained as the country's most assuredly plural, and in a way populist, council of state. If hardly representative in a democratic sense, the *MPRS* did at least provide representation for supporters of the New Order, including the legal political parties (purged of leftists and Sukarnoists, to be sure), officialdom, the intellegentsia, and, of course, the military. Charged under the 1945 Constitution with election of the President and determining the broad guidelines of State policy, the *MPRS* capitalized on its representative character and urgent circumstances to extend its role to combine constitutional, legislative and political cultural functions. Between 1966 and 1968 the *MPRS* participated in decision-making with a vitality seldom witnessed in Indonesian parliamentarianism either before or since.

The major enactment of the *MPRS* was its Landmark Decision XXIII of (July) 1966, 'On the Renewal of the Basic Economic, Financial and Development Policy', combined an ideological proclamation with a policy statement, and was designed to aggregate political support around a viable economic programme. (It is noteworthy that the *MPRS* sought close consultation with Indonesia's hitherto disfavoured professional economists).[8] While rejecting Sukarno's *'Manipol'* and its accompanying doctrinal baggage, the *MPRS* found itself still inclined to subscribe publicly to the normative continuity of Indonesia's revolutionary nationalist heritage.

Ideology rests on a foundation of social theory. Recent Indonesian ideological formulations have grappled with three central theoretical issues: (1) the role of the State in economic activity; (2) the criteria for rationality concerning production and distribution in the economy; and (3) the linkage between economic performance and related cultural, social and political goals of development.

Decision XXIII gave expression to the *MPRS* affinity to avowedly "socialist" ideological precepts. In part this denoted the legislator's reiteration of the 1945 Constitution article 33 concerning economic organization and the *Panca Sila's* fifth principle of social welfare. More than that, it also underscored the deep-seated political cultural predilection for an idealized, metaphysical social order displaying the virtues of

[8] On the role of the *MPRS* and academic economists in the formulation of the New Order economic programmes, see Jusuf Panglaykim and K.D. Thomas, *Indonesia's New Era - Development Administration* (Welbourne, 1967).

harmony, welfare and fraternity. The preferred form of economic organization was a classless, neo-Aristotelian 'family-household' system *(azas Kekeluargaan)* writ large.[9] In contemporary terms, the *MPRS* rejected the examples of "etatism" or "free-fight liberalism" or "monopolies". Rather, the alternative advocated in Decision XXIII was a so-called "economic democracy". This then emerged as the ideological rhetoric of the New Order, purporting to combine "rational and realistic" economic criteria together with a moral order.

"Economic democracy", as expressed in Decision XXIII, was predicated on a succintly normative economic policy role for the State. The ideology postulated the culturally sanctioned "family system" as its organizational framework, which implied the substitution of patrimonial relationships[10] for the Marxist variety of class conflict, which was now culturally (and legally) proscribed. According to this model it was the expected duty of the State to uphold patrimonial reciprocity and symmetry against obvious exploitation. Hence public finance and resource use would be subject to responsible, representative government, with direct State control of "important" sectors of the economy which "affect the life of the majority of the people."[11] More generally — and vaguely, employment and living standards were to be assured, with "social guarantees for the destitute and weak. Otherwise, the ideology respected the rights of private property and private enterprise "within the bounds of not damaging the common interests." The latter were left undefined; however, the State was to limit itself to "direction" and not "control" of economic activity.[12] *MPRS* consensus thus recast economic realism and normative principle into a theory of socially-supervised neo-patrimonialism.

[9] 'Renewal of the Basic Economic, Financial and Development Policy', the official translation published as an appendix to the *First Five Year Development Plan*, 1969/70 - 1973/74, (Djakarta, 1969), esp.

[10] On neo-patrimonial systems in the context of traditional and military modernizing politics, see S.N. Eisenstadt, 'Some Reflections on the Pattern of Regimes and the Place of the Military within them: Towards a Revision of Accepted Assumptions in the Study of the Military,' in *Military and State in Modern Asia*, op. cit., pp. 1-18.

[11] *Renewal of Policy*, Art. 6.

[12] *Ibid.* Art. 40.

The economic underpinning of this theory involved a development ethic of competence and accumulation. Economic development was taken to mean by Decision XXIII, "converting potential economic strengths into real economic strengths through the investment of capital, the use of technology, the addition to knowledge, the raising of skills, and the increase of the ability to organize and to manage."[13] There was a presumption that the resource endowments were already present ("potential economic strengths"). and all that was required was a simple, linear process of capital formation — productive, human and organization — to realize this potential. Structural, attitudinal, and distributional impediments were assumed away. What was called for was de-bureaucratization and de-centralization of economic management in order for talent and wealth to manifest themselves in development.[14] New Order ideology evinced this essentially economic Darwinist underlay, which, for the *MPRS*, at least, was mitigated somewhat by the normative constraints attached to social patrimonialism.

The goals articulated in Decision XXIII gave precedence to the need to stabilizing and then resuscitating Indonesia's economy. The "commanding heights" of the economy were already dominated by the State, a legacy from the Sukarno era. Now, *MPRS* priority was assigned to combatting inflation, ensuring basic alimentary, clothing and life needs, and remedying glaring deficiencies in infrastructure and export trade. However, in the context of "economic democracy," the "first priority" production was clearly calculated to engender conditions appropriate for social "ideals."[15] Development was not perceived uniquely in terms of income creation or even distribution, but was furthermore related to society's "spiritual" and "political" objectives.[16] *MPRS* ideology aimed at a constellation of distinct, though connected development goals, cultural and political as well as economic.

In the event, this diffusion of goals precluded *MPRS* consensus on particular policies, and led to the transfer of effective decision-making to

[13] *Ibid.* Art. 9.

[14] *Ibid.* Art. 40.

[15] *Ibid.* Arts. 3 and 4.

[16] *Ibid.* Art. 48.

higher levels of governmental authority. The fifth session of the *MPRS*, meeting in March, 1963, was expected to set out its 'broad lines of State policy' as a guide for drafting the First Five-Year Development Plan (*Repelita* - 1). However, the *MPRS* failed to come to agreement on translating its ideological precepts into policy guidelines.[17] As a result, responsibility for formulating plan policy devolved exclusively on the executive. To be sure, the *MPRS* had to give formal ratification for the introduction at *Repelita* - 1, and subsequently the successor elected legislature adopted the government's proposed 'broad lines,' in March 1973, as its development prescription.[18] Whereas these enactments proclaimed a plurality of goals and gave some prominance to religious values, economic nationalism, civil rights and social demands, the ideological basis of politics had been reversed. Originally, planning was to proceed from a network of legislatively-determined development goals, however now the legislators had merely distilled goals out of an established plan strategy.

The Technocrat's Plan

In early 1968 *Bappenas* was instructed to prepare a five-year plan for rehabilitation and development of the economy, in accordance with national goals expressed in a subsequent Presidential message for *MPRS* deliberation.[19] Economically, Indonesia was still reaping the whirlwind of past adventurism: hyperinflation, an overwhelming external debt, structural deterioration and declining output. After some early hesitancy, a so-called *'AMPERA'* (''Message of the Peoples' Suffering''), Cabinet was formed to try and stabilize the situation. However, the tardy pace of improvement exacerbated internal political tensions among New Order supporters, while providing occasion for the Western aid consortium, the Inter-Governmental Group on Indonesia (IGGI), to feign reluctance to conclude their appropriations for 1968, which were critical for the financial viability of the regime. *MPRS* unwillingness to come to agreement

[17] Rudy delongh, 'Indonesia's New Five-Year Development Plan, 1969-1973', *Review of Indonesia and Malayan Affairs*, Vol. 2 (Jan-March 1968), pp. 8-10.

[18] 'The Broad Lines of the State Policy,' *Indonesian Quarterly* Vol. 1 (April 1973) pp. 15-28.

[19] Pola Dasar Program Umum Nasional Dan Pola Resar Rentjara Pembangunan Lima Tahun (Konsepsi), 1968 (Mimeo.).

on economic strategy appeared to reinforce existing doubts. Pressed from within and without, the regime characteristically fell back on the mystique of economic planning in order to cope. A reshuffled 'Development Cabinet' (June 1968) proceeded with the formulation and introduction of *Repelita* - 1 in March 1969.

This plan was itself a thing apart from the more familiar type of macro-economic planning instrument. For, in the sheer absence of many of the technical appurtenances of planning, *Repelita* - 1 was effectively limited to suggesting a range and ranking of objectives.[20] Yet, in spite of its technical weaknesses, inevitable in the circumstances, the planning procedure signified the triumph of economic expertise in policy-making under the New Order. Professional economists had evolved an important stake in the regime from its inception, first as advisors, later as top echelon staff of *Bappenas*, the central bank and government departments, and eventually also at ministerial level as well. A particularly decisive influence was exerted by the economic technocrats, mainly American-trained academics, who soon came to occupy most of the economic-relevant posts in the Development Cabinet and thereafter. These technocrats comprised a closely-knit ministerial caucus, sharing a common fiscal and monetary approach to development strategy. By virtue of their competence coupled to credibility, economic technocrats have dominated the economic policy process to an extraordinary, indeed unprecedented, degree.[21] The function of *Repelita* - 1 was to mobilize commitment development from both the IGGI and Indonesians, while holding open options for subsequent empirical judgments by specialist technocrats.

Despite the act of planning, notwithstanding *MPRS* promulgations, the New Order rulers adhered to a so-called "pragmatic" social philosophy, and indeed raised pragmatism to the heights of operative theory. The appeal of the doctrine lay, quixotically, in the alienation of technocrats, intellectuals and the military from formal ideology, whose past stridency was blamed directly for current economic difficulties and social unrest. Yet, this pragmatic outlook was in no way anomic or a-political. To the contrary, doctrinaire pragmatism displayed definite value preferences concerning economic and political life. Built into the pragmatism of the

[20] 'The Five Year Plan,' *Bulletin of Indonesian Economic Studies (BIES)* Vol. 5 (July 1969), pp. 70-79.

[21] *Vide* Rudner, *The Indonesian Military and Economic Policy*, pp. 254 *et passim*.

technocrats was a belief that rational growth of the economy would generate a stable development process for the attainment of related cultural and political goals. The political ascendance of pragmatism underscored a shift away from mass political cultural involvement to a more specific doctrine for social engineering on the part of the governing elite. For those in authority, pragmatism became a surrogate ideology, a code word for a political strategy of economic fundamentalism.

The developmental concern of New Order technocrats concentrated on economic matters virtually exclusively, with deliberately benign neglect for attendant social questions. Their approach centred on an "open" economic strategy.[22] Adherence to an "open" market economy would, it was believed, establish conditions for rationalizing production and consumption while reducing the distortive effects of administrative intervention. Moreover, the isolation of the economy from political interference would ensure the continued policy predominance of understanding technocrats, and blunt the danger of military exploitation of economic power. The role of the State was therefore to be limited to upholding the "open" system, through the maintenance of law and order, fiscal propriety and monetary stability overall, and by restricting its provision of infrastructure and productive enterprises to the rules of the market. Since low domestic savings potential implied a substantial external share in warranted capital formation, public policy would have to cater to the needs of foreign investment and foreign aid. Planning would indicate intentions, overcome bottlenecks and perhaps facilitate the flow of resources and commodities, without, however, violating the norms and goals of an "open" market economy.

Yet, belief in the efficacy of purely market criteria was not extended to all sectors of Indonesia's economy. Like economists elsewhere, technocrats were divided as to whether protection should be accorded domestic and infant industry. For a time foreign investment was allowed free access, however, with the growth of domestic investment during the early 1970s it was felt that local firms should have a "prior right" to particular industries, from which further new entrants were excluded, administratively.[23] In agriculture the departure from market principles was more

[22] S. Mangkusuwondo, 'Dilemmas in Indonesian Economic Development,' *BIES* Vol. 9 (July 1973), B. Harahap, 'Changes in the State Budget and in Relationship to the Development Process in Indonesia, *Indonesian Quarterly* Vol. 1. (Oct. 1972).

[23] M. Sadli, *Asia Research Bulletin* (June 1971), p. 5.

pronounced. The prevailing system of peasant rice economy encompassing an overwhelming majority of the Javanese and Indonesian population, was considered culture-bound to traditional arrangements that precluded rational income maximizing behaviour. It was therefore assumed that the price mechanism was inapplicable, and that rice agriculture required extensive administration of both modern inputs and marketable output to achieve its assigned goals.[24] This differential conception of a more-or-less 'open' industrial economy, alongside a more-rather-than-less administered agrarian economy, linked up in a hypothesis of growth poles. A pattern of balanced growth was envisaged, originating in administratively intensified agricultural production at relatively stable prices contributing to, and benefiting from, the rational, efficient industrialization of local centres, culminating in a 'ratchet effect' on regional and, ultimately, national development.

The conceptual orientation of the technocrats was predicated on their cognitive perception of the policy situation. It was generally believed that Indonesia had considerable natural and potential agricultural endowments. It was furthermore assumed, typically, that Indonesia retained the comparative advantage of a relatively even distribution of income and wealth, in contrast with other poor countries. These followed the conclusion that balanced, natural economic growth under orderly political conditions could yield greater improvements to national income and social well-being than any supposed redistributive policy. However, this strategy of economic fundamentalism conceptualized a double illusion. The first reflected the tropical fable of riches, since Indonesia is not especially well favoured in mineral or agricultural endowments, certainly not relative to population.[25] The second denoted a myth of egalitarian poverty, which failed to take account of the very substantial cultural and institutional barriers offsetting social class, *aliran*, and ethno-linguistic dimensions of subsistence societies.[26] *Repelita* - 1 thus subscribed to natural and social advantages that were practically negligible or even inferior.

[24] Cf. Rudner, *The Indonesian Military and Economic Policy*, esp. pp. 267-70. *Pola Dasar*, p. 21; David H. Penny, 'The Economics of Peasant Agriculture: The Indonesian Case,' *BIES* Vol. 2 (Oct. 1966) pp. 26-33; Guy Pauker, 'Political Consequences of Rural Development Programmes in Indonesia,' *Pacific Affairs* (Fall, 1968), pp. 399-402.

[25] See Charles A. Fisher, 'Economic Myth and Geographic Reality in Indonesia,' Modern Asian Studies Vol. 1 (April 1967), pp. 155-89 on this point.

[26] Cf. W.F. Wertheim, 'From Alikan to Class Struggle in the Countryside of Java,' *Pa-*

Not all economist ministers conformed to the prevailing development doctrine. A leading dissenting figure was Dr Sumitro Djojohadikusomo, a pre-Guided Democracy Finance Minister and architect of the early New Order stabilizature programme, who as Minister of Trade after 1968 played an astute and maverick role in development planning. Taking issue with the technocrats' faith in the 'open' market, Dr Sumitro countered by arguing that Indonesia's vulnerability to external economic forces, together with the inherent defects, imperfections and structural imbalances in the underdeveloped market economy, placed an "obligation" on government to remedy the inevitable distorting effects.[27] This was a call not just for an interventionist economic policy, but moreover for the inclusion of political and social consideration in planning. For a time, the contending views of Dr Sumitro and the technocrats were mediated by Sultan Hamengku Buwono, the regime's economic policy overlord. Gradually, however, he and his interventionist school were eclipsed by the remarkable gain in stature, reputation and prestige of the technocrats. The appointment of additional technocrats shifted the balance of ministerial influence irrevocably in their favour, so that the establishment of the Second Development Cabinet of 1973 saw Dr Sumitro removed to a subordinate, non-economic portfolio (Minister of State for Research Activities) while other non-conforming economists were reportedly excluded from office.[28] Technocrats thus emerged with a monopoly influence over development planning, their ideological position buttressed by association with military power.

The Military Enforces

The Armed Forces of the Republic of Indonesia (ABRI), the dominant component in the New Order triarchy, served as the supreme arbiter of its policies. ABRI inter-penetrated government and administration at all levels, - national, regional and local.[29] This "dual function", executive

cific Viewpoint Vol. 10 (Sept. 1969); and G. Huizer, 'Betting on the Weak; From Counterpoint to Revolution,' in *Buiten de Grenzen* (Amsterdam, 1971).

[27] Interview, *For Eastern Economic Review* - 7 Nov. 1970.

[28] *Asia Research Bulletin* (December, 1973).

[29] *Vide.* Irene Tinker & Millidge Walker, 'Planning for Regional Development in Indonesia,' *Asian Survey* Vol. 13 (Dec. 1973), esp. pp. 1104.

and military, originated in the politics of the 1950s, and was thereafter legitimized as "*Karya ABRI*", - its "Civic Mission."[30] Its purpose remained essentially ideological, having derived from the ABRI self-conception as "custodian" of national values as well as "stabilizer and dynamist" of New Order policies.[31]

The political behaviour of military officers was motivated by individual and corporate interests, influenced by civil aspirations and moral convictions.[32] As a result of differences in experiences and conditions, a generation gap has emerged between junior officers with professional military training and outlook on the one hand, and the revolutionary origins and traditions of the more senior echelon 'Generation of 1945', on the other. Functional patterns accentuated the dichotomy implicit in *Kanya ABRI*. This became increasingly sharpened following the establishment of the military-based New Order, between the purely military commands which generally stayed under younger, professional officers, and where *espirit de corp* and *satrya* (warrior) values remained strong; and the more worldly tasks of administrative and economic superintendence assigned in the main to officers of the older generation. Varying operational interests accordingly separated the military professionals from the civilianized, often corrupted, political and entrepreneurial generals. Intra-ABRI dissonance was furthermore exacerbated by attitudinal and factional antagonisms on the organizational dimension, against units suspected of latent or manifest Sukarnoism (e.g. the Navy and Air Force) and, within the fold, between two of the key army divisions, Diponegoro and Siliwangi.

This last dichotomy embodied divergent conceptions of the ABRI political role in development. Diponegoro divisional outlook tended to be the more introspectively Javanese, gradualist, moderate and consensual,

[30] Ulf Sundhaussen, 'The Soldiers and the Nation: Self-perception of the Indonesian Army and its Role in Politics,' *Europa-Archiv* (March 1971); Harold Crouch, 'Military politics Under Indonesia's New Order,' *Pacific Affairs* (Summer 1972).

[31] Ali Murtopo 'Some Basic Considerations in 25-Year Development,' *Indonesian Quarterly* Vol. 1 (Oct. 1972), p. 12.

[32] On internal political groupings within the ABRI, see Ulf Sundhaussen, 'The Military in Research on Indonesian Politics,' *Journal of Asian Studies* Vol. 31, (Feb. 1972) and 'The Fashioning of Unity in the Indonesian Army: the New Order,' *Journal of Comparative Administration* Vol. 2 (1970); A. Samson, 'Army and Islam in Indonesia,' *Pacific Affairs* (Winter 1971-72), esp. pp. 546-7.

in the image of the *prijaji* (traditional aristocracy) of West Java, where the Division was based. This contrasted with the more authoritarian style of radical modernization, - secular, cosmopolitan, extrovert, invoked by the West Java based Siliwangi Division. It was the viewpoint of the Diponegoro that gained ascendancy under the New Order, though the factions were gingerly accommodated by the carefully conciliatory army leadership, inspired by the steadying, bridging influence of General Suharto (himself a Diponegoro man), President of the Republic. To uphold a military consensus on civil issues, a special internal political guidance organization was established. Its fulcrum was the *Team Politik,* the politbureau of the ABRI command, the level at which consensus was institutionalized into a military ideology.[33]

ABRI ideology displayed a mixture of subliminal insecurity, self-interest and national purpose. The political posture of the ABRI was determined by persistent fears and distrust that Indonesian society remained acutely susceptable to ideological subversion from the extremes of left and right, underground communism and militant Islam. In these circumstances the military regarded itself, in the words of the then *ASPRI* (Presidential Assistant) General Ali Murtopo, as the "custodian" of nationalist values.[34] As such, the military undertook to impose a "total correction" in political direction.[35] If the New Order was hardly a totalitarian regime, but proclaimed its adhesion to democratic procedures, nonetheless the military enforced tough authoritarian constraints onto political thought and practice. Rural society was to be isolated from politics by the application of the "floating mass" concept. Even legitimate political parties were subject to a strict harnessing, and were anyway subordinated to the regime's own electoral vehicle, the *Sekber Golkar,* a corporatist organization of "functional groups."[36] Through these means the military

[33] *The Team Politik,* set up in late 1965, was composed of 15 senior officers from the General Staff, territorial commands, administrative and political duties. Cf. Sundhaussen, *The Fashioning of Unity in the Indonesian Army,* p. 208.

[34] Murtopo, *loq. cit.* p. 12.

[35] *Ibid.* p. 11.

[36] Cf. Liddle *Evolution from Above,* log. cit., and 'Modernizing Indonesian Politics,' in R. William Liddle, ed., *Political Participation in Modern Indonesia* (New Haven, 1973).

aimed at inducing public acceptance of, and commitment to the goals of national resilience. Yet, latent anxieties about subversion had impelled the ABRI to maneuver in the political offensive but ideological changes in social values towards the desired secular-nationalist, modernizing political culture.[37]

Economic growth constituted a central element in the ABRI modernization programme. Poverty was viewed as the cause of subversion. Both anti-communism and rivalry against Islam were felt to require a secure political basis upon which economic growth could produce the resources necessary for nation-building, in the ABRI image. If political stability thus became a circumstantial precondition *for* economic growth, it was also to appear as a normative condition *of* economic growth. The ABRI espousal of an "open" economic strategy certainly reflected confidence in the competence of their technocrat partners, but more significant was the implicit preference it revealed for a stabilized, non-politicized economy. However, this illusion of 'neutrality' remained ideologically aligned, and politically quite instrumental.

Like the technocrats, the military was inclined to believe that neutral market allocations would maximize economic efficiency in ways that administrative intervention could not. Moreover, depoliticization of the economy was considered essential to isolate production from the malfeasance of subversive or otherwise oppositional forces. Be that as it may, the armed forces themselves certainly continued, and by all accounts extended their exploitation of the advantages accruing to political power in this erstwhile *laisser-faire* context to advance their individual as well as corporate commercial, financial and employment self interests (something which aroused the impotent criticism of economists and others). Unlike their technocrat partners, the ABRI were not particularly ideological devotees of pragmatism. Rather, the military conception of the 'open' economy involved, as a matter of course, national direction. The economic policy goals the ABRI imputed into planning, such as accelerated gross output, a 'favourable' balance of external payments, agricultural self-sufficiency, rapid industrialisation, surplus public finances, were manifestly concomitants of their image of national power.[38] Eco-

[37] Cf. Murtopo, *loq. cit.*, pp. 10-11.

[38] Cf. President Suharto, opening address to the MPR (House of Representatives), *FEER*, 19 March 1973. See also Murtopo, *loq. cit.* pp. 14-18.

nomic policy was in this view, an ideological agent of political purpose.

'Development', as the ABRI's *New Order* ideology linked economic policies with higher placed political goals. These objectives invariably concerned such political processes as tension-management, social modernization, and national identification. Yet there was also a characteristic cosmic vision attached to the purpose of development. This provided for an ideal "spiritual" state, to be reached through the judicious political management of the economy, ultimately combining public welfare with moral vitality and political integration in harmonious relationship (and which, incidentally, also included the elimination of communist materialism and religious obscurantism).[39] Development lent authority a sense of cosmic as well as just national mission, as a legitimizing ideology of moral harmony and political order.

Planned Development and Frustrated Expectations.

Development planning and policy was conceived in differing ideological terms at the different levels of authority in New Order Indonesia. The representative level, the *MPRS* placed emphasis on essentially cultural goals of development; the technocrat-dominated government administration, including ministries and specialist agencies, stressed purely economic goals; while the controlling military regime focussed on definitive political order goals. Thus the sets of goals imputed to *Repelita* - 1 varied over the stages of plan formulation, and again during implementation. Such shifts in policy conception found grace in the style of *Repelita* - 1, which sanctioned the movement from *a priori* prescriptions to pragmatic, *ad hoc* decisions. In the event, the operational allocation of development resources shifted gradually though conspicuously away from notions of political or cultural balance towards emphasis on economy and order.

Actually, the overall performance of the Indonesia economy during *Repelita* - 1, exceeded most expectations.[40] Yet, whereas the rate of economic growth and degree of distribution were more favourable than probably any in recent history, this achievement was not accompanied by decreased social tension. To the contrary. Indeed, the tendencies to con-

[39] Vide. Presidential Message to the *MRRS*, March 1969.

[40] Rudner, *The Indonesian Military and Economic Policy*, loq. cit; Bruce Glassburner, 'Indonesia's New Economic Policy and its Socio-Political Implications,' in Lucien W. Pye, R.W. Jackson, eds., *Power, Influence and Communication in Indonesia*, op. cit; and 'Surveys of Recent Developments' in each issue of *BIES*.

fuse, contest, and substitute development goals replaced any semblance of harmony with deepening polarization amongst the erstwhile supporters of the New Order. There is some irony in that disaffection over the course of plan implementation was most severe among precisely those groups who benefited from the greatest element of subsidy out of planned development, the urban intellegentsia; the indigenous bourgeoisie, the rural Islamic gentry, and military officers. Nevertheless, their frustrations over conflicting goals as between plan formulation and plan implementation fostered an aggravated sense of ideological alienation that effectively compromised the accomplishments of *Repelita* - 1.

Pent-up tensions fueled social conflict, exploding in spasmodic violence and culminating in the student-led riots of January, 1974, which shook the foundations of the New Order. Already beforehand, steps had been taken to restructure authority over political culture. The elected parliament had met in 1973 and after unfettered and wide-ranging debate, achieved consensus on the 'broad lines of State policy,' the guidelines of a development ideology. In the classical Indonesian ordering of values, the ideology postulated a balanced relationship between the economic, political and cultural goals of development.[41] This was to find planning expression in the somewhat expanded treatment of social, as distinct from economic, development issues in *Repelita* - 2, introduced in 1974. It remains to be seen whether this movement towards a more harmonious blend of goals in planning can serve to reconcile existing social differences in interests and expectations about development.

[41] 'The Broad Lines of the State Policy,' *Indonesian Quarterly, loq. cit.*

International Problems

The Role of Public Policy in the Transmission of Southeast Asian Political Cultures

Stephen A. Douglas

If institutions, forms, structures were the essence of politics, political change in Southeast Asia would be less problematic than it is. Attitudes and beliefs, the components of political culture, also contribute to political change, however, and their contribution often is negative. Negative in the sense of producing resistance to proposed structural changes or generating behaviors which tend to neutralize structural changes. Donald Emmerson's analysis of infusion of new technology into a fishing community in Java describes the sort of resistance to change to which I refer, and further implies that this "negative" effect of political culture on political change is not necessarily negative in its consequence for quality of life.[1]

Technically political culture as a working concept usually does include preferences and sentiments about relatively specific phenomena and these preferences everywhere are subject to uncertainties, fickleness, and imperfect information. The dimensions of political culture critical to comparative understanding of whole systems, however, are more diffuse and general. The literature on Southeast Asian political cultures emphasizes, for example, orientations which value highly conflict avoidance, reciprocation of favors and loyalty in dyadic bond ("patron-client") relationships, and tolerance of diverse and even ambiguous roles. James Scott proposes a different trilogy of central themes in Malaysian political culture: "constant-pie thinking," social distrust, and short-term goals.[2] Scott's formulation is pertinent both because the data

[1] Donald K. Emmerson, "Orders of Meaning: Understanding Political Change in a Fishing Community in Indonesia," paper delivered at the Annual Meeting of the American Political Science Association, San Francisco, California, September, 1975.

[2] James C. Scott, *Political Ideology in Malaysia: Reality and the Beliefs of an Elite* (New Haven and London: Yale University Press, 1968), pp. 244-49.

in this paper are drawn exclusively from Malaysia and because in some degree these same three biases have been attributed to other Southeast Asian political cultures.[3]

The prevailing view is that such fundamental components of individuals' political world views are relatively rigid. It is not likely that a person whose early childhood experiences of unpredictable interpersonal relationships were reinforced by the reality of scarcity so severe that generous sharing of material benefits was unrealistic will later change into a trusting, actively cooperative citizen. Whether it is regarded as a product of early and pervasive socialization, existential realities, or both, political culture, which is nothing more than the sum and distribution of such attitudes and beliefs within a system, is resistant to change. Common sense affirms: attitudes are less subject to transformation than structural arrangements.

Discontinuities in political socialization, particularly as mediated by educational institutions and mass media, complicate the analysis. They may create psychological conflicts which give rise to attitudinal instability and even change.[4] Until such hypotheses are better substantiated, however, I am not inclined to dispute the earlier conclusion based on the effectiveness of early socialization in combination with the constraints of reality. I want to argue instead that the conclusion can be firmed up through consideration of an additional factor which generally has been neglected in the study of political culture. This factor is public policy, or, more precisely, pronouncements and statements about policy by elites.

After all, the success of incumbent elites usually is rooted in existing political practices and beliefs: Anti-traditionalist protestations of modernizing elites notwithstanding, changes in the political culture are likely to create conditions which threaten political leaders and encourage the emergence of rivals. Advocacy of government programs — including those codable as "modernizing" — thus tends to be cast in terms which

[3] See for example Manning Nash, *The Golden Road to Modernity: Village Life in Contemporary Burma* (New York: Wiley and Sons, 1965); Jean Grossholtz, *Politics in the Philippines* (Boston: Little, Brown and Company, 1964); and Everett E. Hagen, *On the Theory of Social Change: How Economic Growth Begins* (Homewood, Illinois: The Dorsey Press, 1962).

[4] The possible importance of discontinuity in political socialization is stressed in Lucian W. Pye, *Politics, Personality, and Nation-Building: Burma's Search for Identity* (New Haven and London: Yale University Press, 1962); and Sidney Verba, "The Comparative Study of Political Socialization," paper delivered at the Annual Meeting of the American Political Science Association, Chicago, 1964.

not only reflect the political culture but also, at least implicitly, promote it. From this perspective public policy is not so much the product of political culture as it is the producer of political culture.

The study of results of policies is not new, but the usual focus of such research is on tangible, distributive results. This approach provides valuable commentary on the political process. But it may be, particularly in systems in which the elite dominates political discourse, that consideration of mere tangible allocations misses a significant dimension of policy-related statements. Such statements may incorporate allocations of intangible values in ways which induce acquiescence, delimit the parameters of political discussion, and otherwise shape the political culture. In looking for these effects of policy I am employing a methodology, suggested by Murray Edelman, in which the symbolic meanings of policy represent a powerful independent variable, a set of socializing messages which contribute to the integration of non-elites into the political culture.[5]

The data presented in the following case study of educational policy in Malaysia are derived from a specific and narrow time period in that nation's post-independence history. Like all times and places, this setting has some unique features. If the main themes of Malaysian political culture are constant-pie thinking, distrust, and short-term goals, these themes are imbedded in the severe interethnic conflict which besets Malaysia more than any other Southeast Asian nation. This paper thus addresses a situation in which the general hypothesis, that public policy statements serve to shape the political culture, is most difficult to sustain. For one might not expect that a political culture dominated by fear and rivalry among communal sectors would in any way be encouraged or promoted by the elite. My research suggests, however, that in the area of educational policy governmental actions in Malaysia in 1969 did reinforce the tension in the political culture. A political culture built around ethnic conflict may, as Cynthia Enloe has ably argued, actually serve the interests of the few Malays, Chinese, and Indians who are most powerful in Malaysia.[6]

[5] Murray Edelman, *Politics as Symbolic Action: Mass Arousal and Quiescence* (Chicago: Markham Publishing Company, 1971).

[6] Cynthia Enloe, "Multi-Ethnic Politics: The Case of Malaysia," unpublished Ph.D. dissertation, University of California at Berkeley, 1967.

On July 21, 1969, the Minister of Education spelled out the details of the Malaysian government's new educational policy. The general intent to convert from English to the national language (Bahasa Malaysia or Malay) had been announced previously, but this was the first time a complete schedule had been attached to the major steps. Beginning in 1970 first grade pupils in English-medium schools would be taught in the national language in all subjects, and pupils in the first four grades would use the national language for all subjects except science and mathematics. English would be replaced by Bahasa Malaysia in all second grade instruction in 1971, in third grade instruction in 1972, and so forth until, in 1982, with the exceptions of Chinese and Indian (Tamil) language schools, the entire structure of primary and secondary public education would provide education in Bahasa Malaysia, with English occupying its "rightful position as the second language in our school system." This progression of change would necessitate parallel conversions to English in the Lower Certificate of Education, Malaysian Certificate of Education, and Higher School Certificate Examinations as well as in teacher training and materials development. The outcome of these changes, according to the Minister, would be an "accelerated pace of national integration and unity."[7]

Implicit in the Minister's reasoning is the Deutschian notion that linguistic assimilation is a fundamental requisite of national vitality. At some point within the next two decades, when the proportion of English-educated relative to Malay-educated citizens is substantially reduced, it may be possible to estimate the validity of this reasoning. Of course, this assumes that the plan will indeed be carried out, and history shows that to be a dubious assumption. In 1956 a commission report endorsed by the government stated that "the ultimate objective of educational policy in this country must be to bring together the children of all races under a national education system in which the national language is the main medium of instruction."[8] Yet during the period 1958 to 1966 the number of English-language secondary schools increased over three times as

[7] The nationally-televised speech by Dato Abdul Rahman Ya'akub was distributed in pamphlet form by the Ministry of Information. It also was reported in the *Straits Times*, July 22, 1969.

[8] *Report of the Education Committee, 1956*, Chairman the Hon'ble Minister for Education, Dato' Abdul Razak bin Hussein (Kuala Lumpur: 1956).

rapidly as the number of Malay-language secondary schools, and the disparity in enrollment increases was nearly as great.[9]

It might be argued, therefore, that what Malaysian government spokesmen say about education should be disregarded, what counts is what the government does. While such a view may be appropriate to studies of educational processes and their outcomes, it ignores the socializing function which the policy process performs for the political system. Commission reports, governmental pronouncements, ministerial speeches, and other components of the unending government-to-people flow of messages about education serve to inform citizens how they stand vis-a-vis the political elite and to trigger hopes and fears. Educational policy from this perspective is a principal vehicle for the shaping of expectations and, ultimately, of fundamental views toward politics.

Integrative Symbolism in Educational Policy

Of course most government officials ordinarily would prefer to convey good intentions in the hope of maximizing public satisfaction with the regime. Their problem in this regard is that they operate in a realm of such conflict that words and action which appear well-intentioned or wise to one party — or ethnic group — may be most sinister or stupid in the eyes of another. This simple fact may have far greater impact on short-term policy pronouncements than substantive expertise, interest group pressure, or other variables conventionally used to explain public policy.

Governmental messages may express any number of favorable elite dispositions — sincerity, humility, knowledge, experience, energy, fairness, generosity, vigilance, and many others. The fact that negative images also may be produced by what governments say and do results only in part from the difficulty of satisfying all parties. Even announcements carefully conceived to enhance a government's image may work to its disadvantage because the symbolic meaning of the message depends upon the perceptions of the audience as much as on the literal content of the message or intentions of the sender. The symbolism of educational policy in Malaysia thus has less to do with the timetable for conversion to English than with the hopes and fears with which the public reacts to such policy pronouncements. The most useful concepts for classifying symbolic meanings in this sense are threat and reassurance.

[9] From 1958 to 1966 the percentage increases in Malay and English-language schools were 14 to 44 percent respectively, and numbers of students increased by 47 and 120 percent respectively. Zainal Abidin Wahid, "Problems of Malay Medium Education," *Opinion* (Kuala Lumpur), January, 1968, p. 73.

Deep communal divisions in Malaysian society produce an uneven pattern of hopes and fears, with the result that symbolic meanings of policies vary from one sector to another. There is one aspect of education, however, which appears to elicit a common response, and that is quality. Education was an even scarcer commodity in British Malaya than in most colonial settings. But in those educational institutions which did exist, the British successfully established the concept of "standards" — so much so that the Malaysians use an examination syndicate modeled after that of Great Britain and welcome official and unofficial educational inspectors and experts from Great Britain. Under these circumstances any regime which did not frequently remind the public of its concern about the quality of education would be politically remiss.

The most highly ritualistic way in which the Malaysian elite seeks to reassure the masses of its concern for educational standards is the device, carried over from colonialism, of the study commission. The most recent of these, the Aziz Commission, submitted its 236-page report in March, 1969. In doing so it upheld what had come to be a firm tradition of this young nation's post-independence politics — before each parliamentary election a "royal commission" on education was appointed by and reported to the goverment. In 1964 it was the Rahman Talib Report, and just before the first elections in 1959 it was the Razak Report. Aside from their timing, the most striking feature of these reports has been the very extensive publicity they have received relative to the apparent modesty of their conclusions and recommendations. The Aziz Commission, for example, concerned itself mainly with teachers' salaries and organizations, a topic which hardly would seem to warrant official and journalistic comment on an almost daily basis.

In 1969 the best measure available to the ruling Alliance Party of the effectiveness of the study commission as a symbol of concern and competence was provided by election results, and by this measure the Aziz Commission was the least successful in Malaysian history. Not only did the Alliance lose ground at the polls; for several days after the election the capital city experienced a breakdown of order as Chinese and Malays attacked and in many cases killed one another. One minor annoyance to the government in the midst of the post-election turmoil of mid-1969 was the expressed dissatisfaction of teachers with the commission's recommendations. By the year's end the government was prepared to get additional symbolic mileage out of the study commission by asking that it reconsider its recommendations. At least where the most interested portion of the public, professional educators, were concerned, the sym-

bolism of this act was that the government is responsive and wants to help. It was not the government's statement which demonstrated this symbolism, but rather the enthusiasm with which it was received by teachers.[10]

Elections are at best a crude indicator of the consequences of any particular set of governmental messages because so many other factors are plugged into the electoral equation and because elections occur so infrequently and provide such a limited range of responses. Feedback from specific groups, such as the teachers' unions' positive noises about the reconsideration of the Aziz Commission report, is helpful, but when it is audible usually it speaks only for a small segment of the public. Most of the time, therefore, the elite must simply rely upon its estimate of the symbolization which is occurring, and the only phase of educational policy in which an estimate of universally reassuring or universally threatening symbolization makes sense in Malaysia is that of quality.

That is to say, there is no reason to expect general comments about educational standards to have a differential impact from one ethnic community to another. Herein lies the integrative utility of claims and plans such as the following:

On August 8, 1969, an exchange program with Hull University was announced. It would be "aimed at developing the University of Malaya into the best centre for the Southeast Asian studies and research;"

Also on August 8, the Vice-Chancellor of the University announced that two committees which had studied the possibilities of improving the university administration had proposed ways to "clean up and overhaul" the university's administration;

On August 11, the same official, citing "exhaustive studies," reported that the University of Malaya was instituting a series of programs to enrich the cultural experiences of university students;

On August 12, the National Operations Council (NOC) announced the creation of a high-level commission to study campus life at the University of Malaya. During the remainder of August four additional official statements relating to this commission were issued; even though the commission hardly had begun to function by September 1;

On August 15, the Director or Operations, Tun Abdul Razak, disclosed that he had instructed the Department of National Unity to conduct a study of the aspirations of Malaysian youth;

[10] The responses of teachers' organizations were reported by the *Straits Times*, January 4, 1970.

On September 4, an expansion and restructuring of the Faculty of Arts at the University of Malaya was revealed;

On September 5, the Ministry of Education issued a statement claiming that it was successfully training large numbers of bilingual teachers for primary and secondary students;

On September 12, the Ministry of Education announced that it was preparing new instructional guides and syllabuses for science and mathematics, even though a Scottish science teaching expert had just found that Malaysia's standard of science teaching "was the highest in Asia and many neighboring countries were eager to adopt her system;"

On September 18, the Minister of Education said that a thorough study was being made of teacher transfers;

On September 22, a school official reported an increase in disciplinary problems.

This is a partial listing only. During the period of investigation (July, 1969, to January, 1970) there were many other messages from the political elite which shared these characteristics with the items noted above: 1. The message could reasonably be interpreted as saying that the government was aware, was concerned, and was competent to deal with some specific issue related to the quality of education. 2. The government statements received very wide publicity. Most of the items mentioned above were prominently displayed on the front page of the *Straits Times*, the most prestigious and widely circulated newspaper in Malaysia, and were reported on national television. 3. The messages appeared to have the same meaning to all races, although, as we shall see below, this is problematical. 4. Positive messages outweighed negative ones. Occasionally the symbolism of these pronouncements was mixed in terms of goodness or badness. The creation of an investigating committee, for example, often was justified by references, direct or indirect, to an undesirable situation.

Less frequently the Malaysian elite made decisions and utterances which had universally negative implications for that part of the public interested in education. Usually the basis of this sort of symbolization was concern for standards, just as it was when reassurance is the result of the communication. Threatening symbolism usually took the form of bad news or vague challenges in which the threat is more implicit than explicit;

On August 17, 1969, the Minister of Education, in urging students to consider science and technology curricula, warned that in the future only those arts graduates with "very high qualifications" would find suitable jobs;

On August 26, the Minister warned parents against poisoning the minds of youth with thoughts of communalism;

A sketchy report on September 14 indicated that there may be some dissension on the newly-appointed commission to study campus life and transmitted the rumor that the commission's only representative from the University of Malaya had resigned;

On September 22, a school official stated that there had been a substantial increase in disciplinary problems in the schools;

On September 24, the *Straits Times* carried a story on the deteriorating quality of English in Penang schools;

On October 8, the Chief Minister of Selangor and Chairman of the State Operations Committee revealed that investigations had shown that among students in secondary schools and colleges the use of drugs was widespread;[11]

On October 28, the Sultan of Selangor observed that "subversive elements" were trying to prevent school children from taking science subjects;

In early January, 1970, officials in three different states reported exceptionally poor results in the lower certificate of education examinations.

This listing of messages which appear to have the same symbolic meaning for all races should serve two purposes: it indicates the flavor of the elite — mass communication under investigation, and it provides insight into the methodological character of this study. The two central methodological problems are, first, sampling and, second, judging the symbolism as either threatening or reassuring. The sample of governmental messages includes all official or quasi-official statements on education reported in the *Straits Times* from July, 1969, to early January, 1970. The standard justification for such arbitrary time segment sampling is that there is no reason to believe that the period was atypical. In fact, however, we are dealing with an unusually tense several months during which, in the aftermath of the May, 1969, racial disturbance in Kuala Lumpur, normal political activity was suspended. The principal implication of this fact is the likelihood, discussed in the last section of this paper, that policy-related symbol-making was occurring at an accelerated rate. Use of the *Straits Times* as the source of data may be questioned, but it is

[11] Specifically the allegation was that youths were consuming "sex chocolates," a form of aphrodisiac commonly reported in Southeast Asia, and smoking ganja, a weed similar to marijuana. See the *Straits Times*, October 8, 1969.

the nearest thing to a government journal for mass consumption available. Fine distinctions involving the degree of officialness of messages have not been attempted on the assumption that although the elite may not communicate through ministerial pronouncements, as when a university official reports a forthcoming reform, this does not significantly affect the status or effect of the message. The elite establishment in Malaysia is small and coherent, and the fact that it includes the *Straits Times* enhances that newspaper's value as a guide to what the elite has to say.[12]

The *Straits Times* is not the only source of data, however, for it clearly would be inadequate where the second methodological problem is concerned. Since symbolic meanings are determined by the receivers more than the transmitters, and since our main interest is in the psychological consequences of these communications, it is not enough to know the formulation of the message as reported in the *Straits Times* or elsewhere. Occasionally the *Straits Times* reports reactions of organizations (in the case of education, these usually are teachers' unions) to official announcements and policies, and these reported reactions usually give a fair indication of whether the symbolization is reassuring or threatening. For the most part, however, estimates of symbolic meanings are based upon an assortment of discussions and interviews with non-elites or oppositional elites, excursions into the vernacular press, and any other sources which might inform the common sense and intuition which went into the final assessment.

The problem of judging the meaning which the Malaysian public imputes to educational policy is complicated by the country's communalism. For example, the NOC's August 12 announcement of a high-level commission to study campus life which was included in the listing of "universally" reassuring symbols probably was not as integrative in its effect as that implies. In the first place, those persons (mainly Chinese and Indian) completely alienated from the political elite (mainly Malay) probably viewed the commission as a governmental ruse of some sort or at best as a meaningless gesture. Secondly, some generally less alienated persons may have resisted interpreting the creation of the commission as a sign of governmental concern, competence, and good intentions. Persons in this category might include those (again, mainly

[12] The best source on the elite structure in Malaysia is A.R. Mokhzani, "The Study of Social Stratification and Social Mobility in Malaya," in Center for East Asian Cultural Studies, *Four East Asian Cultural Studies* (Tokyo: 1965).

non-Malay) who held the more specific view that the trend of governmental policy where the university was concerned was ill-conceived, and that the commission's work undoubtedly would be consistent with that trend.[13] Thirdly, some people may have held a dim view of the commission chairman, the only member designated by name in the initial announcement. As it turned out this individual resigned because of the press of other duties and was replaced within a few days of the August 12 announcement by another appointee. Both were Malays, but that fact is so predictable where such positions are concerned that any objections to the chairman undoubtedly would have been based on more particular characteristics than his race. When the full membership of the commission was revealed, however, the racial bias was sufficiently blatant that large numbers of Chinese began to see this commission as threatening rather than reassuring. The August 17 announcement showing that the ten-member commission included only two Chinese, neither of them very prominent, therefore is classified as threatening to Chinese in the tabulation below.

These inferences and estimates of responses to policy statements are admittedly risky. Even allowing for substantial error in estimates of symbolic meanings, however, one conclusion seems beyond dispute: the symbolic meanings of most educational policies in Malaysia are not the same across ethnic boundaries. The universally reassuring symbolizations already listed constitute deviations from the norm. Most policies and pronouncements reassure only one communal sector, threaten only one communal sector, or simultaneously reassure one and threaten the other. In fact, polarization is so great within Malaysia that a threat to one ethnic sector almost automatically reassures the other. Usually, however, the message is more salient to one ethnic group, and unless the simultaneous symbolism for the other group is especially conspicuous only one symbolic meaning will be recorded for that message in Table I. Another complication which this analysis sidesteps is the variation between Indian and Chinese perspectives. Use of the term non-Malay in Table I indicates only that the responses of Indians to official statements and policies are most similar to those of Chinese than to those of Malays. Where Chinese and Indian publics impute different meanings to specific educational messages it is the Chinese view which is recorded in Table I.

[13] The major irritants to non-Malays were scholarship and admissions policies favorable to Malays.

Table I

Frequencies of threat and reassurance in the symbolic meaning of educational policies and pronouncements, July, 1969 — January, 1970.

	Threat	Reassurance
Malays	8 (4)	49 (23)
Non-Malays	47 (22)	22 (10)
All	21 (10)	68 (32)
	77 (36)	138 (64)

A total of 215 symbolic meanings are recorded in the table, and the figures in parentheses represent percentages of that total. Actually only 163 messages were used in the analysis, but some finally were assigned double or even triple symbolic meanings.

The volume of symbolism which had different meanings to different ethnic groups relative to that which meant the same thing to all groups (as shown in the sum of instances in the first two rows of Table I) is 126, or 59 percent of the total. The remaining 89 messages are coded as "all," meaning that they appeared to threaten or reassure everyone regardless of communal affiliation. The ratio of 126 to 89 actually understates the imbalance between these two types of symbolization if one considers that the Aziz Commission was very much in the news. More often than not commissions of this sort are absent from the Malaysian scene, and so, presumably, is much of the universally reassuring educational symbolism which they generate. Furthermore, many of the governmental messages classified as universally reassuring were coded as simultaneously threatening or reassuring to a specific communal sector.

This "impurity" of universally reassuring messages reflects among other things the tendency of the elite to hedge its appeals by mixing positive and negative content within the same pronouncement. For example, the announcement of the creation of a career information and guidance office at the University of Malaya on December 31, 1969, generally was regarded as addition of a valuable service and thus was universally reassuring. The same message, however, pointed out the importance of preparing students in Bahasa Malaysia so that they would at least be up to the civil service standard in the national language. This statement was symbolically reassuring to Malays for it reaffirmed the elite's concern for placement of Malay graduates, not to mention Malay culture generally. It is mainly this sort of hedging in elite messages which accounts for most of the cases where two or more symbolic meanings are attached to a single message.

In the absence of comparable data for other political systems we cannot know that this pattern is unusual; but considering the severity of communal tension and the apparent ease with which unifying symbols might be generated, it is surprising that the Malaysian government wasn't seeking more vigorously to reassure all ethnic groups with integrative symbols. It is true that the NOC, shortly after it was created as an emergency governing body, set up a Department of National Unity with the charge of developing an ideology which would appeal to the whole nation. Such an ideology would be one big, universally reassuring symbol comprised of a series of more discrete symbols with the same meanings. The DNU made slow progress toward this objective, however.[14] The only symbolically meaningful aspect of its existence has been the fact that it was created in the first place, and a cynical Malaysian public has long since ceased to be impressed or reassured by that fact. Meanwhile policies in the area of education, which in contrast to national ideology is a subject of much relevance to most Malaysian families, continue to be divisive rather than integrative.

Disintegrative Symbolism in Educational Policy

The ways in which decisions, practices, and statements in the area of education set the races apart from one another in Malaysia are numerous. Language is perhaps the most potent aspect of disintegrative educational symbolism, and that is why the new educational policy calling for incremental conversion to the national language in English-language schools was such a prominent topic of political discourse in 1969. Ever since preindependence planners prescribed that the educational system should eventually use the national language as the medium of instruction, this conversion has been an ominous prospect for non-Malays. The Minister of Education's announcement of July 21, 1969, transformed that prospect into a more immediate threat.

Even though the decision to switch to Malay could not have been totally surprising to non-Malays, apparently they had begun at least to hope that the government would continue to procrastinate on this issue. Not only had such procrastination been the pattern for more than a decade, actual enrollment figures disclosed that English-language schools were expanding more rapidly than Malay-language schools. To

[14] See R.S. Milne, " 'National Ideology' and Nation-Building in Malaysia," *Asian Survey*, July, 1970, pp. 563-73.

these reassuring considerations non-Malays could add two or three other items. First, there was the rationale, which they had heard from some foreign experts, for government promotion of English-language schools on the ground that only English, because it is the native language of none of the communal sectors, could serve an integrative function in the schools.[15] Furthermore, English had come to be regarded by most non-Malays as a superior medium for communication of modern ideas. Finally, English-language schools long had been the schools of the upper class in Malaysia, including the Malay political elite and their children.[16] While the majority of Malays might feel resentment over the status of English-language schools, the Malay elite could be regarded as having some stake in maintaining that status.

The Malay elite's interest in preserving English-language schools should not be equated with the feeling of non-Malays on that subject, however. For Malay elites the alternative was not so bad. Conversion to Bahasa Malaysia might reduce a valued distinction between themselves and Malay non-elites, but at least it would symbolically endorse their language and culture as authentically national. In addition, it could have the practical effect of giving their children some advantage over Chinese and Indian children in academic competition. The latter could be spared this problem if their parents would enroll them in Chinese- or Tamil-language schools, but this was not an attractive alternative. Government assistance to Chinese and Indian schools at the secondary level was terminated some years ago, with the result that they are expensive and of uneven quality. Furthermore, governmental policies in a variety of areas gradually were limiting the career opportunities and generally frustrating the lives of people educated in Chinese or Tamil. For these reasons, the schedule for conversion to Bahasa Malaysia applied only to English-language schools. An official of the Ministry of Education was saying, in effect, that the non-Malay vernacular schools just were not very impor-

[15] Arguments favoring English as medium of instruction, as they have been put forth by Western experts, are reviewed in chapter 7 of UNESCO, *Higher Education and Development in Southeast Asia*, Volume I (Paris: UNESCO, 1967).

[16] As one author puts it, "Whether considering secondary or postsecondary education, it is apparent that the language of political socialization of the governing elite in Malaya has been English, and that these English-language secondary schools have played a dominant role in shaping the general configurations of Malaysian politics from colonial days to the present time." Robert O. Tilman, "Education and Political Development in Malaysia," in Robert O. Tilman, ed., *Man, State, and Society in Contemporary Southeast Asia* (New York: Praeger Publishers, 1969), p. 233.

tant when, in noting that they would not be compelled to adopt the national language, he added, "But we think they know what is good for them. For instance, [standard examinations in] geography and history will in the future have to be answered in Bahasa Malaysia."[17]

As the dominant governmental message about education during the period under investigation, the new educational policy receives more weight in Table I than the technique of tallying each message as a single unit would suggest. This is so because the July 21 announcement was preceded and followed up by statements of clarification and support which also had symbolic meanings either threatening to non-Malays or reassuring to Malays. This protracted dissemination of bits and pieces of the basic message obviously was a tactic of the government's, so conspicuous that even the *Straits Times* was annoyed. The usually supportive newspaper editorialized that, "It would be well to refrain from piecemeal announcements. Policy is made as a whole. It is best understood if announced as a whole."[18]

An example of "piecemeal announcements" occurred in the speech of the Permanent Secretary to the Ministry of Education on the day before the ministry officially announced the plan. On this occasion the Permanent Secretary's approach was relatively conciliatory, stressing that conversion from English to Malay would give all students an equal chance in life by eliminating differences between English and Malay schools. This "leveling" argument while it may be unwelcome to non-Malays, has a positive tone which is aimed mainly at Malays. Other official expressions of policy on the conversion to Malay which served primarily to reassure Malays included affirmations that the timetable had been carefully considered and would be faithfully adhered to, promises that books and materials in the national language would be made available in sufficient quantities, reports on the progress of the *Dewan Bahasa dan Pustaka* (Language and Literary Council) in adapting Malay to modern educational purposes, statements that the new policy would create jobs for Malay-speaking teachers, assurances that the new policy would not diminish the government's attention to the standard of education in rural and religious schools, disclosures that Malay already was being used both

[17] *Malay Mail*, November 25, 1969. (The *Malay Mail* is the afternoon publication of the *Straits Times* in Kuala Lumpur).

[18] *Straits Times*, July 14, 1969.

in some departments at the University of Malaya and in several private English-language kindergartens.

Some Chinese naturally felt somewhat threatened by the foregoing messages. For most, however, these messages were overshadowed by pronouncements or revelations which were interpreted as more threatening. The symbolic meanings of some of these communications were mixed in that, like the overall policy, they simultaneously were seen as threatening and reassuring by Chinese and Malays respectively. This type of message, which may have been especially valuable to the symbolic politics of the Malay elite because it had meaning for both maior communal sectors, is exemplified by the following:

1. Announcements of target dates for converting academic and civil service examinations from English to Malay.
2. Orders by government officials that certain meetings should be conducted only in the national language.
3. Progress reports on the government's efforts to recruit science teachers from Indonesia. (The Indonesian language is nearly identical to Bahasa\Malaysia.)
4. An announcement that candidates for teaching certificates would be required to obtain a credit in Malay in the Overseas School Certificate Examination or the Malaysian Certificate of Education, a college entrance-level examination.
5. Disclosure of statistics showing that from 1968 to 1969 enrollments increased more rapidly in Malay-medium schools than in any other type.
6. A statement by the Minister of Education that he intended to make surprise visits to English-language secondary schools in order to have "a closer look at how the national education policy is being implemented."

The last message clearly was more a threat than a reassurance, but this fairly specific pledge backing up the ministry's general promises to enforce the new policy was greeted warmly in the Malay press. Three days after the surprise visit pledge the Minister issued a threat which was heard more exclusively in Chinese and Indian quarters: "Teachers who have not prepared themselves for this change [to the national language] will have to do so now; otherwise they will be left behind in the fast-sweeping waves of change that are taking place."[19] Messages of this sort which seemed to be of less importance to and not directed at the Malay public constitute the third category of symbolic meaning assigned to elite statements about the new educational policy. This particular theme was

[19] *Straits Times*, January 6, 1970.

very close to language used by the Minister earlier: "Those who choose to row their boats against the national currents will undoubtedly be swept away,"[20] and its symbolic meaning, generally threatening to non-Malays, was repeated on other occasions. One interesting example was the *Straits Times'* publication of a story on the termination of all financial aid to Chinese schools by the government of Brunei, with the proviso that Chinese schools would continue to be supervised by the Department of Education of Brunei.[21] Even though this technically was not a message from the Malaysian elite — as a Commonwealth protectorate Brunei is completely separate from Malaysia — many Chinese interpreted it as such, or at least as a model which the Malaysian elite was bound to find attractive. Aside from this message from an external elite and several "challenges" to non-Malay teachers of the "you will be swept away if you don't comply" variety, the only messages which threatened non-Malays without directly reassuring Malays were, first, a tentative proposal that richer schools should come to the aid of poorer schools and, second, the Minister of Education's comment that the purpose of the new syllabus for Bahasa Malaysia was "to test the loyalty of the various races living in this country."[22]

The impact of threats of this sort was softened a bit by occasional symbolic reassurance aimed at non-Malays. Quantitatively, such reassurance was less than half as frequent as threat, and qualitatively it assumed much less importance to the non-Malay public. The form which such reassurance of non-Malays tended to take was that of nebulous guarantees: that the new policy would be administered fairly with all changes announced well in advance, that Chinese- and Indian-language schools would not be affected by the switch to the national language, and that in translating books and materials into Bahasa Malaysia a "liberal" policy of incorporating many cognates would be followed. General pledges that the Ministry of Education would maintain the quality of English language taught in schools even though dropping it as the medium of instruction has a similarly diluted reassuring meaning to non-Malays.

Messages which were symbolically threatening to Malays were the

[20] *Straits Times*, July 23, 1969.

[21] *Straits Times*, August 27, 1969.

[22] *Straits Times*, October 20, 1969.

least common of all, amounting to only four percent of all symbolic meanings analyzed. The major pronouncement in this category was a statement by the Minister of Education warning against the spreading of rumors that teachers not proficient in Malay were about to be summarily dismissed. When the Minister said that "certain elements" were guilty of such rumor-mongering, Malays interpreted him to be castigating so-called Malay extremists. While it may be true that the chauvinistic disposition of the extremists is quietly shared by many Malays, large numbers of Malay moderates clearly felt that the Minister's statement was not a symbolic threat to them. The Malay sector, in general, probably was more sensitive to statements of the following sort: "We [Malays] are living in a scientific and technological era. If we want to be on a par with other independent and sovereign nations, we must not allow ourselves to be left behind in these two fields."[23] The fuller context of this statement affirms that it is a challenge, and the symbolic meaning which Malays gave to it scarcely is equivalent to the more genuinely threatening meaning which the Chinese and Indian publics logically assigned to most official expressions of policies and decisions.

Up to this point we have considered mainly those instances of disintegrative symbolism which can in some way be linked to the new educational policy announced on July 21, 1969. Several governmental messages on educational topics not related to the policy of language conversion also had different meanings for the different races, but they were spread across a broad spectrum of issues. More precisely, 71 of the 163 messages analyzed, or 44 percent, dealt at least remotely with the new educational policy. Among the remaining 56 percent of all messages (including some, like those pertaining to the Aziz Commission, which had universal rather than differential symbolic meanings) the general topic which ranked second to the new educational policy accounted for only 12 percent of the messages, and it is another area in which policy symbolization may be understood in terms of its effects on political outlooks of non-elites.

Because 1969 was an election year it inevitably was a year in which past suggestions and promises about new colleges and universities were to take on special significance. At the beginning of the year the country had one very highly-regarded institution of higher education, the well-staffed and beautifully housed University of Malaya. Although in its

[23] *Straits Times*, August 30, 1969.

Kuala Lumpur location it dated back only to 1958 when it was established as a branch of the Singapore-based University of Malay, the University clearly was the repository of the aura of educational excellence emanating from British colonialism. Its reputation might have caused the University to be a source of pride and thus a unifying symbol for all the people of Malaysia, except for two limitations. First, entrance to the University of Malaya was accessible only to a small, elite portion of the population.[24] Second, the University came to be associated with urban-technological-commercial values which in Malaysia are identified with the non-Malay ethnic groups. The first factor has been sufficient to stimulate creation of new universities in many nations, and the Malaysian elite finally yielded to pressures for expanding higher educational opportunities by permitting the opening of a new university at Penang in 1969.

The symbolic meaning of the opening of the University of Penang seemed to be that governmental attention and benefits in the area of higher education would not be confined to the capital city. On the other hand, since the new university was even more science-oriented than the University of Malaya and was located in a predominantly Chinese area, it could not be portrayed as improving the status of Malays in higher education. This undoubtedly helps explain the lack of comment which the University of Penang received from Malaysia's symbol-wielding elite. Governmental statements focused instead on the Mara Institute of Technology, The Tengku Abdul Rahman College, and the National University, each of which clearly stood as a symbol of ethnically-defined interests.

The Mara Institute of Technology represents the educational component of an elaborate government program designed to promote the economic and cultural interests of Malays.[25] For our purposes the significance of the Institute's existence is that for Chinese it has been a most conspicuous symbol of the government's bias and a source of considerable resentment. For Malays, however, the Mara Institute has not been so reassuring a symbol as the Chinese reaction might lead one to guess,

[24] Enrollment for the 1969-70 academic year was 6,690. The excess of demand for university education over supply is indicated by the fact that for several years about as many students from Malaysia have traveled abroad for higher education as have attended the University of Malaysia.

[25] The entire MARA (*Majelis Amanah Ra'avat*, or Council for the Peoples' Security) structure is described briefly in R.S. Milne, *Government and Politics in Malaysia* (Boston: Houghton Mifflin Company, 1967), p. 232.

mainly because the Institute does not have university status and has been slow to adopt Bahasa Malaysia as a medium of instruction. Malays, therefore, have continued to agitate for what they would consider a truly national university, the implication being that the University of Malaya with its many foreign teachers, many Chinese and Indian students, westernized curricula, and English-language instruction is not national in character. Vague plans for a national university had been raised from time to time in the past, and finally in 1969 the institution began to materialize.

As the enrollment of the Mara Institute of Technology soared (from 200 students in 1965 to approximately 2,600 in 1969), as work began on a lavish new campus for the Institute, and as plans for opening the National University in 1970 entered the final stages the relative symbolic deprivation of non-Malays in Malaysia reached new dimensions. In view of the way current educational policy was reassuring Malays some Chinese correctly felt the strategic moment had come to push for a Chinese university. The government was reluctant to support a Chinese-language institution, but it did agree to provide substantial financial aid to a post-secondary school sponsored by the Chinese wing of the ruling Alliance Party and geared mainly to Chinese students with only fair or poor English language competence. The idea for such an institution first was raised in April, 1968, and just ten months later, with the symbolically integrative name of Tengku Abdul Rahman College, it opened to a freshman class of 600 students.

University proliferation thus can be understood as a recasting of the symbolic equilibrium of higher educational policy. In the course of this recasting elites had opportunities to transmit symbolically meaningful messages to non-elites, and they did so. And even though provision of more post-secondary schools could logically be a universally reassuring type of policy, it was mostly disintegrative in Malaysia during the period of investigation. Only two of the nineteen messages in the university proliferation category had universally reassuring meanings, and one of those calling for creation of a new university at an evacuated military base seemed likely to evolve into a racially divisive issue if pursued beyond this initial suggestion.

It is difficult to generalize about the messages which do not fit into any of the general categories already treated. Most of them were isolated official comments on relatively specific matters. While they include a greater proportion of universally reassuring symbolic meanings than do messages about the new educational policy or university proliferation, the very fact that they are not linked to and reinforced by other messages

on the same topic limits their impact. Examples of messages of this sort are an announcement that a special Ministry of Education committee was "watching" prices of school books, a statement of long-term priorities in the area of technical and vocational education, a report of a pilot project in which classrooms were organized along the lines of a cooperative society, and a Ministry of Education circular advising female teachers not to wear "micro-mini skirts, plunging necklines (back or front), tight jeans, excessive make-up, and transparent dresses" and forbidding both men and women teachers from adopting long, unkept hair fashions. All of these were symbolically reassuring to Malaysians of all races who bothered to be attentive to such news; but they were quickly forgotten compared to messages about language policy in the schools and new institutions of higher education.

Conclusions: Education, Symbolism, and Political Culture

The dress code message points up several features of symbolic uses of educational policy in Malaysia. For one thing, the principle of announced and enforced restrictions on fashion should have a familiar ring to people from any country, not just Malaysia. Supervision of schools seems everywhere to carry with it the prerogative to prescribe standards of propriety, and thus is a policy area of considerable political-symbolic value to elites. The very idea that youth needs protection, or more generally that the early years are formative ones, augments the potential for symbolization in the educational arena. Except perhaps when a cultural revolution is underway, statements that prevailing customs and taboos also apply to schools are a safe and easy method by which the elite can reassure the masses that policy machinery is in good hands and otherwise attempt to influence popular thinking about politics.

Until 1969 Malaysia had been a conservative political system in the sense that since independence very little change had occurred in power relations among the various components of the society. Symbolic reassurance, and to a lesser extent symbolic threat, apparently contributed to the placid political system. Two general and overlapping aspects of educational policy served to reinforce this situation for most people regardless of their ethnic affiliation. The more pervasive of these was the myth of educational quality. The Ministry of Education had been adroit at finding opportunities for demonstrating concern for educational quality. This would be important in any case, but it probably was especially relevant in a country in which high standards are a reality. Malaysians are conscious of and responsive to issues relating to the quality of their schools. The second aspect was the institutionalized manifestation of the

elite's concern for quality, the governmental commission to evaluate education. In a ritualistic fashion commissions of this sort have investigated and recommended just before each of Malaysia's first three parliamentary elections.[26] Both of these aspects were reflected in the messages analyzed from July, 1969, to January, 1970, and together they accounted for most of the universally reassuring symbolism flowing from educational policy during that period.

Universally reassuring or threatening symbolic meanings logically are integrative in their social consequences. If Malaysia is to continue to exist in something resembling its present state, integration is sorely needed. Remarkably, however, educational policy during the second half of 1969 was more disintegrative. Fifty-nine percent of all symbolic meanings which we could identify were particular — that is, threatening or reassuring — either to Malays or non-Malays. Furthermore, the two areas of policy in which these symbolic meanings were clustered were of more immediate and urgent significance than the Aziz Commission or the more abstract matter of quality. They were, first, the new educational policy unveiled on July 21, and, second, the expansion of the university system. The new educational policy entailed a phased switch from English to Bahasa Malaysia as the language of instruction in primary and secondary schools. The many messages which communicated this policy to the public often were accompanied by statements about the way the policy would unite the population by promoting a more integrated school system; but the symbolic meanings which the messages assumed were mainly divisive — threatening to non-Malays, reassuring to Malays. University proliferation was not such a one-sided topic, because the establishment-sponsored Tengku Abdul Rahman College did for the Chinese what the National University did for Malays. The result was not integrative, however, because with few exceptions each message about university proliferation had racially particularistic meaning in the same way that messages about the new educational policy did.

All of this was important to Malaysians for the same practical and emotional reasons that formal education is important to people in all but the most traditional societies. It is widely depicted as the key to modernization, and thus becomes especially valued in societies, like Malaysia,

[26] Actually this form of ritualism goes back in history considerably further. See Victor Purcell, "The Circle in Malayan Education," *Pacific Affairs*, March, 1953, pp. 70-76. The continuity in this aspect of politics from colonial to independent regime further reveals the conservatism of the Malaysian elite.

actively pursuing that objective. It is at least sensed to be a crucial vehicle for the transmission of cultures, and thus becomes especially controversial in systems, like Malaysia, in which cultures are in conflict. And it logically is regarded as essential in the preparation of people for jobs and careers, and thus becomes an arena of tension and contention in societies, like Malaysia, in which good jobs are in short supply.[27] In addition to these factors Malaysia had a special residue of respect for education left over from the colonial era.

The significance of the foregoing is that messages about educational policy do get heard. If they were not salient to the public and if they did not get heard they would not have symbolic meaning. When Chinese informants complained of new oppression, however, further questioning invariably revealed that to the extent that this feeling was rooted in public policy developments, educational policy was the most important dimension. Salience is not the only quality of education which intensifies the symbolic meanings of policy. The complexity of the Malaysian educational system, with its elaborate set of specialized schools and language streams and examinations and certificates is one of these qualities. As one observer said, "Malaysia has not yet settled on an educational strategy, with agreement on the objectives for which each separate level of education is provided. The structure and sequence of education reflect this uncertainty."[28] One important effect of this complexity is to increase the anxiety of those who have to deal with the educational system. The ambiguity of much educational policy has a similar effect.[29] And while other policy areas may occasionally share this combination of importance, complexity, and ambiguity, education has an additional characteristic which is more unique and which may be most frustrating of all, namely the remoteness of its payoff. Education is a long-term investment, the benefits of which are never easy to assess.

[27] The Malaysian economy is doing well on all indicators except unemployment, which is reaching alarming proportions. In January, 1969, the police advertised for 500 constables and received 27,000 applications, according to *Straits Times*, May 27, 1969. Government sources cited in the *Far Eastern Economic Review, 1970 Yearbook*, p. 191, show that unemployment rose by 13 percent in the first seven months of 1969.

[28] George Tobias, "Educational Planning: A Proposal for Malaysia," unpublished report for the Ministry of Education, June, 1968, p. 11.

[29] Ambiguity of educational policies and other types of policies as well is demonstrated by Cynthia Enloe, "Multi-Ethnic Politics: The Case of Malaysia," unpublished Ph.D. dissertation, University of California at Berkeley, 1967.

Public anxiety is extremely important in the dynamics of public policy symbolization. The greater the level of anxiety and emotional intensity of individuals the greater their need to express these feelings in their interaction with elites, and receiving messages about public policy and giving them meaning is just about the extent of that interaction for most people. This view may be overly cynical in its rejection both of the myth that the role of the public in policy processes is one of providing crucial inputs and of its social science cousin, the policy-as-response-to-public-pressure model. As Murray Edelman has suggested, however, the model might well be reversed: "...public policies and processes must be recognized not only or chiefly as the resultants of individuals' demands but also as the paramount source of particular attitudes and demands..."[30]

In other words, Malaysia's conflict-laden educational policy is more than a "reflection" of communal divisions. It at least reinforces these divisions and becomes part of the reality to which the political culture is a response. Scott's argument that such fundamental outlooks toward social and political life as pervasive distrust are shaped largely by existential conditions is persuasive, but he omitted one set of conditions — government policy and policy statements — which sometimes assumes critical importance. Policy messages become instruments of adult (or "on-going") political socialization.[31]

Of course the extent to which this aspect of reality outweighs other determinants of political behavior can only be surmised. Some features of the Malaysian political process, however, do provide supporting evidence for Edelman's hypotheses about conditions under which the symbolic meaning of policy statements is especially important and effective in elite-mass communications. For example, he suggests that "when, on the issues that arouse men emotionally, there is a bimodal value structuring, threat and insecurity are maximized... Under these circumstances condensation symbolism and mental rigidity become key factors in social interaction." Moreover, Edelman proposes that symbolic meanings will be a more dominant medium of political exchange in those settings where

[30] Murray Edelman, "Public Policy and Political Violence," discussion paper, Institute for Research on Poverty, University of Wisconsin, 1968, p. 5.

[31] "Adult socialization" and "on-going socialization" are concepts frequently used to offset the emphasis on early childhood experiences in the literature on political socialization. This literature consistently disregards the role of government policies and policy statements in the socialization process, however.

contending groups are poorly organized and large.[32] In spite of her impressive economic system, which has furnished Malaysians with so many tangible benefits (as opposed to symbolic reassurance) that it often is given credit for holding the socio-political system together, Malaysia has not witnessed the formation of functionally-oriented secondary associations. Most of the secondary associations which do exist are identified with a single ethnic group and are subordinate to one of the three political parties which have combined to rule the country since independence.[33] In fact, the Alliance formula whereby elites representing the three communal sectors undertake to resolve virtually all political conflicts and then present only the compromise outcome to the public may have been largely responsible for the retardation of autonomous interest groups which deal in more instrumental and less symbolic politics.

The utility of compromises, which often take the form of evasions or obfuscations of issues, has been demonstrated by Cynthia Enloe. Of educational and language controversies in Malaysia, she has written that "...to some extent the major parties now have a continuing stake in their irresolution."[34] In the crisis atmosphere of 1969 the high volume of threat and reassurance was a more striking feature of policy statements than ambiguity (although this is partly a matter of analytical perspective and not a result of mutual exclusivity). But whether policy statements are ambiguous or mainly threatening and reassuring, they stimulate views of what is possible and what is likely in politics. That these hopes and fears and biases, which especially in much of the literature on non-Western nations are called "primordial," are determined in part by governmental pronouncements is not a sinister phenomenon. It probably is a vital function of public policy everywhere, and certainly this is true of those political systems in Southeast Asia which are characterized by severe social cleavages, a high degree of social distrust, and elite domination of political discourse.

[32] Murray Edelman, *The Symbolic Uses of Politics* (Urbana: University of Illinois Press, 1964), p. 175. Evidence of the bimodality of value structuring in Malaysia may be found in S. Takdir Alisjahbana *et. al.*, eds., *The Cultural Problems of Malaysia in the Context of Southeast Asia* (Kuala Lumpur: The Malaysian Society of Orientalists, 1966).

[33] See Stephen A. Douglas and Paul Pedersen, *Blood, Believer, and Brother: The Development of Voluntary Associations in Malaysia* (Athens, Ohio: Ohio University Center for International Studies, Southeast Asia Program, 1973).

[34] Enloe, "Multi-Ethnic Politics: The Case of Malaysia," p. 212

The Sino-Soviet Conflict and Rivalry in Southeast Asia in the Post-Vietnam Phase

Usha Mahajani

The end of the Indochina War removed the most important phenomenon that had dominated Southeast Asia for three decades, overshadowing others including the budding Sino-Soviet rivalry. It originated in the late 1950's,[1] became noticeable in Southeast Asia in 1965 and came into a sharper focus after the end of the Indochina War when the last tenuous bond between China and the USSR in support of Indochina's struggle against "American aggression" had been snapped. Now there is no need to maintain even a simulated communist ideological unity in defence of that struggle.

Background

The Sino-Soviet conflict can best be studied against the backdrop of the post-Vietnam War situation in Southeast Asia: peace has descended on Indochina where three independent states, Laos, Cambodia, and Vietnam, have emerged. Burma continues its strict neutrality but ASEAN (Assocation of Southeast Asian Nations), comprising Indonesia, the Philippines, Malaysia, Singapore and Thailand, has evolved since its formation in 1967 into a strong anti-communist, pro-U.S., pro-capitalist organization.[2] Therefore a certain polarization has developed between ASEAN

[1] John G. Stoessinger hypothesizes that the Soviet Union had come to appear as a threat to the Maoist leadership group in 1959. "China and the Soviet Union: Retrospect and Prospect", in Francis Wilcox, *China and the Great Powers* (New York: Praeger), 1974, p. 17. Alfred D. Low traces the "seeds of the disagreement" to the 1956-59 and the development of the dispute to the 1960-62 period. Alfred D. Low, *The Sino-Soviet Dispute, An Analysis of the Polemics*, (Cranbury, New Jersey: Associated University Presses, Inc.), 1976, chapters 3 and 4. The Soviets claim that "in the late 1950's negative tendencies began to increasingly manifest themselves in China's relations with the USSR — through no fault of the latter". Oleg Borisov, *Soviet-Chinese Friendly Ties, A Historical Review* (Moscow: Novosti Press Agency Publishing House), 1974, p. 76.

[2] See Usha Mahajani, "Sino-American Rapprochement and the New Configurations in Southeast Asia", *London Yearbook of World Affairs 1975*, Vol. 29, London, 1975, p. 119; hereafter cited as Mahajani in *LYWA*.

and the Indochina countries which share Laotian charges that ASEAN is an "instrument of neocolonialism", an outgrowth of SEATO, and continues to serve the war policy of the United States.[3]

Southeast Asia is now free of wars and decolonization has been almost completed with Portugal's departure from East Timor.[4]Domestic insurgencies, however, continue to rage. The military coup in Thailand has disturbed the regional peace threatening an armed confrontation with Indochina.

The region moreover is by no means free of foreign power intervention, influence and interest. Contrary to the impression of an impending American withdrawal from Asia, Nixon's Guam Doctrine of 1969 reaffirmed U.S. treaty commitments in Asia asking the local governments to supply greater manpower while the United States would provide arms.[5] Ford's Pacific Doctrine reiterates: "America, a nation of the Pacific Basin, has a very vital stake in Asia and a responsibility to take a leading part in lessening tensions, preventing hostilities, and preserving peace. World stability and our own security depend upon our Asian commitments."[6] The United States has tightened its military commitments to its formal allies and consolidated ties with its Southeast Asian semi-allies, Singapore, Malaysia and Indonesia. Since the coup in Thailand, the U.S. airbase at Takli has been reopened. The U.S. military mission in Bangkok remains active. ASEAN's call for Southeast Asian neutralization is not directed against the pre-eminent U.S. influence and military presence.[7]

[3] Editorial in *Sieng Pasason*, official Pathet Lao (People's Revolutionary Party of Laos) Newspaper, 17 September 1976, quoted in *The Asian Student*, 9 October 1976.

[4] Whether Indonesia has invaded or liberated East Timor is a different question.

[5] The Nixon or Guam Doctrine refers to these points which President Nixon made in his remarks in July 1969 at Guam. Partial text in Sudarshan Chawla, Melvin Gurtov and Alain-Gerard Marsot, *Southeast Asia Under the New Balance of Power* (New York: Praeger), 1974, pp.124-26.

[6] Speech in Honolulu, 7 December 1975, text supplied by the State Department.

[7] At a speech honouring Vice President Nelson Rockefeller, Singapore's Prime Minister, Lee Kuan Yew, expressed a hope on behalf of ASEAN nations that the United States "will continue to be a force in Asia". He firmly supported the right of the United States to "make big decisions to achieve a durable balance of power and peace all over the world especially in the Indian Ocean, the Pacific, East and Southeast Asia and Australia". Text in *The Mirror*, Ministry of Information, Government of Singapore, Vol. 12, No. 15, 12 April 1976, p. 1. Indonesia has also moved closer to the United States and like Singapore had long urged Thailand to go slow on its declared eagerness to dismantle U.S. bases. *Victoria Times*, Canada, 21 June 1975.

Japan is an economic, if not a military or politcal, giant in Southeast Asia. With a vital stake in it as a source of raw materials and a market for Japanese goods and with an equally vital interest in keeping the Malacca Straits open for international passage, Japan cultivates close economic ties with both communist and noncommunist states in the region.

The end of the war has terminated Britain's Co-Chairmanship of the Indochina Conference. The dismantling of SEATO has further reduced its role.[8] But Britain has economic interests in the area, a protectorate in Brunei and some influence in Malaysia and Singapore through the Commonwealth association and the ANZUK (Australia, New Zealand and United Kingdom) force in Singapore. As a staunch ally of the United States Britain is likely to continue to support American interests in Southeast Asia.

India has no strategic interests in Southeast Asia and its ideological solidarity of non-alignment with certain Southeast Asian nations as in the 1950's and early 1960's has considerably weakened owing to the shifting international scene and the change of governments in these countries. But India has resumed vigorous diplomatic and economic relations with Southeast Asian nations and constitutes one of the foreign powers with interest in their region.

The USSR is not a predominant power in Southeast Asia. In addition to not having any military bases in the region it has suffered heavy political setbacks in Indonesia and Cambodia since the coups against Sukarno in 1965 and Sihanouk in 1970. But as a superpower the USSR seeks influence in the region, and needs to keep the Malacca Straits open for its ships.

China has emerged in Southeast Asia. With the Sino-American reconciliation the U.S. has encouraged its allies and friends to let China play a "constructive role".[9]

The rivalry between China and the USSR is only one among these several geo-political contours of Southeast Asia.[10] But it merits attention as a part of their current global cold war. The Soviet-American cold war has abated, and in any case, their conflict of interest is not as sharp in Southeast Asia as in Europe and the Middle East. The Sino-American hostility has been replaced by a congruence of interests. Britain, Japan

[8] The British military advisor used to serve as SEATO's Chief of Defence Staff until 1971.

[9] See Usha Mahajani, "U.S.-Chinese Détente and Prospects for China's Rehabilitation in Southeast Asia", *Southeast Asia – An International Quarterly*, Vol. III, No. 2, Spring 1974, pp. 713-39; hereafter cited as Mahajani in *Southeast Asia*.

[10] See Mahajani, in *LYWA*, *op.cit*, pp. 106-20.

and the United States are allies in Southeast Asia, although the latter two have economic rivalry. Thus the Sino-Soviet conflict is an outstanding, externally introduced, irritant in Southeast Asia.[11]

At the outset it should be noted that Southeast Asia is not pivotal to the basic "conflict" or "vital" to the security[12] of China and the USSR as Europe is to the U.S. and the USSR.[13] Their conflict in Southeast Asia is not an explosive issue likely to lead to a war. Neither power has military bases or troops in that region or any deterministic influence. Their military troops confrontation, unlike that between the United States and the Soviet Union, is strictly along their mutual border.

The subject merits academic enquiry because China and the Soviet Union have extended their conflict into wider global and non-military areas:[14] Latin America, especially in Chile, Brazil and Cuba; Africa, especially in Angola; Europe where China opposes détente; the Indian subcontinent; East Asia and finally Southeast Asia. Each uses obverse accusations to persuade various countries to regard the other as their deadly enemy.

Broad Aspects of Sino-Soviet Conflict

Both China and the USSR claim to be truly Marxist and the adversary as a heretic. The ideological conflict affects their relations with communist governments and movements. Each accuses the other of being the enemy of the world.

China brands the Soviet leaders as "the new Tsars"; and the Soviet government as "an out and out social imperialism" engaged in global aggression, control, subversion and colonial expansion".[15] In October

[11] Low's major study of the polemics of the Sino-Soviet disputes does not even touch on Southeast Asia nor discusses its impact on individual countries there except Vietnam to which nine out of a total of 343 pages of the text are devoted. Low, *op.cit.*, pp. 65, 66, 84, 228-302, 338-39, 310.

[12] *Current Digest of Soviet Press*, [CDSP] compiled in UDA, does not even have a heading "Southeast Asia". Individual countries are occasionally mentioned under Far East, with scattered references to Indochina, and nonaligned countries. *Peking Review* during 1976 covered very few Southeast Asian countries. The best source to study Sino-Soviet rivalry in Southeast Asia is *USSR and Third World, A Survey of Soviet and Chinese Relations with Africa, Asia and Latin America*, compiled by Central Asian Research Centre, London.

[13] Elsewhere each has shown readiness to fight with its adversary: the USSR in East Europe; China in Korea and along the Sino-USSR border.

[14] This point has been made in Wilcox, *op.cit.*, p.26.

[15] Remarks in the Security Council by Ambassador Huang Hua, 5-6 December 1971 and Peking radio domestic broadcast, 15 December 1971, texts in *International Negotiation, Chinese Comment on Soviet Foreign Policy*, compiled by the Subcommittee on National

1972 it declared the Soviet Union as its chief enemy and set out to "expose Soviet expansionism".[16] Its attacks on "U.S. imperialism in Indochina" tapered off, and the invectives, earlier reserved for the United States, were directed against the Soviet Union.[17] After the Indochina war, China has intensified the frequency and stridency of innovative invectives against Soviet "social imperialism" as being "the worst of its kind", a "growing menace", "a most dangerous source of war", and an "arch enemy of the world people, more dangerous than classical European colonialism and post World War II American imperialism" bent on a global offensive. The Soviets are accused of seeking hegemony by, *inter alia*, expanding their naval fleets, oceangoing fishing vessels, merchant ships, so-called scientific research ships and engaging in espionage activities in order to step up plunder of maritime resources.[18]

Both China and the USSR accuse each other of seeking global hegemony but the former has made it a special pejorative charge against the latter and the term is understood as such in international parlance. To boost its self-image as a "socialist developing country" whom other Third World nations admire, China reiterates that the latter are winning new victories in their joint struggle against hegemony.[19] The willingness of a nation to "oppose hegemony" has become a measure of China's success.

Nonalignment and economic development being primarily Third World concerns, and since the USSR has built friendly ties with many nonaligned countries, China warns that the USSR is only "the other superpower" and no better; the "New Tsars" of Russia are a "ferocious enemy of the nonaligned movement"; and Soviet aid is as exploitative as Western aid. Commenting on UNCTAD (United Nations' Conference on

Security and International Operations of the Committee on Government Operations of the United States Senate (Washington: U.S. Government Printing Office), 1972, pp. 1 and 3. These charges are repeated endlessly as on 5 August 1976 by the official New China News Agency [NCNA] and the Communist Party journal, *People's Daily*.

[16] Editorial in *Renmin Ribao, Honggi, Jiefangjun Bao*, text in *Peking Review*, No. 40, 6 October 1972.

[17] Between 1972 and 1975 *Peking Review* published countless articles and quotes from foreign sources on Soviet "imperialism and attempts at hegemony". See Mahajani in *Southeast Asia*, p. 735.

[18] For a few samples, see *Peking Review*, Vol. 19, No. 1, 2 January 1976, pp. 24-25; No. 2, 9 January 1976, pp. 20-22; No. 5, 30 January 1976, pp. 9-13; No. 6, 6 February 1976, pp. 8-9, 21.

[19] For example Premier Hua Kuo-feng's speech in May 1976 in honour of Prime Minister Lee Kuan Yew of Singapore, *Ibid.*, No. 20, 14 May 1976, p. 7; No. 24, 11 June 1976, pp. 19-21.

Trade and Development) in Nairobi China violently denounced the USSR as a "self styled 'natural ally' of the developing countries that shamelessly demands a special most favoured nation treatment".[20]

Relevance of Southeast Asia in the Rivalry

Southeast Asia thus easily fits into the framework of the implacable Sino-Soviet hostility and suits their Third World diplomacy. Moreover, China would like to prevent Soviet encirclement through Southeast Asia just as it previously tried to break U.S. encirclement. There is also the old international game (proven futile several times)to try to exclude one's enemy from a particular region. The U.S. played it against China in the 1950's and the 1960's. Now the USSR and China are playing it against each other.

In early 1976, China fired a major salvo to warn the Southeast Asian states to beware of the Soviet "tiger" now that the American "wolf" had been repulsed. In the usual style of "noting" developments abroad, China observed that the Southeast Asian governments were aware of Soviet attempts to fill the vacuum; that they were struggling against Soviet bids for military bases and that they repeatedly uncovered KGB's attempts at subversion and plots to sow discord amont Southeast Asian countries. Philippine officials and a Thai paper were quoted to that effect.[21]

China also denounces Soviet aid on the following grounds: a) Moscow forces down prices of raw materials and raises those for its own products; it "gangs up" with the Western capitalist countries to monopolize the rubber market and force down rubber prices as in Malaysia in 1974 when it also raised the price of urea exported to Thailand; b) Moscow uses "trade repayment" as a new form of foreign trade link to satisfy its own insatiable greed for exploitation. A recipient has to ship products from a Soviet "assisted" project to the USSR; c)through joint enterprises, the Soviets export capital to plunder other countries' mineral resources and control their production.[22]

China's influence in Southeast Asia would not be a military threat to the USSR but a blow to its image as a superpower which needs friends especially if there is a strong rival to contend with. Failure to win South-

[20] *Ibid.*, No. 24, 11 June 1976, pp. 19-20; No. 36, 3 September 1976, pp. 15-16.

[21] "Guard Against Tiger at the Back Door While Repulsing Wolf at the Gate", *ibid.*, No. 2, 9 January 1976, pp. 21-22.

[22] *Ibid.,4 No. 24, 11 June 1976, pp. 19-21; No. 36, 3 September 1976, p. 14.*

east Asian support would partially jeopardize the validity of Soviet international stands. As a professed friend of the Third World, the USSR presents its assistance as being true "socialist aid" in contrast to "Western neo-colonialism" and is offended when China equates the two as "exploitative."[23]

The USSR therefore has also taken the offensive. In 1975 it welcomed the "defeat of the Pentagon and reactionary regimes in Indochina" and the hopeful signs of demands for U.S. military withdrawal from Thailand and the Philippines but warned of Peking's pressure on them and added that diplomatic ties would only increase Chinese interference in Southeast Asia to the advantage of the United States. The USSR greatly fears Sino-U.S. collusion. It now claims that Maoist China is "a dangerous enemy not only of the Socialist countries but also of all peace loving peoples and states"; China's dangerous influence on Asian politics cannot be ignored; Chinese leaders, well aware of the risks of direct military confrontation with the USSR, are trying their luck elsewhere; and now they are seeking outlets to sea via Pakistan, Bangladesh and Burma.[24]

The USSR warns of the "great-Han hegemonism" of the Maoists who play a two-faced game with Southeast Asia; they promise non interference and do just the opposite. For example, the Soviet's charge: in June 1975, Burmese separatist elements, aided by Chinese instructors from Yunnan, revolted; China has sent thousands of guerrillas to Burma and Thailand which has not even received Chinese guarantees against interference; China gives support to the secessionists operating in the Malaysian jungles, calling these "declassé elements" revolutionaries and openly congratulates the terrorist organizations of Malaysia and Indonesia.[25]

Given Southeast Asian anxiety over borders, the USSR denounces China as a violator of boundaries. A Soviet book published in late 1975, *The People's Republic of China: Political and Economic Development in [since?] 1973*, charged that China "ignores existing state frontiers" and precipitates disputes: for example China's claims of 70,000 kilo-

[23] In a long article, *Pravda* deplored the speeches made by some delegates at the non-aligned conference in Colombo blaming both socialist aid and capitalist aid and trade policies. *CDSP*, Vol. XXVIII, No. 3, 15 September 1976, p. 19.

[24] *Izvestiya*, 11 July and in September 1975, *USSR and Third World* Vol. V, Nos. 6-8, 7 July-31 December 1975, p. 275, and *Soviet Weekly*, London, 20 September 1975, p. 6; Moscow radio, reported by Derek David, *Far Eastern Economic Review*, 9 July 1976, p. 21.

[25] M. Gavin, "Peking Smoke Screen", *New Times*, No. 30, 1975, p. 23. *Soviet News*, London, 16 December 1975; report on the 25th CPSU Congress, *Far Eastern Economic Review*, 19 March 1976, pp. 22-23.

metres of Burmese territory are a part of its massive territorial claims against India, Mongolia and the USSR; to press these claims China provokes border conflicts, as in Burma in 1955. In a sharp attack, Moscow has charged that Peking is expanding southward. It produces expansionist maps designating international waters adjoining the territorial waters of the Philippines, Indonesia, Malaysia and Vietnam as Chinese inland waters; and claims as Chinese territory those islands there which since times immemorial have been used by these people. China's "seizure" of the Paracel Islands from South Vietnam in 1974 would enable it to establish complete rule over the entire South China Sea and shows that China asserts its claims by force. It also claims the Spratley Islands lying about 1,000 kilometres to the south. All this shows that Peking aims to become a hegemonistic power in Asia rather than improve relations with neighbours.[26]

Asian Collective Security System [ACCS]

In June 1969 Brezhnev proposed a collective security system for Asia and other regions where the threat of a new world war or a regional one was centred. He also called for stable borders and peaceful cooperation among states. China has scorned the move which was undoubtedly made to neutralize its border claims. ACCS is not a proposal for a military pact but for a Helsinki type agreement. The USSR would like nothing better than China's endorsement which would also signal a Soviet victory in the territorial dispute. China's refusal prompts it to seek wider Asian support and to expose China as an enemy of Asian countries that rejects the sanctity of existing borders.

Undaunted by a negative response from Southeast Asia, the USSR now presents ACCS in terms of the principle of territorial integrity and inviolability of borders incorporated in the Helsinki agreement: a) participants must not demand or seize or usurp each other's territory; b) state frontiers should be changed according to international law, by peaceful means or agreement; and c) force is renounced in settling international disputes. The Soviets stress that ACCS is particularly suited to Southeast Asia where many conflicts might provoke world conflagration.[27]

To allay small nations' concern over China's reaction and retaliation and their weariness about being hustled into a Soviet-inspired project,

[26] *Soviet News*, 16 December 1975.

[27] *Izvestiya*, 28 August 1975, *USSR and Third World*, *op.cit.*, p. 276; Mahajani in *Southeast Asia*, *op.cit.*, pp. 737-39; Dov Muraka, "Soviet Plan for an Asian Collective Security Pact", *South China Morning Post*, 9 October 1975.

the USSR reiterates that ACCS is not anti-China but "must be a result of the efforts of ALL Asian states without exception"; it is a long process of creating regional zones of peace and bilateral and mutilateral agreements. Far from exacerbating their conflicts with China, ACCS would help promote an area of peace and harmony which after all is the self-proclaimed goal of Southeast Asian countries themselves. The Soviet Union claims "something hopeful is happening" and points to settlements in the Indian subcontinent. But in Southeast Asia it can only hope that the Soviet-Philippine diplomatic relations "will foster creation of a favourable climate in this region."[28]

China attacks the USSR for "peddling" ACCS and cites local comments to prove how the Southeast Asians have rebuffed ACCS as "a Soviet tool to contend for hegemony in Asia and to disintegrate and control Asian countries". It taunts the USSR as a European country waxing eloquent about Asian security with a mania. Thus China has invoked its own Monroe Doctrine and echoed the Monroe Doctrine and echoed the Japanese catch-phrase, "Asia for the Asians".[29] The USSR claims that China's suspicion of ACCS as a scheme to encircle and isolate China is "ridiculous" and counters that the Maoist leaders violate the Bandung spirit and all other principles of peaceful coexistence and oppose ACCS simply because it "conflicts with China's designs to grab Asia for its own domain".[30] So far China is the winner.

ASEAN [Association of Southeast Asian Nations]

Despite initial skepticism towards ASEAN, which was formed by Indonesia, Malaysia, Singapore, Thailand and the Philippines in 1967, the Soviet Union became encouraged by ASEAN's proposal for Southeast Asian Neuralization in 1970 and grew tolerant towards ASEAN from 1972 on.[31] Soviet hopes were shattered by growing evidence in 1975 that

[28] V. Kudryavtscv, "Asia's Pressing Problem", *Izvestiya*, 16 July 1976, *CDSP*, Vol. XXVIII, No. 28, 11 August 1976, p. 14.

[29] *Peking Review*, Vol. 19, No. 1, 2 January 1976, p. 25; No. 15, 9 April 1976, p. 18 and No. 47, 19 November 1976, p. 30; the Southeast Asian sources cited are: a Thai paper, *Chia Pao Daily News*; comments by former Thai Foreign Minister and a Philippine paper, *The Orient News*, which have violently criticized ACCS. *Ibid.*, No. 1, 2 January 1976, pp. 24-25.

[30] *Izvestiya, op.cit., USSR and Third World, op.cit.*, Vol. V, Nos. 6-8, 7 July-31 December 1975, p. 276; *Izvestiya*, 16 July 1976, *CDSP*, Vol. XXVIII, No. 28, 11 August 1976, p. 14.

[31] Comments in *Izvestiya*, 27 July, 21 August, 27 September 1975 and in *Pravda*, 29 July and 26 September 1975, *USSR and Third World, op.cit.* p. 275.

Indonesia wanted ASEAN to become "a military bloc" of anticommunist countries through a Council of Defence Ministers and development of military cooperation. Fearful that this "anti-communist orientation" would be anti-Soviet and anti-Indochina, the USSR has urged ASEAN to concentrate on regional cooperation.[32]

China, though gratified, cannot publically praise the "anticommunist" nature of ASEAN but has warmly commended its efforts to "oppose economic plunder and exploitation by imperialism". It now hails ASEAN for gaining new victories in defense of national rights, strengthening regional economic cooperation, and for jointly struggling against hegemony and the superpowers who are shifting their economic crisis on to others.[33] A curious praise since ASEAN is closely integrated into the Western capitalist system. China sees in the ASEAN summit meeting in Bali in February 1976 a triumph of its own cause and claims that the meeting "spurned" ACCS "hawked by the Soviet Union".[34]

Communism in Southeast Asia

As leading communist countries, each claiming true inheritance of Marxism, China and the USSR strive for support from Southeast Asian communists. Neither has exclusive domination but each has a sphere of influence. In Laos and Vietnam where communism gained power after prolonged national liberation wars, the USSR has retained ideological solidarity. To the still struggling communist insurgents elsewhere and to Cambodian communists who won a victory after a short but fierce struggle, China appears a true Marxist model. The Thai, Malaysian and Burmese communist leaders are pro-China. The latter visited Peking twice in 1976 and affirmed "continuous growth of revolutionary friendship and military unity" with the Chinese Communist Party.[35]

The Soviet Union has sought ideological links with Burma's left-wing Marxist-oriented government. In December 1975 a CPSU delegation toured Burma at the invitation of the ruling Socialist Party which for the

[32] *Pravda*, 31 August and 14 November 1975, *ibid.*, pp. 276, 292..

[33] New China News Agency (NCNA), 26 August 1975, *ibid.*, p. 277; *Asahi Evening News*, 4 July 1975; *Peking Review*, Vol. 19, No. 4, 23 January 1976, pp. 54 and 56.

[34] *Ibid.*, No. 10, 5 March 1976, p. 20.

[35] *Ibid.*, No. 5, 30 January 1976, p. 14; No. 48, 26 November 1976, p. 3.

USSR is the next best thing to a purely communist solidarity.[36] In the Philippines China supports the New People's Army which is still engaged in an armed revolt while the 25th CPSU Congress was attended by a Philippine Communist Party delegation led by Jesus Lava who scored Maoism for joining imperialism and undermining the alliance of anti-imperialist forces.[37]

The Sino-Soviet rivalry has torn apart the remnants of the PKI [Partai Kommunist Indonesia]. After the carnage of the anti-Sukarno coup in 1965 some Indonesian communists took refuge in East Europe and some, led by Jusuf Adjitorop, went to China. The latter has accused the Soviet Union of trying to take advantage of the U.S. failure in Indochina to expand its own influence in Southeast Asia. He also has charged that the Soviet armies are "ganging up with the Indonesian revisionists to split the PKI and sabotage the Indonesian revolution," and that the USSR controls and gets the renegade revisionist Indonesian clique in Moscow to issue revisionist documents in the name of the Marxist-Leninist Group of the Communist Party of Indonesia.[38] Peking also strongly supports the Fretilin movement in East Timor.[39] Ideologically China has won solidarity with the major faction of Indonesian communism because its hands are not tied by the restraints of preserving amity with Indonesia's anticommunist military government.

Relations With Individual Countries

The end of the Indochina war has also intensified bilateral diplomacy of China and the USSR towards Southeast Asian countries. The times appear propitious for China because the anti-communist governments, having become uneasy at the Soviet-Vietnamese friendship and a possibility of further Soviet influence, are collectively welcoming China to enter their region. Their contacts with China have considerably increased since 1974 when Malaysia recognized Peking and Imelda Marcos, wife of the Philippine President, visited China.

[36] *Izvestiya*, 12 December 1975, and *Pravda*, 21 December 1975, gave glowing accounts of the tour; *USSR and Third World*, *op.cit.*, p. 283.

[37] *Far Eastern Economic Review*, 19 March 1976, p. 23.

[38] Peking Review, Vol. 19, No. 7, 13 February 1976, pp. 28-29.

[39] *NCNA*, 31 December 1975, *USSR and Third World*, Vol. V, Nos. 6-8, 7 July-31 December 1975, p. 288.

Burma

As Burma moved closer to China in 1974, the USSR tried to ingratiate itself with General Ne Win by praising him and denouncing China for giving clandestine support to the Burmese insurgents. The tactics failed and during 1974-1975 the Soviet role in Burma, especially economic aid, was reduced to nil. In 1974 Burma even declined a Soviet offer to build an oil refinery and then invited China to make a feasibility study on a project first studied by Soviet experts. The USSR in turn has bitterly attacked the "Maoist intrigues": China has adopted a "great-power" approach to Burma more than to any other country in order to turn it into a stronghold of Chinese influence in Southeast Asia; the "Maoists" team up with the reactionaries in Burmese cities and, with subversion and "escalation of armed provocation", seek to keep Burma "in a state of permanent tension"; the subunits of the Chinese army are giving "direct and allround support" to the "rebels" preventing Burma from having peace.[40]

The USSR, however, cannot fight geography nor block Burma's increased contacts with China. In August-November 1975, several Burmese leaders and delegations went to China to "affirm friendship" and in December the Chinese foreign trade minister visited Burma.[41] Soviet-Burmese contacts have been scanty except for the CPSU delegation's visit. The USSR, however, realizes that Burma is not a Chinese satellite and, therefore, continues to befriend it by offering aid and by expressing gratification when it is accepted.[42]

Indonesia

Indonesia is in no hurry to restore diplomatic relations with China. On 17 August 1975, the 30th anniversary of Indonesian independence, President Suharto ruled them out because "foreign support" for the PKI was interference in Indonesian affairs. In November Foreign Minister Adam Malik echoed these sentiments at a press conference pointing to widespread anti-Chinese feeling among the people.[43] China too, therefore,

[40] *Soviet News*, 22 July 1975 and 20 January 1976.

[41] *USSR and Third World, op.cit.*, p. 284.

[42] *Izvestiya*, 12 November 1975, *USSR and Third World, op.cit.*, p. 283. *Peking Review* had no coverage of Burma in 1976.

[43] *USSR and Third World, op. cit.*, p. 292.

feels free to attack Indonesia without reserve especially its "naked aggression" and "massive invasion" of East Timor.[44]

The USSR is on the horns of a dilemma because it wants to cultivate further its cordial diplomatic relations with Indonesia. China's failure raises hopes but the growing U.S.-Indonesian military ties cause alarm.[45] The USSR therefore blends cajolry and mild admonishment in its comments on Indonesia. Its concern over Indonesian "armed intervention" in East Timor[46] is alleviated by Suharto's assurances in his 1975 independence speech on developing economic cooperation with all states including socialist ones. The Soviets claim that this speech and the exchange of Parliamentary delegations confirm the possibilities for cooperation in the economic and international affairs.[47]

The Philippines

In June 1975 President Marcos visited Peking and profusely flattered China as "the leader of the Third World and a moral inspiration" to all. Acting Prime Minister Teng Hsiao Peng promised noninterference. The two countries announced their "opposition to any attempt by any country or a group of countries to establish hegemony or create spheres of influence in any part of the world". Marcos claimed to be completely satisfied with Chinese intentions.[48]

The Philippines is, however, cautious in its approach to Peking and, before Marcos' visit, had established diplomatic relations with the USSR in 1974. China, aware that its policy towards the Filipino Chinese is still suspect, is letting the matters remain quiet.[49]

[44] NCNA, 7 December 1975, *ibid.*, pp. 287-88. During 1976, all references to Indonesia in *Peking Review* were in terms of violent denunciation of Indonesian actions in East Timor; No. 1, 2 January 1976, p. 22; No. 15, 9 April 1976, p. 21; No. 25, 18 June 1976, p. 21; No. 31, 31 July 1976, p. 11.

[45] Moscow radio expressed concern at the U.S.-Indonesian talks during July 1975 for increased U.S. military aid to Indonesia. *USSR and Third World, op.cit.*, p. 292.

[46] Tass report, 24 October 1975; *Pravda*, 12 December 1975, *USSR and Third World, op.cit.*, pp. 286-87.

[47] *Pravda, Izvestiya* and Radio Moscow, 17 August 1975, *ibid.*, pp. 287-88. *Izvestiya* carried a long article on 23 October 1975 by its special correspondent who visited Indonesia on a tourist visa. He "found" warm popular friendship for the USSR in the light of many years of Soviet assistance. *Ibid.*, pp. 291-92.

[48] Joint communiqué, 9 July 1975, "Asia, A New Tripolar Balance," *Time*, 23 June 1975, p. 37; Dennis Bloodworth, "Chinese Win Friends and Influence," *Asahi Evening News*, 4 July 1975.

[49] *The Asian Student*. San Francisco, 8 May 1976. During 1976 *Peking Review* made only one brief reference to the Philippines in connection with China's relief aid to the Filipino flood victims; Vol. 19, No. 24, 11 June 1976, p. 7.

Singapore

After Vietnam, Prime Minister Lee Kuan Yew urged all Southeast Asian countries to make peace with China and not show favours to the USSR which would provoke the Maoists into stoking the fires of Communist insurgency. Singapore struck off the official record the visit of a single Soviet destroyer made in 1971 as being "unexpected" and without permission.[50]

Lee Kuan Yew's "goodwill mission" during May 1976 was used by China to launch a tirade against "the other superpower" and to praise Singapore and ASEAN for opposing hegemonism. He evidently did not appreciate the attack but merely welcomed China's support for ASEAN and hoped for better Sino-Singapore relations without referring to imperialism and hegemonism.[51] The USSR is content that China has not won a total victory although Singapore has established close, extensive trading relations with China and permits Chinese financial institutions to operate in Singapore.

Thailand

During the brief civilian period [October 1973-October 1976] Sino-Thai relations were consolidated. In July 1975 Premier Kukrit Pramoj visited China and joined his hosts in opposing hegemony. He called the USSR just another superpower contending for hegemony and declared that it would not be allowed to fill the vacuum created by U.S. withdrawal. The Chinese "broadly hinted" their support for continued U.S. military presence in Southeast Asia (including Thailand) as a counter to the Soviet Union and its new victorious ally, Vietnam.[52]

The Soviet Union, stung by this camaraderie, retaliated by propaganda and charged that China was trying to undermine the Thai government by manipulating Thai overseas Chinese and disrupting the Thai economy, and that it would use diplomatic relations to interfere in Thai affairs, through about 400,000 Chinese with "influential economic positions".[53] But the USSR had also welcomed the Thai policy of relaxing

[50] Bloodworth in *Asahi Evening News*, 4 July 1975, *op.cit.*

[51] *Peking Review*, Vol. 19, No. 20, 14 May 1976, pp. 3-4, 7-8. Its 1976 issues contain no reference to Malaysia which remains equally cordial to China and the USSR, and has warned China not to support Malaysian communists. *Asahi Evening News*, 23 June 1975.

[52] *Peking Review*, Vol. 19, No. 2, 9 January 1976, p. 21; editorial in *Asahi Evening News*, 4 July 1975 and Bloodworth, *op.cit.*, in the same issue.

[53] *Pravda*, 23 June 1975, reported in *Asahi Evening News*. 24 June 1975.

restrictions on the left-wing, closing down U.S. military bases and promoting amicable relations with Indochina.

The Soviet Union has now expressed concern over the "anti-communist" and "anti-proressive" developments since the Thai military coup in October 1976 and over the "reported" role of the CIA but, wishing to keep a foothold in Thailand, it has not denounced the Thai military rulers.[54] In fact, it agreed in October 1976, after several years of sticky negotiations, to sign a Cultural and Scientific Agreement with Thailand, like the one it signed earlier with Malaysia, in which, owing to their anti-communist sensitivity, a special clause was incorporated that both parties have the right to take measures to maintain internal peace and security. The concession stems from what observers call Soviet "keenness" to counteract China's influence in Thailand.[55]

China reported the official Thai version of the events leading to the coup without criticising the Thai military or even expressing concern over its "anti-communism".[56] China apparently is not disturbed by the suppression of those left-wing forces that are not exclusively pro-China; it probably welcomes the return of the United States and of Thai hostility towards Laos and Vietnam. Before the coup China often gave coverage to the "splendid victories" of the Thai Communist forces and their following "the correct (i.e. pro-China) political line".[57] It remains to be seen how it will pursue its diplomacy in Thailand.

Indochina

In Indochina the rivalry between China and the USSR combines ideological struggle and diplomatic competition to win over independent states. The pattern of their aid policy and diplomatic support during the Indochina war has greatly affected their relative success or otherwise. Some patterns of alignment are discernible.

Cambodia

During the war China gave asylum to Sihanouk. The USSR, swayed by calculations of its dispute with China, kept a diplomatic mission accredited to Lon Nol. Indignant at this betrayal, Cambodia now rebuffs

[54] *Pravda*, 8 October 1976, p. 5, *CDSP*, Vol. 40, 3 November 1976, p. 19.

[55] *The Asian Student*, 23 October 1976.

[56] *Peking Review*, Vol. 19, No. 43, 22 October 1976, pp. 45-46.

[57] *Ibid.*, No. 29, 16 July 1976, p. 1; No. 34, 20 August 1976, p. 23.

Soviet offers of diplomatic relations. China has exploited this situation to attack the USSR. The latter has hit back by trying to convince the Cambodians that it really did support the Khmer liberation forces and backed their representation in the UN as Sihanouk himself acknowledged in November 1974. These efforts have been to no avail. In August 1975, Cambodian leaders, including Premier Khieu Samphan, received a grand victory welcome in China and signed an economic cooperation agreement. In a major shift on foreign policy, Khieu Samphan, who until then had not criticized the USSR, signed a joint communique endorsing China's line on all international issues including an attack on both the superpowers for seeking world hegemony. His visit was followed by that of Deputy Premier Ieng Sary in September and a Cambodian journalists' delegation in October.[58]

Since then China and Cambodia have moved in unison. They boycotted the World Congress of Women in East Berlin in October 1975, because the Soviet block had a major role in hosting it, and, more importantly, the 25th CPSU Congress. To keep Cambodia in its orbit China often gives, in addition to aid, supportive publicity to Cambodia's constitutional and reconstruction achievements.[59] In the hope of getting reciprocity the USSR also heaps praise on Cambodian reconstruction and harps on Soviet "moral and material support" which helped liberate Cambodia as well as Laos and Vietnam.[60] It is a feeble effort.

Like Cambodia, Laos and Vietnam profess nonalignment but they have moved closer into the Soviet fraternal friendship periphery and maintain only formal "friendship" with China.

Soon after the war China and the USSR gave aid to Vietnam, especially food assistance in October 1975. But as during the war, Soviet aid was swift and more substantial. In May COMECON formulated plans for aid. In June the USSR signed an aid agreement with PRG and in November

[58] *People's Daily*, 19 March 1975, charged that the USSR gave aid and "encouragement" to the Lon Nol clique. *Soviet News*, 15 and 22 April 1975; *New York Times*, 11 July 1975; *USSR and Third World*, *op.cit.*, pp. 285-286; *Christian Science Monitor*, 21 August 1975.

[59] *Peking Review*, Vol. 19, No. 2, 16 January 1976, p. 37; No. 10, 5 March, p. 20; No. 11, 12 March, p. 13; No. 12, 19 March, P. 4; No. 14, 2 April, p. 21; No. 17, 23 April, p. 6; No. 23, 4 June 1976, p. 23.

[60] Moscow radio broadcasts mentioned in *Pravda*, July and August 1975, Kosygin's article in *Kommunist*, No. 14, September 1975, pp. 3-20, quoted in *USSR and Third World*, *op.cit.*, pp. 273 and 285.

with North Vietnam.[61] At the same time a mammoth Soviet-Vietnam friendship rally was held in Moscow. Soviet leaders profusely praised the successful Vietnamese struggle against "foreign interventionists and their henchmen" and promised to "go on consistently supporting the South Vietnamese patriots".[62]

The Vietnamese have been profoundly grateful to the USSR for "valuable and effective assistance" and have hailed Soviet shipments arriving soon after the war as a "real contribution to healing the scars of war suffered by our people". The joint communiqué in November 1975 called for peace in Southeast Asia, withdrawal of all U.S. troops and dismantling of U.S. military bases there and overall congruity of views on major issues.[63] Le Duan, First Secretary of the Vietnamese Workers' Party, led a large delegation to the 25th CPSU Congress. Both there and at a major rally held in Hanoi in March 1976 to celebrate the Vietnamese uprising against the Chinese invasion 1936 years ago, he hailed the USSR as "the world's mightiest socialist state", which had supported national liberation wars in Asia, Africa and Latin America and praised the Soviet policy of peace in Europe. In May, Premier Pham Van Dong reiterated these sentiments, stressed the need for "socialist solidarity and fraternal cooperation between our people" and concluded: "We shall always be loyal to our unbreakable friendship".[64]

Thus without denouncing China as a deviationist or a great-Han hegemonist power, Vietnam has unequivocally supported the USSR both as a leading socialist state and a true friend of small countries. It has openly broken with China in supporting India on Bangladesh in 1971 and the emergency in 1975. Vietnam has stoutly defended Soviet socialist assistance while attacking Western "capitalist" aid. Pham Van Dong has declared: "Our (non-aligned) countries should be interested in developing relations with the Socialist countries on the basis of the principle of

[61] *Soviet News*, 6 May, 10 June and 8 November 1975. The term Vietnam refers to North Vietnam or DRV [Democratic Republic of Vietnam] and PRG [Provisional Revolutionary Government] in South Vietnam; COMECON, Council for Economic Mutual Cooperation, is the Soviet bloc's common market.

[62] Speeches by Brezhnev, 8 May 1975, *New York Times*, 9 May 1975, and by Kosygin, 28 August 1975, *Soviet News*, 3 September 1975; *ibid.*, 10 June and 8 November 1975.

[63] *Soviet News*, 10 June and 8 November 1975.

[64] Elizabeth Pond, "Hanoi Praises Moscow," *Christian Science Monitor*, 9 March 1976; Pham Van Dong's interview to Moscow Radio to mark the 30th anniversary of defeat of Germany, excerpts in *Pacific Tribune*, Canadian Communist Party organ, 30 May 1976.

mutal respect, equality and mutal advantage'' in order to destroy the old economic order and help create a new more just one.[65]

The reasons for this defiance of China are related more to Vietnam's experience than to the Sino-Soviet dispute. During the Vietnam War China refused cooperation with the USSR in sending aid to the embattled Vietnam.[66] Soviet assistance moreover was about 80% of total foreign aid. Vietnam therefore finds that China's accusations about Soviet hegemony and aid policy have a hollow ring. Moreover, with the war over, Vietnam has reverted to the unalterable geographic reality: territorial disputes with China, a close neighbour against whom Vietnam waged a liberation struggle for over a thousand years in the past. In 1974 China seized Paracel Islands from South Vietnam in a preemptive manner. In April 1975 North Vietnam captured the Spratley Islands which, too, China claims. So grave is their dispute that Hanoi is reportedly building its navy with Soviet assistance. In March 1976 both the Vietnam's published maps showing the disputed islands as their territory and in August a stamp to that effect was issued. Vietnam has also made radio broadcasts on the claim.[67]

This element has created a major Sino-Vietnamese rift which introduces a new dimension of Soviet-Vietnamese alignment into the Sino-Soviet conflict. By February 1976 Chinese presence in Vietnam had tapered off to non visibility. Observers note that China's virulent charge that the USSR wanted "to swallow Southeast Asia in a gulp", made in July 1975, was actually directed against Hanoi.[68]

The USSR is not taking things for granted and shows its sympathetic interest in Vietnam by giving aid and publishing voluble articles. *Peking Review* by contrast completely omitted coverage of Vietnam in 1976 except for a brief reference to production in South Vietnam and "warmest congratulations" on the re-unification reaffirming "revolutionary friend-

[65] Speech at the Non-aligned Nations' Conference in Colombo, August-September 1976, quoted in *Pravda*, 19 August 1976, *CDSP*, Vol. XXVIII, No. 3, 15 September 1976, p. 19.

[66] Harold Hinton, "China and Vietnam," in Tang Tsou, ed., *China in Crisis: China's Policies in Asia and America's Alternatives*, Vol. II (Chicago: University of Chicago Press), 1968, pp. 208-222.

[67] "Periscope", *Newsweek*, 16 February and 2 August 1976, and *The Asian Student*, 27 March 1976.

[68] *New York Times*, 11 July 1975 and 15 February 1976.

ship" with Vietnam. This reference, too, was couched in terms of attacks on hegemonism.[69]

Laos

Laos, like Vietnam, cannot ignore China's détente with the U.S. in 1971 and perfunctory support for its struggle since 1973,[70] and has therefore moved closer to the USSR. Prime Minister Kaysone Phomvihan led a large delegation to the 25th CPSU Congress. Nor can Laos provoke the powerful giant next door. China too needs Laotian friendship as a model of its good neighbour policy. The result has been a Sino-Soviet aid competition in Laos. In 1975 China donated 10,000 bicycles while the USSR flew in a cargo aircraft during the Thai blockade in December to complement Vietnamese airlift of goods from Soviet ships unloaded in Haiphong.[71]

In March 1976 Kaysone Phomvihan signed an aid agreement in China. But on ideology the two countries are not on the same wavelength. His visit was called by Peking an "official, friendly" visit — a cool term. Although Chinese leaders declared that they would carry on a struggle against hegemonism, Kaysone pointedly omitted reference to it but praised "China's influence on the struggle against imperialism, colonialism and neo-colonialism". No joint communiqué was issued.[72] American visitors to Laos in May 1976 saw a large number of Soviet and Cuban aid experts but very few Chinese. China's recent coverage on Laos has been scanty.[73]

Soviet-Laotian fraternal ties have become consolidated. In September 1976 Kaysone Phomvihan made a "goodwill visit" to Moscow, and held

[69] "Sun of Freedom," *Pravda*, 13 July 1976, p. 4; one on unification was published on 4 July 1976. *CDSP*, Vol. XXVIII, No. 28, 11 August 1976, pp. 13-14; *Peking Review*, Vol. 19, No. 25, 18 June 1976, p. 21; No. 28, 9 July 1976, p. 22.

[70] China welcomed the Laotian political settlement of September 1973 without echoing Pathet Lao's attack on "United States Imperialism." *Renmin Ribao*, editorial, "A Major Step Towards National Accord in Laos", test in *Peking Review*, No. 38, 21 September 1973, p. 8.

[71] John Everingham, "Mekong Blockade Rebounds", *Far Eastern Economic Review*, 16 January 1976.

[72] Text of speeches in *Peking Review*, Vol. 19, No. 12, 19 March 1976, pp. 3, 6-7. A ceremonial audience with Mao Tse Tung was granted to the Laotians. Also *ibid.*, No. 13, 26 March 1976, pp. 3-5.

[73] *Ibid.*, No. 26, 25 June 1976, p. 18, for a brief reference to Laotian achievements. Laos applied for a Chinese loan in April. *Far Eastern Economic Review*, 23 April 1976, pp. 24-25.

talks with Brezhnev in an atmosphere of "cordiality, comradeship and complete mutual understanding", and expressed deep gratitude for Soviet aid in the past and in the current Laotian stage of development. The two countries decided to expand cooperation and more significantly the two communist parties reaffirmed their "fraternal ties in a spirit of Marxism and Leninism and proletarian internationalism".[74] However small, Laos is an important ally to the Soviet Union in its international diplomacy and in the Sino-Soviet rivalry.

Conclusion

China and the USSR are compelled to conduct their rivalry in Southeast Asia from a position not of strength but of weakness and poor manoeuverability. Neither has a staunch, reliable ally there. Vietnam, though pro-Soviet, must remain strictly neutral in the Sino-Soviet conflict. It has mastered the art of walking on eggshells, in developing affinity with the Soviet Union without provoking open retaliation by China which is geographically too close for comfort.

The two antagonists evidently are aware of this situation and, even while hurling mutally shrill, vitriolic recriminations, are more cautious than rash. They can only woo the regional nations but not threaten them with either economic or military sanctions and have not even tried to do so.

What is the reaction of the anti-communist Southeast Asian governments to this uninvited foreign power rivalry in their area? They have many problems and preoccupations and powerful Western friends to assist them so that Sino-Soviet aid is not vital to their economic development especially since the ASEAN governments have chosen a capitalist and pro-Western path. Nor are they interested in even trying to play China and the USSR off against each other. They might welcome assistance but free of intra-donor rivalry. They still view China and the USSR with suspicion and ponder how each of them would exploit communist movements in order to assert its own authority as the leader of world Marxism.

Neither China nor the USSR can be said to have gained an upper hand over the other in the anti-Communist Southeast Asian countries except in a minor manner. In Burma China seems to be holding out. Indonesia's hostility towards China has become aggravated over East Timor but that is cold comfort to the USSR which has not gained much ascendancy in

[74] *Pravda* published a long article on 4 September on "Republic's First Year" praising Laotian recovery efforts. This news item and Kaysone's visit were considered important enough to be included in *CDSP*, Vol. XXVIII, No. 36, 6 October 1976, pp. 17-18.

Indonesia. Thailand, Singapore, Malaysia and the Philippines have developed warm ties with Peking but their flattering gestures and comments on China, including acceptance by some of China's stand on hegemony, are balanced with a careful preservation of friendly relations with the USSR. The latter, in fact, has diplomatic relations with all Southeast Asian countries except little Cambodia. China does not have diplomatic relations with Singapore and Indonesia.

In Indochina, as noted above, the Sino-Soviet rivalry has produced some discernible alignments. Laos and Vietnam have distinctly nudged closer to the USSR but preserved cordial relations with China. Cambodia's exclusive alliance with China and a marked coolness towards the Soviet Union seems more a reflection of the ideological stridency and national pride of the Cambodian leaders than a case of choosing sides. Whatever the case, the USSR is, at least for the time being, the loser in Cambodia and China in Laos and Vietnam.

Outwardly both China and the USSR are constrained to put a brake on the mutal invectives when dealing with Indochina. Neither can afford to lose the friendship of a communist country, however small, which excessive, clumsy propaganda can easily bring about. Both need more communist allies as feathers in their ideological cap. That is why Cambodia's open rebuff of the Soviet Union is not matched by Soviet admonishments, let alone retaliatory denunciations, but by perseverant cultivation of Cambodia's friendship. The Chinese have refrained from attacking "Soviet social-imperialism, hegemony and expansionism" when dealing with Laos and Vietnam.[75]

Where does the United States stand? Officially it assumes a posture of disdainful disinterest in the Sino-Soviet rivalry in Southeast Asia but in so far as it has built a global congruity of interests with China while retaining an adversary posture towards the USSR, the United States cannot be considered a neutral bystander, especially in Southeast Asia. Even before the announcement in July 1971 of Nixon's projected visit to China it had openly favoured China's reentry into Southeast Asia.[76] SEATO

[75] During his visit to China, the Laotian leader, Kaysone Phomvihan, prudently refrained from praising the Soviet Union while China's Acting Premier, Hua Kuo-Feng, also made no derogatory reference to "Soviet & Social imperialism." *Peking Review*, Vol. 19, No. 12, 19 March 1976, pp. 6-7.

[76] In a speech to SEATO Council meeting on 27 April 1971 in London Secretary of State William Rogers stated that the U.S. policy was not to deny China a growing role in Asia but to encourage it to be constructive rather than destructive. *State Department Bulletin*, Vol. 64, Part 2, 1971, 31 May 1971, pp. 682-84.

since then had ceased to be an anti-China grouping and was disbanded in 1976. China too had stopped attacking U.S. military bases in East and Southeast Asia and had not backed Thailand's desire to dismantle American military bases on its soil. In fact, China has welcomed a strong U.S. presence in Asia to counter Soviet influence.[77]

In the post-Vietnam phase, Sino-American community of interests in Southeast Asia against the USSR has been strengthened. The United States is too sophisticated for its spokesmen and leaders to openly and authoritatively voice this view but it has found expression through a kind of journalism which in the US. has an authoritative aura. Joseph Alsop, a well-known "establishment" columnist, has raised a question: "As North Vietnam steps up its march to empire, in alliance with Moscow, will Peking risk a major confrontation with the Soviet Union to try to stop it?" His answer is: "As the Soviets are effectively allied to the North Vietnamese, so we, in an odd way, are at least the silent partners of the Chinese. If Hanoi's drive for conquest is stopped where it is, things will go on much as they are today. But if China fails to halt the North Vietnamese, one can foresee an early and really thunderous fall of many more dominoes. Malaysia, Indonesia and Singapore will be deeply affected, and the whole hard-won American position in the Western Pacific will begin to founder".[78] This then is another version, rather perpetuation, of the discredited domino theory with a new tacit alliance between the U.S. and China pitted against the Soviet-Vietnamese alignment. The recent military coup in Thailand which destroyed all prospects of civilian democracy, dashed hopes of reconciliation between Thailand and its Indochina neighbours and in which a U.S. supportive role has been detected[79] has an element of an anti-Vietnam,anti-Laos as well as a domestic anti-left move.

[77] See Mahajani, in *Southeast Asia, op.cit.*, p. 735, and in *LYWF, op.cit.*, p. 120.

[78] Alsop is also strongly sympathetic with China's ally, Cambodia, as a victim of North Vietnamese aggression and claims: "Whereas the Cambodian Communist Party is solidly dominated by passionate nationalists, the reverse is true of the Lao Communist Party, the Pathet Lao" whose real leaders long ago gave their full allegiance to Hanoi" and who have allowed Laos to be "under what amounts to a military occupation by the North Vietnamese." Joseph Alsop, "Showdown Over Southeast Asia?" *Reader's Digest*, December, 1975, pp. 137-42. *Reader's Digest* may not be a "scholarly" journal but it is an important popular vehicle of expression of the American government's thinking. It may be called the American common man's "Foreign Affairs" and of course something more. For similar analysis see Martin Woollacott of *Manchester Guardian*, "Dominoes Piling On Vietnam," *Victoria Times*, 27 March 1976.

[79] E. Thadeus Flood, "The United States and the Military Coup in Thailand: A Background Study," published by Indochina Resource Center, Washington, D.C., 1976. Sev-

Unless President Jimmy Carter drastically alters the Nixon-Ford Southeast Asian policy, the United States will probably do nothing to alleviate Sino-Soviet rivalry in Southeast Asia but will probably consolidate its relations with China to further isolate Vietnam from the United Nations. It is also likely to encourage expansion of China's role in Southeast Asia as a check to the Soviet Union and Vietnam. The United States has neither created nor aggravated the Sino-Soviet conflict. That as an actor in international politics it would use that rivalry to further its interests is another matter.

Being a result rather than a cause of the basic feud, the Sino-Soviet rivalry in Southeast Asia will not end until that stubborn conflict itself is resolved, their relations normalized and their mutual fear of encirclement and collusion with each other's enemies is reduced. Hopes for this appear dim although the USSR apparently desires it. At the 25th CPSU Congress, Brezhnev declared: "We are ready to normalize relations with China in line with these principles (equality, respect for sovereignty and territorial integrity, non-interference in each other's internal affairs and non-use of force) of peaceful co-existence. More than that....we stand for the restoration of good relations in line with the principles of socialist internationalism."[80] China's response even after Mao Tse Tung's death has been negative. Vice Premier Li Hsien-nien has violently attacked the Soviet Union as "wildly ambitious" and guilty of "criminal action" in Africa.[81] With no let-up in the Sino-Soviet global conflict, their rivalry in Southeast Asia too is likely to become more irritating and irrational in the foreseeable future.

eral close observers suspect that the U.S. role came through the Office of the U.S. Military Attache. While the Thai left wing and neutralist elements have endorsed the demand of the Indochina states to end what the Cornell University's scholars call "the huge American military and intelligence presence on Thai soil," the Thai military leaders strongly desire its retention which has produced for them and for the "bureaucratic cliques" of Thailand "an intimate, immensely profitable relationship with Washington," Background material supplied by Thailand Information Project, Cornell University, Ithaca, New York, October 1976, headed by Professor George McT. Kahin.

[80] Excerpts in *Pacific Tribune*, an organ of the Communist Party of Canada, 12 November 1976, p. 6.

[81] A speech at a banquet in November 1976. The undiplomatic violence of the language prompted the Soviet bloc ambassadors (but not those of Vietnam and Laos) to walk out. A Western reporter, Ross Munro, wrote: China has categorically rejected the conciliatory gestures Moscow has been making to Peking since the death of Chairman Mao Tse Tung on September 9." *Victoria Times*, Canada, 16 November 1976. Huang Hua, in a U.N. speech on 8 November 1976, denounced U.S.-USSR rivalry for hegemony as being irreversible and "exposed" Soviet "pretensions of detente." *Peking Review*, Vol. 19, No. 47, 19 November 1976, pp. 28-29. The Chinese are even claiming to be prepared for an "inevitable war" with the Soviet Union. Li Hsien-nien's remarks to *Le Figaro, Paris*, 3 November 1976, *Victoria Times*, 4 November 1976.

New Directions in ASEAN Relations

Estrella D. Solidum

At the First ASEAN Summit meeting held in Bali on February 23-27, 1976, the heads of the member states finally made a decision to include political cooperation among its objectives. This item was conspicuously absent in the ASEAN Declaration of 1967, although it may be said with some measure of accuracy that political considerations were behind the stated objectives of economic, social; and cultural cooperation and that the political will was the sustaining factor in its life. In a manner of retrospect, we may say that ASEAN, from 1967 to 1976 prepared the way for the latest decision by the members to make a commitment to political cooperation. ASEAN in its earlier years provided for "safe" collective projects by which member states, long separated by historical circumstances, could learn to work together for recognized common goals. Thus member states, having profited from earlier lessons in cooperation, may have shed off some of their apprehension about dealing with political matters, which since 1947, had been identified as one of the reasons for the collapse of earlier attempts at regional cooperation.

Definition of Political Cooperation

Although political cooperation has not been formally defined by the heads of states of ASEAN themselves, it has been understood in some consensual way. We may offer a definition at this point. The clue to political cooperation is its occurrence at a higher level of officialdom. The groups involved at this level make policies that are seen from wholistic interests rather than from sectoral viewpoints. These groups can commit the collectivities that they represent because of their higher decisional authority. These groups also have the authority to redefine national interests into the bigger regional interests. Political cooperation involves broader categories of issue areas dealing with international political developments and domestic problems which demand the allocation of scarce values. It further encompasses negotiations among these groups

which will look at not only present advantages but also long-range general relationships, thus implying also prospects for the future of the members themselves. Some consequences arising from political cooperation may be enumerated. Organizational decisions will be more binding. Bargaining style will change from competitive positions to those favoring expectations of general benefits. The scope of decisions, that is, the number and kinds of issue areas will be on broader categories. In the future, we may also expect the evolution of a centralized decision-making unit for the organization. Altogether, these are envisioned to strengthen cooperation at all levels and provide new directions in ASEAN relations.

A number of decisions may be mentioned to show that this declaration of political commitment in the ASEAN Concord could lead to what has been said.[1] In previous years, ASEAN member states had given much attention to the verbal projection of the ideology of regionalism and fell short of realistic action. However, this was not a wholly undesirable thing because its central usefulness lies in getting the idea acceptable. But nonpolitical projects, except for a very limited few, which preoccupied the organization since 1967 had not gone farther than "fringe integration" referring to consultation and planning activities. With the Bali Conference, ASEAN has begun its pragmatic course of action, away from ideologism.

The political provision of the ASEAN Concord implies the casting away of constraints in favor of the more candid use of the members' political will and for interaction in political matters. Officials of member states of ASEAN no longer have to talk about political subjects in the "corridors" of ASEAN meetings. Now ASEAN members have adopted a program of action for political cooperation. For example, 1) heads of governments of member states must meet as and when necessary, which may be interpreted to mean that authoritative or political decisions may now be sought whenever needed; 2) parties shall settle intra-regional disputes by peaceful means as soon as possible within the framework of ASEAN;[2] 3) member states have decided on the initial steps for the establishment of the Zone of Peace, Freedom, and Neutrality; and 4) they shall improve the ASEAN machinery to strengthen political solidarity

[1] ASEAN, *Declaration of Concord*, Bali, February 27, 1976.

[2] ASEAN, *Treaty of Amity and Cooperation in Southeast Asia*, Chapter IV, Article 14, Bali, February 24, 1976.

by promoting the harmonization of views, coordinating positions, and where possible take action.

In the context of new developments in Asia and in other parts of the world and mindful of the realities in the politics of each of the ASEAN states, political cooperation will demand that the highest policy-makers review the regional goals as well as the capabilities that would be available to the organization. It may be possible for the five states to arrive at some crystallized views of international events and by constant sharing they may evolve some mutually shared perceptions of what the threats to security of the region are. Among such international developments are the oceanic dimensions of the interests of the superpowers, the implications of the growing interests of Indo-Chinese communism in the region, the increasing influences of multinational corporations, and the reluctance of the developed countries to cooperate with the developing countries for their economic growth, and to formulate regional responses as well as regional initiatives to meet those events with. At a political level, a total view is possible, wherein the discrete areas of cooperation are invested with significance as in a cognitive map. At this stage of ASEAN's life, there has developed among the members a stronger ASEAN spirit which enables them to adjust their apparently diverse views of what should be the paths to be taken towards regionally accepted goals.[3] This ASEAN spirit is further strengthened by the Bali decision for amity among members. Additionally, the provision that summit meetings can be held as often as necessary eliminates to a great extent the social and political distances among their leaders.

The Bali meeting reiterated the idea that progress, prosperity and welfare under conditions of peace and security are the goals of all regional activities. One of the means towards this goal is the strengthening of national and regional resilience. Within this framework, the member states may find many more substantive areas for cooperation.

The Declaration of Concord provides such new and specific areas. For example, whereas before the Bali meeting the member states had no consensus on the need to settle intra-regional disputes within the ASEAN framework but would rather leave the disputing states to settle their problems bilaterally, now the member states can invoke the latest agree-

[3] No less than Prime Minister of Singapore Lee Kuan Yew states this in his opening speech at Bali, February 23, 1976.

ment. One of the reasons for the reluctance of ASEAN member states to use ASEAN as a framework for the settlement of problems was the fear that any failure resulting therefrom would be construed as the failure of ASEAN. Another of course was the low intensity of regional spirit which could also be interpreted as a preoccupation with national interests. Many misunderstandings await settlement within the framework or with the spirit of ASEAN, to name a few, the Thai-Malaysian efforts to crush the communists at their common borders, the secessionist movements in the Moslem-inhabited areas of the Philippines and Thailand, the harmonization of views regarding the Indonesian action in Timor, the establishment of diplomatic relations with the People's Republic of China and the difference in some aspects of their foreign policies arising from the differential perceptions of threats coming from the neighboring states. The Treaty of Amity and Cooperation provides for a High Council to handle situations likely to disturb regional peace and harmony.[4]

Another new subject for political cooperation is the operationalization and implementation of the strategy towards the establishment of the Zone of Peace, Freedom, and Neutrality. Whereas earlier the Zone was regarded as merely an ideological concept which did not even evoke a consensus as to its meaning, the Bali summit meeting crystallized this and the step-by-step strategy by which the Zone might be realized for immediate implementation.

Taking cognizance of the long-time absence of political decisions which caused the non-implementation of economic and other non-political collective plans, the Bali meeting directed the member states to provide for the harmonization of views, coordination of positions and where possible and desirable, the use of common actions, all aimed at strengthening political solidarity. Particularly in the field of economic cooperation, substantive projects could not be started in previous years because of the lack of decisions among the political leaders.

As analyzed by the Chief Economist of Bank Negara Malaysia, some of the obstacles to closer economic cooperation arose from the lack of a political commitment to aspire towards an integrated ASEAN.[5] As a

[4] ASEAN, *Treaty of Amity and Cooperation*, Bali, February 24, 1976.

[5] Lin See-Yan, "Progress, Problems and Prospects in ASEAN Economic Cooperation: A Malaysian Perspective" in *The ASEAN: Problems and Prospects in a Changing World*, Chulalongkorn University, December, 1975, pp. 73-75.

result of this deficiency, the question of economic integration in any form, whether as a free trade area, custom union, or a common market — as a long term objective — never really arose. This explains how efforts at economic cooperation have remained largely *ad hoc* and uncoordinated. Moreover, in the absence of such a political commitment to regional integration, national interests remained paramount and would not consider some national sacrifice in favor of the increased welfare of a regional whole. The absence of a political commitment towards particular regional goals has also resulted in negotiations on relatively unimportant issues of economic cooperation. Hand in hand with the dominance of national interests, trade policies of ASEAN member states have not been in accord with the active promotion of regionalism, as may be seen in the persistent traditional trade patterns. Finally, one of the main reasons for the small progress towards economic cooperation is the inability of the members of ASEAN to trust in the benefits of regionalism, because initially it would benefit primarily the most advanced partners.

Cooperation is seen to be meaningful if it occurs in areas that pertain directly to the welfare of the people rather than in "barren" areas.

The Bali meeting identified the specific, pragmatic, and positive aspects of economic cooperation, which are seen to be very different from the projects that were being discussed in earlier years and which appeared to be marginal to the real needs of the people. Food and energy were singled out as two of the basic commodities which member states shall assist each other on in critical circumstances and on matters of production. Earlier, some sectors had doubts that energy products could be shared due to extra-regional commitments.[6] As one of the first acts to implement this provision, Malaysia has recently agreed to supply crude oil to the Philippines based on a daily amount of crude oil barrels. Large scale industrial plants to meet regional requirements of essential commodities are now being discussed for their establishment, based on the criteria that such industries will contribute to the increase of food production, increase foreign exchange earnings, and create employment.

Pursuant to the decisions at Bali, the Second Meeting of the ASEAN Economic Ministers was held in Kuala Lumpur on March 8-9, 1976. The aim was for ASEAN to shift from broad generalities to practical details in order to give effect to the Bali Summit decisions. The Economic Minis-

[6] *Far Eastern Economic Review*, February 6, 1976.

ters agreed that the guiding principle for cooperation in basic commodities, particularly on pricing, should be the spirit of assistance which will help build ASEAN's economic resilience and refraining from taking advantage of the adverse position faced by their partners.[7]

The Economic Ministers also identified the five projects to constitute the ASEAN industrial plants. Indonesia and Malaysia would establish the plants for urea; the Philippines, superphosphates; Singapore, diesel engines; and Thailand, soda ash. This decision reflects a great advance over the situation in recent years characterized by great hesitancy to engage in "package deals." The meeting further furnished specific directions for cooperation in trade by naming the products that could be the subject of preferential trading arrangements for the expansion of intra-ASEAN trade. Such products are corn, sugar, vegetables, fish, meat, cement, tobacco, coconut and palm oil, and sawn timber. Tariff preferences are to be accorded on a bilateral or multilateral basis on an item-by-item basis. This tariff preference decision indicates a marked improvement over the former existence of divergent views regarding the desirability of a free trade zone especially the unacceptability to Indonesia of Singapore's proposal for a free trade area. These differences had delayed ASEAN in taking positive steps for real economic cooperation. Meanwhile the machinery for economic cooperation will be reviewed and reformed. The Economic Ministers also agreed on joint approaches to other world economic problems that are under consideration in international bodies such as the US, ADB, IMF, UNCTAD, and ESCAP. An ASEAN machinery will be established to dialogue with third countries and regional groupings or blocs. These latests decisions involving political commitments may be the answer to the problems of ASEAN economic cooperation which economists have identified.[8] These problems are summarized into the following: lack of clear economic objectives, no decision on the form of cooperation schemes, lack of political decision for the "package deal" — a plan that involves not only efficiency of economic feasibility considerations but political prestige considerations; approach to be used

[7] ASEAN, *Report of the Second Meeting of ASEAN Economic Ministers*, Kuala Lumpur, 8-9th March, 1976.

[8] Chaiwat Viboonswaki, economist of the Bank of Thailand, and Dr. Lin See Yen, Chief Economist, Bank Megara, Kuala Lumpur, Malaysia identified these problems in *The ASEAN: Problems and Prospects in a Changing World* (Bangkok: Chulalongkorn University, December, 1975).

— step-by-step or comprehensive approach, equity or compensation for sacrifices made or losses sustained from the economic arrangements, and the institutional framework to handle the cooperative schemes to harmonize individual national interests with common goals of the group.

On the social cooperation aspect, the Declaration of Concord identified the low-income groups, particularly the labor sector, and the rural population as targets for social development.

To implement the specific mandates of the ASEAN Declaration of Concord for social development, the labor ministers of the member states of ASEAN met in Baguio City on May 17-19, 1976.[9] The meeting adopted, among others, a Seven-Point Program of Action on the social development needs of the region in the field of labor and human resources development and the ASEAN Position on the Basic Needs Strategy, a position that has been accepted by the World Conference on Employment of the International Labor Organization in June 1976, and as the core of the United Nations Third Development Decade. This is based on the philosophy that the development of a country must consider the development of human resources — that is to say, low-income people must be given social justice and lifted from the poverty line.

Since in ASEAN states, except in Singapore, the large majority of the population are in the rural areas and are living in poverty, the labor ministers agreed that national policies should be directed towards providing for greater employment opportunities as one of the steps toward social development. Necessarily, data on human resources development and employment promotion will be analyzed and used for long term projects. For example, member governments are advised to use employment-oriented policies and to shift investment resources from capital-intensive technology to appropriate technology which use correct employment policies and raise the levels of income of the poor. In this connection, "protective technologies" will be developed to protect the ecology and natural resources of developing countries. These are among the items contained in the Basic Needs Strategy whose target has been identified as the "working poor" with incomes below a nationally established level of subsistence.

Following this position, the ASEAN states labor ministers identified

[9] ASEAN, *Report of the Special Meeting of ASEAN Labor Ministers*, Baguio City, May 17-19, 1976, p. 7.

six areas for policy changes if the Basic Needs Strategy is to be carried out. First, goods and services that meet the basic needs of the poor should be produced. Then technologies to produce these products should be labor-intensive. A population policy should be adopted to make it socially unacceptable for a family to have more children than the society can support adequately. The governments should use price policies that will improve the terms of trade of the working poor. Resources should also be protected in as much as the workers derive their livelihood from them. Finally, governments must guide all sectors towards employment-oriented projects. Multinational corporations will be made to adhere to national development objectives through a set of "rules of the game" or an international code of conduct.

The Bali Conference, mindful of the original ASEAN Declaration that ASEAN is not a security pact, recognized the need for continued cooperation on a non-ASEAN basis between the member states on security matters. This position is interpreted as a "safe" position for ASEAN members to take because at this stage, there is only congruence and not yet identity in their perceptions of the nature of the threats to the region.[10] Besides, ASEAN states do not, as of now, have military capabilities for any regional military action. But all these are not to be seen as drawbacks for ASEAN. This is in fact an appropriate position to take when cooperation on such critical matters is at an early stage. Political cooperation will in time evolve mutual perceptions of the threats and more importantly, a definition of the ASEAN concept of security. There has been a widespread, nearly a shared view, that security does not refer only to its military aspect but to many other things.[11]

Therefore, whereas before ASEAN concentrated on known common interests for cooperation, now it is possible for this organization, through political cooperation, to develop mutuality on areas of concern that have been heretofore unshared or diverse. One of the Bali meeting decisions was to introduce ASEAN studies in the institutions of learning. This is one of the identified ways by which sharing of ideas is developed.

[10] Estrella D. Solidum, *Towards a Southeast Asian Community* (Quezon City: University of the Philippines Press, 1974), pp. 101-105, 123-125.

[11] There is ongoing research among the faculty of Political Science, University of the Philippines, to draft a framework for a theory on security which looks at the concept apart from its current negative definitions.

To appreciate the new directions that have been opened to ASEAN as a result of the Conference of the Heads of States in ASEAN in Bali, we must first mention the Treaty of Amity and Cooperation in Southeast Asia issued at the same conference. This Treaty furnishes the mood of mutual trust among the members. It is this mood that gives confidence to ASEAN member states to adopt the program of action as a framework for ASEAN cooperation. The new directions that will emerge from this program of action are seen to be consequences of the new area of cooperation which is the political. It is what may be identified as the impelling and emerging force for the non-political but equally important areas of cooperation, for enabling ASEAN to take on new initiatives in and responses to the political challenges of the regional and international milieu, for putting ASEAN cooperation on a pragmatic course instead of on an ideological course, and for further enabling the members to raise their interests from national to regional level through their activities of harmonizing their views and policies. It is our belief that the implementation of political cooperation as spelled out in Bali, together with the non-political, will have stabilizing effects in the region even as the member states move along towards their goals of peace and prosperity.

Sino-Vietnamese Party and State Relations, 1954-1975

Brian C.J. Shaw

Sino — DRVN Party — State Relations, July 1954-May 1975.

The policy of the People's Republic of China (PRC) towards the Democratic Republic of Vietnam (DRV, or North Vietnam — now a constituent of the Socialist Republic of Vietnam) since the Geneva Conference of 1954 has reflected the changing estimates by the Chinese leaders of threats felt from both the United States and the Soviet Union, as well as judgements concerning the correct application of ideological tenets and of the "national interests" of China. At the same time, the leaders of the DRV, after an initial "low posture" of uncritical imitation, have seized all available opportunities to stress the independent nature of their own policies, while striving to retain the maximum degree of ideological and material support from both the Soviet Union and China. Central to the relations between the two Asian communist states have been the implications flowing from the DRV's ultimately successful policy of seeking to annex South Vietnam by force of arms. During the 21 years from 1954 to 1975, Peking-Hanoi relations underwent developments which suggest major and overdue adjustments to the traditional Chinese view of the Vietnamese people and state centred in the Red River Delta region. This interpretative essay examines some of the major features of these relations, and draws some tentative conclusions regarding likely future developments.

The evolution of relations between the parties and states since 1954 can arbitrarily but conveniently be divided into four periods, roughly coinciding with major decisions or events in each country:

(a) **1954-1959** — the years of Vietnamese "low posture" towards China, flowing from the DRV's urgent need for economic aid and China's concern for socialist construction in the wake of the Korean conflict;

(b) **1960-1964** — a period of difficulties for both states associated with a rejection of the hegemony of the Communist Party of the Soviet Union;

(c) **1965-1972** — a period of severe testing of existing institutions through external attack (later for China than for DRV), developing internal dissension, and reassessment of the external "balance of forces";

(d) **1973-1975** — a period of political and military manoeuvering to maximise advantage by exploiting weaknesses of the opposing forces: exposing major differences in short- and medium-term goals and choices of means to achieve those goals.

(a) First period — 1954-1959

No doubt the DRV's acceptance of the Geneva Conference's cease-fire provisions and Final Declaration owed much to a pragmatic concern for the politically feasible: the dangers of an American military commitment on the side of the French clearly weighed heavily on both Chinese and Vietnamese political (although perhaps not both military) leaders. Nevertheless, the political unification of Vietnam was still unachieved.

During the first years after the Geneva Conference, relations between Peking and Hanoi seem to have been cordial but not especially intimate. The urgent need of the DRV after mid-1954 was for economic assistance, followed by political consolidation of the regime. The Chinese early sent gifts of food and at the end of 1954 agreed to send technicians and other experts to the DRV to assist in the restoration of communications facilities (notably the rail loop which linked China's two southern lines and through an extension provided entry to the port of Haiphong). It is noteworthy that the DRV leaders were at first at pains to reassure their people that the presence of Chinese technicians was "by invitation" and that the Chinese aid was being rendered "entirely in the interests of the DRV" (perhaps to counteract a general suspicion and resentment of a substantial Chinese presence and recollections of looting by Lu Han's troops nine years earlier), although the Chinese experts behaved in an exemplary manner. There is evidence to suggest that not all of the aid and credits offered were put to best use, but this assistance from fraternal countries enabled Premier Pham van Dong to tell the DRV National Assembly in April, 1958 that the period of "economic restoration" had been concluded successfully.

An important part of the strategy of "economic restoration" had been a continuation of the land reform programme, begun on an experimental basis in early 1953, codified in an "Agrarian Reform Law" of December, 1953 (virtually a word-for-word copy of the Chinese "Land Reform

Law'') and further developed over the next three years. Land reform was an essential step in preparing the way for the ''transition to socialism'', and the promise of land before Dien Bien Phu had served to enhance the identification of landless peasant soldiers with VWP policies. It also served as an instrument for political consolidation of the regime after 1954, through the elimination from economic and political power of real or supposed ideological enemies. The well-known popular reaction against the excesses of the land reform programme resulted at the end of 1956 in the institution of the so-called ''rectification of errors'' programme; but by April, 1958 only some 50% of land and 40% of cattle ''mistakenly'' confiscated, requisitioned or forcibly purchased had been returned to persons ''wrongly classified'' as landlords. The central theme of the Three-Year Plan (1958-1960) of the DRV — belatedly announced in December, 1958 — was the further development of agricultural production, which was to be achieved through the formation of low-level agricultural producers' co-operatives (APC's). The rules governing low-level APC's were also closely modeled on the Chinese rules, and the major guidelines for the development of the campaign — expressed by Truong Chinh in May, 1959 — drew heavily on recent Chinese experience. However, there was no concerted effort in the DRV at this time to emulate the speed and scale of China's ''socialist upsurge'', ''great leap forward'' or experiments with communes.

Preoccupied with internal problems of policy and consolidation of authority, the DRV and China pursued their separate external goals from mid-1954 to mid-1960. Both governments were represented at the Bandung Conference in April, 1955, but made strikingly different assessments of the Conference's work. *Jen-min Jih-pao* stated that ''positive proposals and measures'' had been brought forward, and ''important achievements'' had been won, both inside and outside the Conference (thus reflecting Chou En-lai's success at Bandung in calming the fears of other states concerning China's foreign policy intentions in Asia); but for the DRV delegation, the Conference had achieved ''some results'' and had ''passed some resolutions'' — a distinctly reserved appraisal. These differing viewpoints implied a willingness on the part of Peking to subordinate Hanoi's foreign policy goals to wider Chinese interests, a state of mind quite comprehensible in terms of traditional ''bourgeois'' power politics but at variance with the ideal of ''proletarian internationalism''.

In July and August, 1955 the Saigon leader Ngo dinh Diem made it clear that his Government was not prepared to meet with the DRV to

discuss the "national unification" elections that had been vaguely foreshadowed in the Geneva Conference documents. Peking's concern for the Vietnam issue at this time was limited to demanding that the U.S. "should not encourage the South Vietnam authorities to wreck the Geneva agreements".

In early 1956, the VWP's reaction to de-Stalinisation was to assess that while Stalin had made "great contributions to the Revolution", nevertheless "he also made serious mistakes" — an ambiguous assessment which sought to avoid giving offence to either the Chinese or the Soviet view. In the wake of de-Stalinisation, the DRV attempted to emulate China's "Hundred Flowers" policy towards its intellectuals, but in the face of a consolidating threat to Party authority was forced by early December, 1956 to cancel the experiment and re-assert strict controls over the expression of opinion.

Chou En-lai made his first visit to Hanoi (from 18 to 22 November, 1956) in the wake of the admission of "errors" in land reform and the crushing of an armed but geographically limited revolt against the VWP regime, and also in the wake of the Soviet Army's intervention in Hungary: his message, that China would always oppose great-nation chauvinism, had a special meaning in Hanoi despite the repetition by Chou of the same theme in Phnom Penh and Rangoon shortly afterwards. The Vietnamese had cause for misgivings concerning the possibility that China might use the fact of internal armed dissidence in the DRV as an excuse for direct intervention, since China had urged the Soviet Union to use force to crush the Hungarian uprising only a few days before. The Hanoi daily *Nhan Dan* echoed this fear when, in greeting Chou, it affirmed that China and the DRV fully respected each other's independence, sovereignty and territorial integrity, and that the two countries dealt with each other in a spirit of independence. In a symbolic act seeking to alleviate their apprehensions, Chou visited the shrine of the Trung sisters (famed leaders of an unsuccessful revolt against Chinese rule in 39-41 A.D.) and laid flowers in memory of their sacrifice.

The VWP leadership in the following months was in some disarray concerning what internal policies to adopt — a rectification campaign was waged from April to October, 1957 — and also what policies to adopt towards the Ngo government in Saigon. The date proposed at Geneva for the national unification elections — 20 July, 1956 — had passed without any sign of softening in Ngo's refusal to meet with DRV representatives, and the struggle for unification by "political means" had brought no concrete results. The VWP's Second Central Committee at its 12th

Plenum in March, 1957 devoted part of its attention to summarising experience in the struggle against the French "in order to prepare for our anti-US struggle". Details were not published, but the Plenum probably discussed in detail the deteriorating situation of the southern cadres and the ripeness of the southern people generally for acceptance of a return to forms of armed (as opposed to political) struggle against the Saigon authorities. The Plenum also agreed to build up national defence and to strengthen the army as essential tasks: the priority task of the North was to increase its economic, military and organisational strength. At about this time, Le Duan reportedly departed for the South in order to make a detailed study of conditions there for subsequent report to the VWP Central Committee.

On 7 March, 1958 DRV Premier Pham van Dong wrote to Ngo dinh Diem for the first time in more than half a year, again proposing discussions between the two sides, in particular on the questions of troop reductions and mutual trade. While (as in the past) Ngo made no reply, the Chinese reaction was stronger and more authoritative than it had been for many months; reflecting the turn in late 1957 to less conciliatory domestic and foreign policies. A Chinese Government statement expressed "grave concern" over recent US actions in South Vietnam. Four months later, events in Laos led to the insistence by Chinese commentators that "peace in the three Indo-Chinese territories is indivisible".

Le Duan returned to Hanoi from South Vietnam in late 1958, and in early January, 1959 the VWP Central Committee convened its 15th Plenum which concluded that the task of building up the economic, political and military strength in the North was now *indivisible* from the task of completing the "national-democratic" revolution in the south whereas formerly these tasks had been considered separate and self-contained. The Plenum also concluded that in the South it was necessary to use "revolutionary violence" to oppose "counter-revolutionary violence"; it was time to resort to armed struggle combined with political struggle, rather than the latter alone, if the southern revolutionary movement was to maintain momentum. By October, 1959 the armed struggle in Southern Vietnam had commenced.

There is no firm evidence that the VWP leaders consulted with the Chinese leaders before making the above decisions of major importance and consequence, although a delegation led by Ho chi Minh stopped over in Peking shortly afterwards en route to Moscow, and Peking and Hanoi coordinated a campaign to influence international public opinion in protest at the alleged massacres of early December,

1958 at Phu Loi "political re-education camp" in South Vietnam. The campaign, fueled in May, 1959 with the promulgation by Ngo dinh Diem of "Law 10-59", culminated in widespread demonstrations on the anniversary of the Geneva Agreements. Despite this evidence of increasing alertness on the part of Peking to events in southern Vietnam, there was not yet any suggestion of Chinese concern at the possible international consequences of the VWP's decision to give priority to armed struggle over political struggle as the main means of achieving unification of Vietnam.

This first period (1954-1959) is thus characterised by development of distinctively different styles of both domestic and international behaviour by the two states. On the Chinese side, the euphoria of 1954 and 1955 is tempered by the need to respond to the complex of problems related to the problem of authority within "the international communist movement", to the failure of the initial attempts (in 1958) to develop a distinctive "Chinese way to socialism", and to the defensive psychology of the leadership by late 1959 after the failure of the Quemoy/Matsu offensive (1958) and the policy struggle between Peng Teh-huai and Mao Tse-tung and their *pro tem* associates.

On the Vietnamese side, the VWP was fundamentally committed (as perhaps any patriotic government would have been) to the goal of a unified Vietnam, and other issues and relationships had to be adjusted accordingly. The 15th Plenum's decision implied the VWP's fundamental independence of pressures or ideological *pronunciamientos* from either the CPSU or the CPC, and it must have been taken with an understanding that the highest degree of cooperation with both USSR and PRC should be sought in order to meet the eventuality of a developing US military response. This eventuality must have seemed sufficiently remote, however, to justify the risks involved in the new policy.

(b) Second period — 1960-1964

Chou En-lai paid a second visit to the DRV from 9 to 12 May, 1960. A major purpose of the visit was evidently to seek VWP support for the theses expressed shortly before in "Long Live Leninism!" directed against the policies of the Soviet Party leaders; but the Vietnamese spoke favourably of the Soviet views while praising China's economic assistance to the DRV. It is curious that at the close of the visit both Pham van Dong and Chou En-lai spoke of the further strengthening of relations of mutual aid and cooperation between two countries, since in fact no references to any substantial Chinese aid were made in the immediately following months. One reason for this may have been the inability of

Peking to extend any substantial assistance later in 1960 and in 1961; or the Chinese may have been unwilling to extend aid because of the VWP's movement towards Soviet economic and ideological orthodoxy at its Third Congress, held in Hanoi in early September, 1960.

This movement toward Moscow was most clearly exemplified in the stress on industry (especially heavy industry) as a basis for socialist transformation, which underlay the details of the DRV's First Five-Year Plan as expounded at the Congress. Early in 1960 the stress had still been on agriculture as the basis of economic development. The change in VWP policy in the intervening months probably reflected two major considerations: an assessment of the likely effect on the DRV of too close an alignment with Peking's line against Moscow, particularly in view of the Soviet withdrawal of experts from China from 16 July, 1960; and a resolution of a debate which had been waged early in 1960 between Truong Chinh and Le Duan concerning the proper coordination of the "socialist transformation" in the north and the "national democratic revolution" in the south, and the strategy and tactics appropriate to each of these tasks. Nevertheless, while the Chinese delegation to the Congress attacked "revisionism", it also praised the VWP's "correct revolutionary line" concerning internal and external developments.

With the further development of the Sino-Soviet differences at the Moscow Conference in December, 1960, it became clear that the VWP tactic of declining to extend complete support to one party to the detriment of the other had now been elevated to a major strategy. Le Duan told the VWP Central Committee on his return from the meeting that the VWP would "study thoroughly and apply creatively the collective experiences of the fraternal countries in combination with our own experiences". In March, 1961 he said publicly that "we have learnt much from China, now as in the past", but "we do not model ourselves on the Chinese"; "we have to learn from others, but only what suits us".

As is well-known, a major decision of the VWP's Third Congress had been to agree to set up a "national united front" in southern Vietnam "under the leadership of the Marxist-Leninist Party of the working class" — a strategy which had been urged earlier by Truong Chinh. At the beginning of 1961, Peking's relative lack of interest in the situation in South Vietnam was suggested by the fact that the announcement of the formation of the "National Front for the Liberation of South Vietnam" (NFL) was carried inconspicuously and without comment on page six of *Jen-min Jih-pao* of 31 January, 1961. However, the level of Peking's concern was raised considerably by developments in the next few months.

One of the first assertions from Peking that "the masses" in South Vietnam had "been compelled to take up arms and engage in guerrilla warfare" in order to "resist the brutal suppression by the Ngo dinh Diem clique" was made on 1 April, 1961; on 13 April, the Chinese Foreign Ministry expressed "grave concern" at developments in South Vietnam; and exactly a month later the Johnson-Ngo dinh Diem communiqué signed in Saigon indicated that the American military involvement would be considerably stepped up in response to the insurgents' escalation. Study missions to the Republic of Vietnam (RVN) followed in June and July (Dr Eugene Staley) and in October (General Maxwell Taylor). The Chinese, understandably, were considerably agitated by these missions and, in December, 1961, a military delegation led by Marshal Yeh Chien-ying visited the DRV for 16 days. The major purpose of the mission was not publicised. Some observers sought to detect evidence of Peking's desire for a Peking-Hanoi military pact. Whether this was so or not, it seems that at least one important concern of the delegation was to persuade the VWP leaders that greater formal logistic support (and possibly support personnel) should be contributed by the DRV to the southern revolutionaries in order to underwrite the latters' chances of success against an increased US level of military assistance to the RVN Government forces.

The VWP did not agree to any such proposal. Mid-way through the delegation's visit, and almost as if designed to strengthen its arguments on this question, the NFL leaders published a message directed to foreign governments and stating that "if the need should arise" the NFL would appeal "to friendly countries for assistance". A similar foreshadowing of an appeal "for all-round support, including material assistance" was stated a month later by an NFL official visiting Peking. Since no such suggestions had been made publicly by Hanoi, the statements implied a judgement on the part of some southern insurgent leaders (possibly shared by some, but evidently not all, of the VWP leaders) that without external aid they might not be able to survive. The Chinese returned in 1962 and 1963 to the need to extend greater assistance to the insurgents, and (as will be shown) the VWP finally agreed, in December, 1963, to send regular units of the People's Army to South Vietnam.

From the point of view of Peking and Hanoi, the situation in South Vietnam further deteriorated with the setting up of the US "Military Assistance Command, Vietnam" (MACV) announced on 8 February, 1962 and carrying the implication of an expanded and also semi-permanent US military presence. When the Enlarged Geneva Conference on Laos

reached formal agreement, on 21 July, 1962, concerning the neutrality of Laos, both Chinese Foreign Minister Chen Yi and the NFL sought to probe the possibilities for applying a similar neutralisation formula to the growing conflict in Vietnam; but it seems doubtful that either Peking or Hanoi regarded this as more than a side tactic of limited feasibility. Speeches delivered by members of a delegation from the Chinese National Peoples' Congress, in the DRV from 29 September to 11 October, 1962, implied that the Chinese had made a new assessment of the situation in South Vietnam during the previous few months. The delegation leader, Peng Chen, stressed that the US would be driven out "after protracted and arduous struggle" provided that the people in the South united closely under the NFL banner, that they relied on their own strength, and that they had the support "of their fellow-countrymen in the North" — the latter point possibly implying, once again, a need for greater formal support from the DRV.

The VWP leaders were embarrassed by Sino-Soviet recriminations over the Indian border clash and the Cuban missile crisis in late 1962. They welcomed the Chinese troop withdrawals in the former case, while declining to express approval of the original Chinese military action: and they tended to side with the Soviet Union on the Cuban affair. At the turn of 1963, the VWP endeavoured to mediate the Peking-Moscow quarrel, as they had done in early 1962; but without success. Apparently distrustful of the VWP because of its qualified support to Moscow over Cuba, Peking's relations with Hanoi cooled sharply but momentarily during the first ten weeks of 1963; cordial relations resumed around 11 March for reasons which are unclear but may have been related to a further review by Peking of the possibilities for extracting diplomatic and ideological advantages from the armed conflict in South Vietnam, thus seeking to best both Washington and Moscow.

The PRC's head of state Liu Shao-chi visited the DRV for six days from 10 May, 1963 and sought to gain a firm VWP ideological commitment to the side of Peking, going so far as to assert that in the current differences "we cannot act as lookers-on or follow a middle course", but the VWP spokesmen insisted on pairing the Soviet Union with China in all of their statements of thanks and appreciation. The visit may have helped convince Peking that benefit could still be extracted from the VWP's "middle road", providing that the latter did not side completely with Moscow's "revisionist" theses, and provided that the VWP maintained, in practice, a forward line in South Vietnam. This is a conclusion which may be drawn from the publication in the Chinese press of an

article from the July, 1963 issue of *Hoc Tap:* VWP Politburo member General Nguyen chi Thanh argued there that the VWP had "formulated a correct line of strategy and tactics" for the South, and he made a strong plea for greater support for the southern insurgents from the DRV, even though he assessed that the movement in the South "has yet to undergo many years of hard struggle before winning final victory". A Chinese Foreign Ministry statement of 18 July, 1963 endorsed the plea for DRV support for the South and foreshadowed the exploitation of the insurgency in the quarrel with Moscow. The latter issue was made explicit on the following day, thereby directly engaging the success of present and future VWP strategy in South Vietnam to Sino-Soviet relations.

DRV support for Peking's denunciation of the nuclear test-ban treaty initialled on 25 July, 1963 was widely regarded as a complete, and possibly lasting, commitment by the VWP to Peking's side in the quarrel. It is true that Moscow's strategy was specifically opposed in the September, 1963 issue of *Hoc Tap;* yet the DRV's belated response to Chou En-lai's proposal for a world disarmament conference suggests that the leadership may have been deeply divided in the issue, and may have supported the Chinese theses because on balance it involved only a moral statement of support without expectation of lasting harmful effect on DRV foreign policy options. In any case, the risk of offending Peking, with the possibility of losing (at the extreme case) the supply of light arms which were now being channelled to South Vietnam, must have been another important factor in the minds of the VWP leaders before they decided on their reaction. The September, 1963 issue of *Hoc Tap* carried an article by the deputy chief of staff of the People's Army (General Hoang van Thai) which made a plea for modern weapons from abroad, and forcefully urged a more effective use of rudimentary weapons together with an insistence on guerrilla warfare pending this supply; the context of these points was clearly the southern insurgency. While China could continue to be the main supplier of the small arms and material most useful to guerrilla forces, this article also implied a need to preserve good relations with the Soviet Union as a major potential supplier of the heavier equipment that big offensive operations would later require for their success.

The overthrow of Ngo dinh Diem in early November, 1963 did not appear to bring about any major adjustments to either the Chinese or North Vietnamese assessment of the Southern Vietnamese insurrection. An article by Kao Ko, "The Victorious Road of National-Liberation War", which had appeared in *Jen-min Jih-pao* on 31 July, 1963, was published in translation in mid-November, 1963 in *Peking Review* and

was evidently intended to express views concerning the Vietnamese conflict; it stressed the need for protracted and bitter warfare in which people find regeneration through their own efforts and provide from their own ranks a skilled and resolute leadership. Laudatory comments on NFL military tactics appeared in *Jen-min Jih-pao*'s 20 December, 1963 editorial, and comparing the latter with Kao Ko's comments, it seems that the Chinese fully approved the NFL's tactics, with the exception that (like General Hoang van Thai) they considered the time was not yet ripe to move from guerrilla to higher forms of warfare.

The VWP's Third Central Committee met in December, 1963 for its Ninth Plenum with the problem of how to resume a "middle of the road" path between Moscow and Peking. There had been earlier suggestions that Moscow had stopped or seriously limited shipments of spare parts and other goods to the DRV because of the latter's position on the nuclear test-ban treaty, and the prospect of a further cut-down in assistance was not a happy one, since it would make the DRV dependent on Chinese supplies. The Plenum found a formula for conciliation by drawing a distinction between the Yugoslav revisionists on the one hand, and "people within the international communist movement who commit the error of revisionism or right-wing dogmatism" on the other hand. The latter were to be struggled with, but were redeemable.

More importantly, the Plenum reviewed the state of the southern insurgency. Its conclusions were evidently unpleasant ones; the meeting therefore decided to adopt a more militant attitude towards the South, a fact hidden among a series of measures listed in the communiqué as "urgent work [to] be carried out";

> to extend active support to the patriotic struggle of our South Vietnamese compatriots [...].

This decision marked a major extension of the war in the South, comparable to the decision of the 15th Plenum of the Second Central Committee in January, 1959. Regular troops of the DRV's People's Army were to be prepared to go south, to assist the beleagured southerners. The decision cannot have been displeasing to Peking, since it made policy what the Chinese had been urging for two years; nor can the Chinese have been wholly displeased at the failure of a mission by Le Duan to Moscow at the beginning of February, 1964, reportedly to seek military aid, since the Soviet leaders were thereby shown to be "sham revolutionaries" in terms of Peking's taunts. By April, 1964, the first units of the People's Army

began training for their southern mission, and by October, 1964 the first units began exfiltrating the DRV.

Between March and May, 1964, the Chinese gave several expressions of their optimistic appreciation of events in South Vietnam, notwithstanding the possibility mentioned by Ho chi Minh to the DRV's Special Political Conference (27 March) that US forces might "recklessly meet with the North" (in which case, Ho said, they would meet with a strong rebuff from the Vietnamese with the "energetic support" of the socialist countries). From early May until the end of July, however, Peking began to express increasing degrees of alarm concerning the situation in Laos (following a right-wing coup and subsequent renewed fighting among Lao factions) as well as in South Vietnam: events in both regions were linked to the peace of Indo-China as a whole. On 13 May, 1964, Chen Yi sent a message to the Geneva Conference Co-Chairman asking them to consider reconvening the Conference in order to discuss ways and means of eliminating tension in Laos and Indo-China, should the Laos situation deteriorate still further. Within two weeks he considered the need for such a Conference to be "imperative and urgent", a view which was repeatedly stressed until the end of July. The US had rejected the need or usefulness of a new Geneva Conference on Laos; its aircraft attacked positions in northern Laos on 8 June after two reconnaisance planes had been downed by Pathet Lao troops; and on 23 June, General Maxwell Taylor was named new US Ambassador to Saigon. The Chinese appeared to link these events as evidence of a more vigorous American military stance in Indo-China, carrying with it a potential threat to China's southern borderlands as well as promising a more difficult military struggle for both the NFL and the Pathet Lao forces. To judge from the tone of Peking's many references to a reconvened Geneva Conference up to the end of July, the Chinese leaders were anxious to have a Conference come into being, in large measure to attempt to scale down the level of tension in Laos if not in South Vietnam, and thereby diminish the US military threat to China. Support for a new Conference was much less insistent and much less frequent from Moscow than from Peking, to the growing ire of the Chinese leaders; when Moscow implied on 25 July that the Soviet Union would not be reluctant to relinquish the role of Co-Chairman of the Geneva Conference, the Chinese retorted that the former should "truly shoulder its responsibilities as a Co-Chairman", and that it should "use its capacity and influence" to persuade the US to accept a reconvened Conference on Laos and Indo-China.

While it is reasonable to accept the sincerity of Peking's desire to relax

tensions at the conference table, Peking's statements also carried veiled threats directed at the US, evidently designed to have a deterrent effect on further escalation. This was particularly true in relation to the DRV: thus Chen Yi wrote to the DRV Foreign Minister on 6 July that the Chinese people "cannot be expected to look on with folded arms in the face of any aggression against the DRV", and a Government statement issued on 19 July stressed that China had "exercised the utmost self-restraint" by not sending "a single soldier to Indo-China", yet "there is a limit to everything". The Chinese reaction to the events stemming from the Tonking Gulf incidents — the first on 2 August, and the more shadowy incident on the evening of 4 August — seemed to betray the earlier threats as empty posturings, at least as far as the possibility of a Chinese military force entering South Vietnam was concerned; and on 9 August a Chinese spokesman stressed at a rally in Peking that "the Vietnamese people" would "surely destroy on their own soil" any US military forces which entered the DRV.

However, the DRV was now facing a dilemma: although the Chinese responded to the 4 August US bombings by sending some MIG-17's and 19's to the DRV, there was every likelihood that US retaliation on the North would be resumed within the foreseeable future. To deal effectively with this threat, a large inventory of modern equipment would be needed by Hanoi — which China was not able to supply. At the same time, Moscow was out of sympathy with the DRV's escalation of the conflict in South Vietnam. An immediate requirement of DRV diplomacy was to seek time in order to prepare for the country's defence, a requirement which may have been at the core of the reported willingness, in late September, of Ho chi Minh to have a representative meeting with a US emissary in Rangoon.

Khruschev fell on 14 October, 1964. The subsequent visits to Moscow of Chinese and DRV delegations in early November for the occasion of the October Revolution anniversary celebrations suggested that both Peking and Hanoi entertained hopes of at least a partial repudiation of Khruschev's lines respectively, on inter-Party differences, and on the issue of assistance to the DRV. The two delegations returned home with different assessments of the new Soviet leadership: Peking saw no change in policy, whereas Hanoi seems to have gained an understanding in principle that Soviet assistance would now be more forthcoming (thus countering by deeds the insistent Chinese charge of failing to assist "national liberation movements").

The first concrete evidence of changed Soviet policy towards the DRV was the announcement by the Soviet delegate to an international solidar-

ity conference in Hanoi, on 26 November, 1964, that TASS had reported the Soviet Union ready to extend "all necessary help" to the DRV in defence of US acts of "aerial aggression". The Chinese later referred to an apparent confrontation and angry disagreement between their own delegates and those from the Soviet Union to this Conference, which must have embarrassed Hanoi; yet the discomfort was worth bearing for the sake of renewed Soviet commitment of modern weapons.

Chou En-lai took the opportunity of the NFL's fourth anniversary to acclaim the "correct policy" and "flexible strategy" followed in South Vietnam; on 24 December the southern insurgent forces destroyed a US bachelor officer quarters in Saigon; and in a six-day battle (from 29 December, 1964 to 2 January, 1965) at the village of Binh Gia, 40 miles from Saigon, the insurgents won their greatest victory of the war to that date against South Vietnamese Government forces. *Jen-min Jih-pao* in its editorial for 6 January, 1965 praised this "magnificent battle of annihilation" which demonstrated that the war initiative was now "entirely in the hands of the people's armed forces". A similarly sanguine view — not necessarily shared by the top Chinese military — was expressed on 9 January by Mao Tse-tung in an interview with Edgar Snow. The general air of expectation and confidence in Peking at the turn of the year concerning the good prospects for the war in South Vietnam were echoed in Peking's 2 February greetings to the VWP which extended "sincerest fraternal greetings", hailed the VWP for "correctly integrating Marxism-Leninism with the revolutionary practice of Vietnam" and for having formulated "a strategy and tactics of revolutionary struggle conforming to the realities in Vietnam" — incidentally giving the lie to East European suggestions that Peking and Hanoi were involved in a bitter quarrel concerning military tactics in South Vietnam. These pleasant sentiments represented a high point in Sino-DRV relations which were matched in the past only by sentiments expressed in June, 1960.

This second period shows the Vietnamese side grappling with the diplomatic problem of the Sino-Soviet differences and asserting an independent path whenever feasible on internal policies for the DRV, tactics and strategy for South Vietnam, and the more general issues of foreign policy. The Vietnamese efforts showed considerable success and rapidly growing sophistication. The Chinese side was concerned from mid-1963 to establish the righteousness of its ideological position and the perfidiousness of the Soviet position, and the emerging confrontation between the US and the "people" armed forces" in South Vietnam promised to yield excellent dividends at little or no danger to China's interests.

(c) Third period — 1965-1972

The presence of the top-level Soviet delegation led by Kosygin in Hanoi on 7 February, 1965, when Operation Flaming Dart was executed against the DRV in retaliation against the attack at Pleiku the previous day, was realistically a matter for congratulation rather than concern for the VWP leaders, since it dramatised their requests for defence equipment. The reaction in Peking was at first one of some confusion and alarm, but as further retaliatory US bombing strikes followed in February and were superseded by the "Rolling Thunder" punitive strikes from early March, the confusion and alarm abated somewhat.

Peking's first reaction to the bombing, contained in a government statement of 9 February, 1965, was to stress that the DRV "and all other countries upholding the Geneva agreements" had "gained the right of action" to fight and assist in the fight against the US. This was a vague commitment, probably deliberately so. More importantly, Premier Chou En-lai, in a message to the Indo-China Peoples' Conference about to open in Phnom Penh, stated on 23 February that the only way in which peace in Indo-China could be guaranteed was for the US military forces to be withdrawn "completely, immediately and unconditionally". There was no longer any reference to the possibility or desirability of reconvening the Geneva Conference, or of any other form of negotiation, although these were not yet specifically excluded. Prince Norodom Sihanouk, convenor of the Phnom Penh Conference, was evidently taken aback by the hard line of Chou's message. The opening of the meeting was postponed for several days. The speech with which Sihanouk originally planned to open the Conference, in which he proposed a reconvening of the 1954 Geneva Conference in order to establish a genuine neutrality for the Indo-Chinese countries, was distributed to newsmen but replaced at the actual occasion by a strong attack on US policy. A PRC statement of 4 March insisted that "the only way" for the US to "save face" was to "immediately withdraw all her armed forces from South Vietnam in accordance with the 1954 Geneva agreements". The Chinese were later to argue that the Soviet Union had proposed, on 16 February, to both the DRV and to China that a new conference on Indo-China should be convened, and that this proposal had already been rejected by the DRV by 23 February although China had not yet given its reply. Whether this is so or not, the Chinese shortly took a much harder line than the Vietnamese were prepared to accept, at least in public. On 12 March, a statement by the PRC condemned the landing of US marines in South Vietnam and stated that:

> US armed forces must be completely withdrawn from Vietnam. This is the channel, and the only channel, for a political settlement of the Vietnam question.

Ten days later the NFL said that all negotiations with the US "at this moment" were "utterly useless if they still refuse to withdraw from South Vietnam all their troops", and stated its readiness to accept all assistance from outside. Peking responded on 25 March by pledging to send "all necessary material aid" to Souh Vietnam but declined comment on the negotiations issue until 29 March, when *Jen-min Jih-pao* insisted that a withdrawal of US armed forces must take place "if negotiation and a return to the Geneva agreements are to be attempted".

This formulation represented a harder line than that presented to the world on 10 April by the DRV National Assembly's endorsement of a "four-point stand". According to the latter, the four points constituted "the basis for the most correct political settlement of the Vietnam problem", and only when this basis was "recognised" could there be "favourable conditions to achieve a peaceful settlement of the Vietnam question". Only under this circumstance, too, would it be "possible to consider the convening of an international conference of the type of the 1954 Geneva conference". Despite the deliberate imprecision of the qualifications, the DRV comments on the "four-point stand" stood mid-way between the Soviet desire to see a reconvening of the Geneva Conference without pre-conditions, and the Chinese insistence that a US troop withdrawal must be a prerequisite to such a meeting. This stand of the DRV remained its fundamental position until mid-1969, when it was replaced by the more detailed "10-point solution" proposed by the newly-created "Provisional Revolutionary Government of the Republic of South Vietnam". For their part, the PRC insisted on a prior troop withdrawal from this time onwards until the unveiling of US President Nixon's "Vietnamization" programme (in mid-1969).

The expansion of the Vietnam War involved the PRC leaders in debate on a number of issues; the question of what attitude to take towards the USSR and "united action" over Vietnam, the correct tactics to be used by the Vietnamese insurrectionists in order to secure military victory, the extent of aid that could or should be supplied by Peking (and under what conditions) to Hanoi, what actions by the US in Vietnam would bring about a change from "acceptable" to "unacceptable" military threat to China's security, and what actions should be taken to prepare for the worst eventuality.

These and other issues were vigorously debated by the Chinese leaders

from April to November, 1965. The termination of the major stage of the exchanges may be marked by the publication on 15 November of a major joint editorial which rejected the possibility of taking "united action" with Moscow on the Vietnam issue. The Soviet leaders, the editorial said, were in fact "betraying the revolutionary cause of the Vietnamese people". Such aid as Moscow sent to Vietnam was "far from commensurate with the strength of the Soviet Union", both in quality and quantity. On the other hand, the editorial stressed, China was "helping the Vietnamese people to the best of her ability".

The publication of this article made it clear that for the then dominant group in Peking's leadership, the ideological struggle against "revisionism" was henceforth to be the major factor affecting perception of the Vietnam conflict. Any policy which implied acceptance of the Soviet leaders' viewpoint was to be rejected even if this added to Hanoi's difficulties. Thus in March, 1966 Mao Tse-tung rejected the terms of a proposed joint communiqué between the Chinese and Japanese parties, on the grounds that it did not condemn the Soviet leadership by name. The communiqué reportedly laid great stress on the need to step up international aid to the DRV, and it had already been approved for the Chinese side by a group headed by Chou En-lai.

The rapid build-up of US combat troop presence in South Vietnam after May, 1965 was paralleled by an increased rate of infiltration into the South by North Vietnamese regular troops. Antagonists in the internal Chinese debate drew conclusions concerning the US troop presence to support divergent views on such matters as relations with the USSR and the correct defence posture. Lin Piao's lengthy exposition "Long Live the Victory of People's War I", published on 3 September, 1965, seems in retrospect to have been intended primarily as a summation of a majority viewpoint on the internal exchange rather than a major "directive" to Hanoi. Yet, as in 1963 Peking had linked Hanoi's forward policy *vis-a-vis* the US presence to the issue of "true" versus "sham" revolutionary action, now Peking was linking the alleged righteousness and infallibility of Mao's "people's war" doctrine to a victorious outcome of that forward policy by Hanoi. Lin Piao stated specifically that Mao Tse-tung's teachings on protracted war were "of outstanding and universal importance for the present revolutionary struggle of all the oppressed nations and people", especially in the "anti-imperialist struggle". The point was also stressed by Peng Chen on the occasion of the DRV's national day celebrations. In addition, Chou En-lai used the latter occasion to underline that "the Vietnamese people" had "creatively applied

the weapon of people's war'' and and ''developed people's war to a higher level'', thus implying Peking's satisfaction with current Vietnamese strategy.

For their part, the North Vietnamese made no public reference to Lin's thesis, in part because they preferred to take credit for their own eclectic military strategy without appearing to be dependent on Chinese military advice, in part because of divided counsels in Hanoi concerning the proper stratey to adopt. At about this time, General Nguyen chi Thanh, member of the VWP Politburo, travelled to South Vietnam to take charge of military operations there. When his death ''in Hanoi'' was reported nearly two years later, the Chinese issued an obituary which was fulsome in its praise of the late general's dedication to a correct political and military line. In fact, Nguyen chi Thanh's strategic orientation throughout his time in the South was to maintain large-unit offensives against the PS-RVN forces, whereas General Vo nguyen Giap urged a pragmatic ''mix'' of offensive and guerrilla tactics, de-emphasising the former. A letter allegedly written by Le Duan and addressed to the insurgent leaders in the South in March, 1966 stated that ''tremendous efforts are to be made to obtain decisive victory within a relatively short time''; addressing the same group, DRV General Nguyen van Vinh insisted that ''we must achieve decisive victory within the next four years''. General Nguyen van Vinh was also recorded as saying that ''China holds the view that conditions [for negotiations] are not yet ripe, not until a few years from now, and, even worse, seven years from now''. He added: ''Our policy: to continue fighting until a certain time when we can fight and negotiate at the same time''. These comments suggest that Le Duan and Nguyen van Vinh at least (and probably also Nguyen chi Thanh) were prepared to accept heavy losses over a short time in the expectation of demoralising the enemy, at which time negotiations could be initiated along with a scaling down of the level of the war.

During the latter part of 1965 and during early 1966, the DRV leaders gave no indication that the Chinese advice was dominant in their decision-making. The PRC for its part backed up its words of encouragement and support by expanding its supply of military and industrial equipment to the DRV, and by assigning (in late 1965) some 40,000 railway engineer troops and associated anti-aircraft batteries to help maintain the DRV-PRC rail link in the face of US bombing. New airfields were constructed in Hainan and elsewhere, particularly in Yunnan and Kwangsi, thereby providing sanctuary for DRV-based jet fighters.

With the formal inauguration of the Great Proletarian Cultural Revolu-

tion in April, 1966, Chinese attentions became excessively concentrated on internal issues. The VWP sent a delegation to the 23rd Soviet Party Congress in March, 1966, despite the Chinese boycott of the meeting, and insisted on pursuing an independent line vis-a-vis Moscow and Peking. When petrol, oil and lubricant storage depots on the outskirts of Hanoi and Haiphong were bombed for the first time at the end of June, 1966, Peking issued a firm but unenthusiastic statement in protest. Tao Chu told a mass rally on 22 July that the bombing "spells the final burial of the Geneva agreements and the total liquidation of all the restrictions and limitations laid down in the Geneva agreements". Hanoi omitted this phrase from its reportage of Tao's speech and two days later reiterated the "four-point stand" including the references to the possibility of reconvening the Geneva Conference, indicating that the DRV did not share the Chinese opinion.

Peking's representatives at overseas conferences during 1966 took every opportunity to berate Moscow for the latter's alleged opportunistic and self-interested involvement in aiding the DRV, and its concern to collude with the US to "force peace talks through bombing". Frequent advice and encouragement was extended by Peking to Hanoi, but without substantial departure from the lines laid down in late 1965: persistence in people's war would bring "ultimate" victory, negotiations were impermissible without a prior US troop withdrawal, and the Chinese people had "made up their minds" and "made every preparation" to deal joint blows at the US "together with the Vietnamese people".

All of the many attempts made at this time by third parties to mediate the conflict in Vietnam were opposed by Peking. Perhaps the most promising of the attempts in the period February, 1965 to early 1967 was that code-named "Marigold" by US officials. This took place in early February, 1967 with the Soviet Union in the role of mediator. Lack of coordination in Washington brought the probe to nothing, and Ho chi Minh formally rejected the proposals on 15 February, 1967. On 20 February, *Jen-min Jih-pao's* "Observer" wrote: "The Vietnam situation is now crucial": US-Soviet "military and political pressure on the Vietnamese people" was being exerted "more flagrantly than ever in an attempt to force them to their knees". He added: "The loss of South Vietnam inevitably means the loss of north Vietnam". At the same time,

> The Vietnamese people have all the favourable conditions for fighting a protracted war on their side, while what US imperialism most fears is that the war will drag on. So long as the Vietnamese people pin down the sev-

eral hundred thousand US aggressor troops by a protracted war... they can certainly... win final victory.

This commentary sounded a new note of urgency, and by revealing concern that "the Vietnamese people" might be forced "to their knees" implied that some at least of the DRV leaders might be susceptible to the pressures to negotiate. The thrust of the article was not to denounce Moscow once again, but rather to dissuade Hanoi from falling into this trap of "forcing peace talks through bombing". The peremptory comment concerning the inevitable loss of the DRV should major concessions (especially, cessation of military support by the DRV to the southern insurgents) be made over South Vietnam, threw a rare light on Peking's strategic assessment of the DRV's viability as a truncated Vietnamese state. It also seemed to carry the implication that, should the South be lost, China would not be either able or willing to prevent the "loss" of the DRV. The Chinese leaders seized every opportunity from this time until 1971 to insist that the path of "protracted people's war" was the only one which could lead to victory.

In December, 1967, Chinese support for the NFL in particular was greatly expanded, perhaps in reflection of high expectations for victory in the forthcoming year. The initial reports of the January, 1968 "Tet" offensive were greeted in Peking with considerable enthusiasm; the effect on the morale of US troops and on American domestic opinion was especially underscored. However, when the DRV leaders decided to agree to meet US representatives for talks in exchange for the partial bombing halt announced by President Johnson on 31 March, 1968, Peking was at first silent. Initial comment was attributed to a *Hsinhua* correspondent and referred to the "new big fraud" executed by the US with the aim of gaining "a breathing space on the Vietnam battlefield so as to further expand the war"; the Vietnam question could "only be solved by defeating the US aggressors completely on the battlefield and forcing them to pull out of South Vietnam". The same prescription was given shortly afterwards by *Jen-min Jih-pao's* "Commentator", and Truong Chinh was quoted as saying that the Vietnamese people "must go on fighting until the ambition of the enemy to commit aggression is smashed".

The Chinese insistence, until March, 1971, that the US should be militarily defeated as a prerequisite to a solution to "the Vietnam question", seemed linked to ideological considerations. If the "people's war" strategy in Vietnam led to a decisive *military* victory over a major military power, then the general efficacy of this strategy would be proven and the prestige of the CPC leadership would be enhanced, both as the main ex-

ponent of this viewpoint and as a self-proclaimed adherent to a "genuine" communist revolutionary line. Yet the Chinese distaste for any form of negotiations before victory, even for negotiations while fighting, indicated grave reservations concerning Hanoi's ability to salvage anything but a compromise solution to the Vietnam conflict in the absence of a military victory. Peking's line also involved a high degree of risk that US leaders might cast off restraints — particularly concerning the air war — in order to deny any decisive communist military victory in the South.

Peking demonstrated continuing displeasure after the formal opening of the Paris talks between the US and the DRV in May, 1968 by progressively limiting their coverage of Vietnamese affairs. The decision by the US to cease bombing the DRV from 1 November, 1968 was hailed by Peking as a victory for the Vietnamese, but the Chinese leaders were unreconciled to alleged Soviet-US collusion in "counter-revolutionary dual tactics of military adventure and political deception". When the NFL announced the proclamation of a "Provisional Revolutionary Government of the Republic of South Vietnam" on 10 June, 1969, Chou En-lai in his congratulatory message to the new "President" insisted that the war must continue until the last aggressor had been swept away. "Only by so doing", Chou stated, "will it be possible to achieve the sacred goal of liberating the South, defending the North, and proceeding to reunify the fatherland".

The effective conclusion of the Great Proletarian Cultural Revolution marked by the Ninth Party Congress in Peking (April, 1969) was followed by a slow but steady return to a "moderate" line in Chinese foreign policy. Enmity and suspicion between the Chinese and Soviet states had risen to the most serious levels to date with the border clashes of March, 1969, yet even in this extremity the DRV leaders were able to avoid an absolute commitment to one side or the other. The clashes received no publicity in the DRV: this was consistent with the fact that the earlier invasion of Czechoslovakia by elements of the Warsaw Pact powers (in September, 1968) had been greeted by a brief communiqué implying at least nominal DRV support for the action, even in the face of severe denunciation by Peking. Following the death of Ho chi Minh on 3 September, 1969, the VWP leaders took advantage of the express statement in his alleged "Testament", hoping for a resumption of cordial Sino-Soviet relations, to make public reference to the problems in Peking.

Although Peking-Hanoi relations had deteriorated during 1968 because of the opening of the Paris talks and the differing views of the invasion of Czechoslovakia, Peking's position during 1969 appeared to be

strengthened, in part by the failure of the talks to make progress and in part through the promulgation in the DRV of general statutes governing high-level cooperatives. The latter, designed (like the 1959 rules governing low-level cooperatives) very closely according to the Chinese model, were intended to re-impose discipline and ideological orthodoxy in the countryside; the war situation and Le Duan's pragmatic agricultural policies had led to laxities during the past few years. Nevertheless, great care was still taken in Hanoi to balance public statements in support of Peking with similar statements concerning Moscow.

The deposition of Cambodia's Prince Sihanouk in mid-March, 1970, his decision to seek semi-permanent exile in Peking, the large-scale involvement of Cambodian territory in an expanded conflict from late April, and the announcement of a "Summit Conference of the Indochinese peoples" at the same time, marked a major development of strategic significance in Peking-Hanoi relations. China urged the "Indochinese peoples" to persist in a protracted war: Le Duan had already (on 3 February, 1970) warned the North Vietnamese that they "must be prepared to fight many years more". There was evidence of lack of enthusiasm, on the part of Prince Sihanouk towards the "Indochinese Peoples' United Front", and during 1970-72 Peking repeatedly stressed the need for unity and continued protracted war if success was ultimately to be achieved.

The spoiling operation in Laos conducted by Saigon troops with US air support in early February, 1971 (Lam Son 719) was regarded with concern by Peking ("aggression against Laos is also a grave menace to China"); but in terms of action Peking said only that the Chinese people would take "all effective measures to give all-out support and assistance" to the three peoples of Indo-China. At the same time, statements from the Lao communists and from the DRV called on governments to "take timely and drastic actions" to stop the operation, and to "give still stronger support" to the communist cause. The hurt that was implied was confirmed on 12 February, 1971, when China agreed to extend supplementary economic assistance and military aid for 1971, and on 4 July when a supplementary "gratuitous supply of military equipment and materials" was announced.

In the wake of this incursion into Laos by anti-communist forces, Chou En-lai led a delegation of military experts to the DRV from 5 to 8 March. Pham van Dong used the occasion to state that the Vietnamese people had proved — by their "valiant and staunch struggle" — "worthy of the great and very precious support and assistance" granted by China. Pham

especially singled out the "huge" economic and military aid extended by China for 1971.

The joint communiqué issued by the two leaders gave no hint concerning the extent of any further aid that may have been discussed or agreed, but it did present low-level and vague threats of retaliation should the level of violence in Indo-China escalate. At the same time, while implying less concern for the modalities of settling the Lao and Cambodian issues, the leaders agreed that the "Vietnam question" "must" be settled on the basis of the May, 1969 "ten-point overall solution" set forth by the NFL. US and allied troops "must wholly and unconditionally withdraw from South Vietnam", the communiqué stressed. This formulation, by no longer placing stress on a communist-led military victory as prerequisite for "negotiations", marked a major softening in the Chinese position. The new stress on the possibility for "peaceful settlement" of the Vietnam question was reiterated strongly after the NFL had made a "seven-point proposal" on 1 July, 1971, led by the demand that the US set a terminal date for complete troop withdrawals from the south. *Jen-min Jih-pao,* in expressing formal Government support for the seven points, said on 4 July that they provided "a correct way for the peaceful settlement of the Vietnam question". By the time of the DRV's National Day (2 September, 1971), the "seven points" had become "the" correct way to a peaceful settlement.

Nevertheless, despite this apparent new accord between Peking and Hanoi over the basis for a settlement in Vietnam, the DRV leaders were much agitated by the inplications of Peking's extension of an invitation to President Nixon to visit China.

> Vietnam is not a big country, with neither a vast territory nor a large population. Yet she has "defeated several big imperialisms" one after the other. [...] The time when the imperialists could dictate their will to the world has definitively [sic] gone. The time when a big power could bully a smaller country has also ended for good.

Clearly, if the US President did travel to Peking, the Indo-China question would be an important part of the agenda for talks with the Chinese leaders. The Chinese would have sound practical reasons for seeking an early political solution to the issue: the continuing Soviet military build-up on the northern border, the strategic dangers of having to protect two frontier regions thousands of miles apart, the heavy cost in terms of economic and military aid of supporting the DRV's war. Chou En-lai

moved quickly to retrieve the situation, and insisted that greatest priority lay on the withdrawal of US troops from Vietnam.

However, the DRV now moved to extend its material links with the USSR. After the worst floods in a century in August, a Soviet delegation visited in early October, 1971 and agreements for extensive military and economic aid were signed, clearly on a long-term basis.

Premier Pham van Dong led a delegation to China in November and the resulting joint communiqué suggested a better understanding of each side's position. The forthcoming North Vietnamese military offensive in South Vietnam (which began on 30 March, 1972) was probably discussed, at least in outline. The New Year saw renewed military action in Laos, and Chou En-lai judged on 5 January, 1972 that "the curtain has already been raised on the victorious prelude to the dry season offensive on the Indochina battlefield".

A major aspect of President Nixon's 21-28 February, 1972 visit to China, so far as it affected Sino-DRV relations, was the commitment by the US side to ultimately withdraw US forces and military installations from Taiwan, and in the meantime to progressively reduce these "as the tension in the area diminishes". Given the primacy of the Chinese leaders' interest in resuming sovereignty over Taiwan, this statement was evidently intended to encourage (and to justify) moves by the Chinese side to assist the process of diminishing "tension in the area".

The 30 March offensive involved extensive supply of sophisticated weaponry, including tanks, from the USSR. On 8 May, President Nixon ordered that the DRV ports be mined and from early June B-52's attacked the North; on 6 June the DRV Ambassador to China complained (rather ingenuously) that this act had the intention of limiting "the aid given by North Vietnam to South Vietnam"; and on 28 June the PRC agreed to extend supplementary military (as well as economic) aid for 1972. However, the thrust of the offensive was blunted. Private talks between the US and the DRV at Paris, which had been suspended from 4 May, were resumed.

On 26 October, 1972, the DRV issued a statement revealing that considerable progress (and a timetable) had been achieved towards a settlement. The statement demanded that the US should sign a peace agreement "whose text had been agreed upon" on 31 October. While the publication of details of these arrangements (which were said by Dr Kissinger to be substantially correctly stated from the US viewpoint) was no doubt made in the hope of extracting major concessions from the US Administration immediately prior to the US Presidential elections and

Nixon's seeking a second term of office, the Chinese response (on 30 October) was very mild, urging only that the US "reply by deeds". Even on 29 November, the terms used by Foreign Minister Chi Peng-fei were almost avuncular in tone.

In the face of DRV unwillingness to make concessions to the US/RVN position as it was in early December, and strengthened by re-election of the incumbent President, the US Administration ordered its aircraft to resume bombardment of Hanoi and Haiphong on 18 December. This severe and undeniable pressure continued until 15 January, 1973, when all attacks on the DRV were halted. The Chinese response was in low key: thus on 20 December, 1972, a protest against damage caused to the Chinese vessel *Hung-chi No. 149* at Haiphong was in the form of an NCNA "authorized statement" rather than from a more official source.

The US agreed to end all bombing and shelling of the DRV north of the 20th parallel with effect from 0700 hours on 30 December (Hanoi time); at the same time, the DRV agreed to resume meetings with the US at Paris. These talks resumed on 8 January; on 23 January the texts of ceasefire agreements were initialled in Paris; and on 27 January, the agreements were formally signed. A ceasefire throughout Vietnam came into effect at 0800 Hanoi time on 28 January. As a commentary in the Hong Kong weekly *Ta Kung Pao* observed, Hanoi had "agreed to a two-step settlement by backing out of its insistence on the settlement of military and political issues at the same time and the scuttling of [South Vietnam Premier Nguyen van] Thieu as a pre-requisite to any solution".

The eight-year period outlined above is a complex one, of seminal importance in Sino-DRV relations. Here it is enough to note the single-minded devotion of the DRV to the goal of annexing South Vietnam, and the contrasts with the springs and constraint on behaviour of both China and the US. Events on the Chinese side were clearly dominated by the personality of Mao Tse-tung. Already in early 1965 he had asserted the principle that "we will not attack unless we are attacked; if we are attacked, we will certainly counter-attack", thereby setting his judgement against that of Liu Shao-chi and others who wished to reactivate the Sino-Soviet alliance. While the possibility of a sustained US attack on China could not be entirely discounted, the initiative of a PLA intervention in Vietnam in a combat role was remote after September, 1965. The Great Proletarian Cultural Revolution, that naive experiment in free-form politics, could thus unfold and occupy the central attention of China's leaders from September, 1965 to April, 1969. The direct threat to national security from the USSR from early 1969 strengthened the

rationale of the pragmatic "moderates" who wished an accommodation with the US as the only feasible alternative to isolation and worse at the hands of the USSR. By March of 1971 the "moderates" felt sufficiently strong to be able to publicly move towards that goal, by adjusting the PRC's declaratory policy concerning the modalities of a solution to the Vietnam problem.

For the US, confusion of priorities and a misunderstanding of the depth of patriotic sentiment that could be tapped by the leaders of the DRV, allied with the inability and unwillingness of the Saigon government to grant real political concessions to dissidents and to develop an equal motivation in its conscript army, led inevitably to the overturning of policy. The mixture of the highest ideals and Machiavellian trickery in US policy could not hide for very long the fact that the proposed cure was threatening to be (and in instances clearly was) worse than the disease. American "realpolitik" happily coincided with Chinese "realpolitik", although for considerably different reasons, to yield the limited but extremely important understanding of 1972. Whether the foreign policy perceptions of the PRC had at last outgrown a seemingly interminable adolescence remained to be tested; but by the end of 1972 it was clear that "the Vietnam issue" was being "de-internationalized" with haste and by agreement, and thus, its resolution could be sought in due course with less expectation of sustained trauma.

(d) Fourth period — 1973-1975

The Paris Agreements were greeted by the PRC as providing conditions "for the Vietnamese people to solve their own problems free from external armed intervention", while the DRV saw them as a victory "of all-conquering Marxism-Leninism, of the judicious and creative political and military line of our Party". Nguyen duy Trinh said at a 1 February banquet in Peking that "a solid basis" had been laid "to complete the national democratic revolution throughout the country". *Jen-min Jih-pao* said on 28 January that the reunification of Vietnam "should be carried out step by step through peaceful means".

The US had, by the Agreements, obtained an umbrella for completing military withdrawal while preserving a semblance of "face". On 29 March, the last batch of US forces reportedly left Vietnam. On 21 February, an agreement had been reached in Vientiane on a nominal ceasefire in Laos. Concerning Cambodia, there seemed no possibility in sight for a negotiated solution.

An international conference on Vietnam, convened to give moral support to the earlier Paris Agreements, adopted an Act on 2 March which

provided that, in the event of violations, the signatories could "consult". Nevertheless, on the same day, the Hanoi and Saigon governments accused each other of mutual violations numbering several thousands. The Chinese side stressed that all signatories had responsibilities in upholding the Agreements. It seemed clear that while the PRC was prepared to tolerate low-level incidents initiated by the DRV, it was not prepared to encourage activity of such a kind that might threaten major US retaliation from off-shore, particularly in the form of air strikes; the US for its part took care to remind the DRV that such an option remained open to it in the event of unacceptable DRV initiatives, but to what extent these were seriously foreshadowed or were merely public relations exercises directed to Saigon was not clear.

On 4 June, 1973, a DRV delegation headed by VWP First Secretary Le Duan arrived in Peking, and on the following day met with Mao Tse-tung. In a major speech at a banquet on 4 June, Le Duan insisted that the completion of "the cause of independence and democracy in the South" was an objective "of paramount importance to be achieved at all costs". He expressed thanks to both the Soviet and Chinese people for their assistance, and said that the Chinese people had always supported and helped the Vietnamese people "in many respects" (a reservation repeated on 7 June). The Vietnamese people would continue "their just and certainly victorious struggle to defend their own interests". He toasted the everlasting "great friendship and militant solidarity between the peoples of Vietnam and China", in contrast to a similar toast from his host Chou En-lai directed to "the two parties, two countries" and two peoples. Chou later referred to "sincere and earnest talks" between the two sides, suggesting major issues of divergence between them.

The CPC's Tenth Congress, held from 24 to 28 August, 1973, set a somewhat uncertain seal of authority on the changes and compromises within the Chinese leadership factions that had emerged in the aftermath of the Lin Piao affair. The VWP Central Committee, in its message of 31 August greeting the Congress, affirmed (in contrast to the views of Le Duan on 7 June) that the Vietnamese people had "always enjoyed constant, great and precious support and assistance in all fields from the Communist Party, Government and brother people of China".

These contrasting sentiments seem (in context) related to the changing perceptions by Vietnamese leaders of the willingness of the Chinese leaders to continue pursuit of a "revolutionary" line, and to take some level of risk and incur some costs in order to further the aims of the DRV. The Chinese honoured their "proletarian internationalist" obligations in

June and again in October, 1973 by extending "nonrefundable" military and economic aid to the DRV.

These considerations were not strong enough, however, to overcome differences of territorial claims that drew attention in January and February, 1974. The DRV remained silent when the Chinese Ministry of Foreign Affairs declared (11 January) that the Nansha Islands "have always been China's territory" and that the "natural resources in the sea areas around them also belong to China": but it was clear that the DRV shared the claims of the RVN on this issue.

In addition to the incipient conflict of territorial claims between the DRV and the PRC, there was another matter in which the two states had different attitudes and expectations: developments in Cambodia. Ever since late March, 1970 there had been friction between the Khmer Rouge and Vietnamese communist forces; Sihanouk distrusted the aims of the latter but saw no hope to resist except through the intermediacy of China. On 1 April, 1974 a delegation headed by Khieu Samphan visited China at the invitation of the PRC, and in his speeches of 1 and 3 April the Cambodian placed great stress on the PRC's respect for the principle of equality in its relations with Cambodia. "We, the Cambodian nation and people, greatly need the principle of mutual respect", he said, and in the general context of Cambodian affairs this may be taken to be directed against the DRV.

During 1974, the Chinese side agreed to supply free economic and military aid to Cambodia, the DRV, and South Vietnam. At year's end, military sources in Saigon reported that communist forces had moved tanks and extensive supplies to key areas, and predicted intense battle early in 1975. Initially light- and medium-strength probes by the North Vietnamese forces in early March, 1975 quickly demonstrated the absence of morale in the men of the Saigon armies. Dar Lac Province fell on 12 March. Kon Tum on the 17th, Hue on the 26th, and Da Nang on the 29th. Initially stunned by the extent of their successes, the northerners paused for a while in their headlong flight towards Saigon.

In a separate development, Phnom Penh fell to the insurgents on 16 April. On the following day, the Chinese leaders cabled congratulations and stressed that "Cambodia will emerge with a new visage in the East". A rally in Peking on 19 April provided Yen Chien-ying with an opportunity to draw attention to the awkward position of the Soviet Union: it had only recently transferred diplomatic recognition from the now-defeated Lon Nol Government to the Royal Government of National Union.

On 30 April, Saigon fell to the insurgent forces. Diplomats and other

US functionaries had been helicoptered from the city only hours previously. In Laos, a Vientiane rally on 9 May successfully demanded the resignation of the Minister of National Defence, Sisouk na Champassak, and thereby initiated moves that would shortly lead to the institution of a socialist republican government.

Conclusion

Clearly, the relationship of the super-powers, as well as that of China and Vietnam, had undergone major changes in the years 1954 to 1975. For China, the Soviet Union had replaced the US as the "main enemy" by 1972: yet uncertainties concerning domestic policies and the leadership succession precluded long-term and stable planning. DRV leadership had remained exceptionally stable, despite the inevitable differences of emphases on many issues, and appeared committed to a medium- or even long-term relationship of cooperation with the USSR, although always on the DRV's terms. The US Administration, as well as Congressional and public opinion, entered a mood of comparative exhaustion with Asian politics. The USSR looked for opportunities in Southeast and East Asia to enhance its political and strategic position *vis-a-vis* China. It was unclear, in May, 1975, how events might develop: but there were lessons that could be drawn from the recent history of Sino-DRV relations.

In attempting to draw general conclusions from the above analysis, it may be useful to first set out the presumed foreign policy goals of both the PRC and the DRV. For the PRC, the major goal was obviously to secure her territorial integrity, and to fix her international boundaries where her leaders considered that these should run. This process has largely been completed, with the border differences with India and the Soviet Union representing the major outstanding issues. However, it is worthy of comment that, according to the public record, no agreements have been formally concluded since 1949 to date between the PRC and the DRV to define and delimit their mutual border. One explanation for this may lie in the description of this border as "a new-type border of socialism and friendship", which suggests that neither state saw any immediate need to resolve this issue in terms of traditional "bourgeois" international law. If this is so, then it also implies that there existed some kind of special relationship between the PRC and the DRV which did not exist, for example, in the case of the PRC-USSR relationship. On the other hand, it may be that the PRC leaders considered that the time was not yet ripe to resolve this "question left over from history", and that it would not be ripe until DRV intentions concerning Laos (which also has no formal border agree-

ment with the PRC) had been further clarified. US involvement in Vietnam was seen up to 1971 as an integral part of a general strategy aimed at maintaining a permanent US military presence on the periphery of China. China's national security was thus seen to be threatened so long as the US military presence remained in Vietnam in particular, and on China's neighboring territory in general.

A second policy goal was to establish Chinese influence and paramouncy in Asia. Influence should be distinguished from direct control; there was no convincing evidence that the Chinese leaders were committed to territorial expansion in the conventional sense. Pursuit of this goal implied that it was unacceptable to the leaders of the PRC that non-Asian powers should be dominant in Asia. The US "had no business" in Vietnam, or indeed elsewhere in Asia. Likewise, it was argued already in 1965, the USSR was not an Asian state, and therefore should not play any part in an Afro-Asian conference. Asian affairs should be settled by Asian states; but other Asian states should not impose their policies onto third countries by force.

A third party goal was to gain leadership of the "international communist government", in the sense that the CPC should become the accepted source of authority for strategy and tactics in the anti-imperialist struggle. This implied a belief that the Chinese revolutionary experience was distinct from that of the USSR, that it was universally applicable, and that it was especially appropriate for the newly independent states or "oppressed peoples" of Asia, Africa and Latin America. In particular, the CPC insisted on the desirability of other peoples and communist parties following the CPC's own path of revolutionary armed struggle for the seizure of political power, while at the same time it stressed the necessity of self-reliance. "Although there is no longer any socialist camp" (as Teng Hsiao-ping affirmed in April, 1974) the will to revolutionary leadership of the Third World remains a powerful motive force.

Fourthly, and related to the last two goals, the PRC was concerned to gain for itself a position of moral (as opposed to revolutionary) leadership in the less-developed world in general, and the countries of Asia, Africa and Latin America in particular in order to develop a united front against the US and the Soviet "revisionist ruling clique". China's efforts to achieve this goal received substantial setbacks in 1964 and 1965, especially in Africa and in Indonesia, but have been revived since 1971.

A further goal of China's leaders since 1949 was to obtain international acceptance and recognition for their state as a great power with world interests. The Chinese congratulated themselves on being so recognized

in 1954, when they were invited to attend the Geneva Conference; this status was re-affirmed by the PRC's attendance at the 1962 Enlarged Geneva Conference on Laos, by the responses to her first nuclear test in October, 1964, and in late 1971 when the PRC's representatives were granted occupancy of China's seat in the United Nations Security Council. This goal has been especially enhanced by the flood of diplomatic "recognitions" since 1972.

The DRV's policy goals were headed by the desire to unify Vietnam. The reasons for this were several. In nationalist terms, a northern half of a truncated Vietnam was not self-sufficient in food. The further supplies were obtained largely from China, and this supply provided the Chinese with a basic means of pressuring the DRV leaders into acceptance of Chinese policies. It must, of course, be added that there was no evidence that the Chinese had in fact used this dependence as a bargaining point; but its potential for pressure remained. The fertile Mekong delta of South Vietnam, which in times of peace produced an abundant surplus of rice, could make up the rice deficit in the North and so do away with continuing reliance on Chinese good will for food supply. At the same time, a unified Vietnam would provide a more solid political base for a Vietnamese nation wishing to retain a cultural identity separate from that of China. In ideological terms, the completion of the "national democratic revolution" in South Vietnam would lay the foundation for the building of socialism in the South as well as in the North, thus contributing to the national goals within a Marxist-Leninist framework.

A second goal, implicit in the first, was to resist all efforts by the Chinese to dominate Vietnamese politics. This goal found expression in the VWP's insistence on an independent and creative line which drew on the experience of all fraternal parties. It was also implicit in the continuing stress in the DRV, especially from 1963 onwards, on celebrating the tradition of Vietnamese patriotism and "revolutionary heroism" in resisting foreign aggression, whether on the part of the Japanese, the French or the Chinese. There can be no doubt that the Chinese leaders, certainly from 1960 to 1973, did attempt to influence Vietnamese policies — on the question of military tactics for South Vietnam, on the question of dealing with the USSR, and on the question of negotiations to end the conflict. The remarkable fact is that the Vietnamese were able to sustain their independent line during this period.

Thirdly, the VWP sought to achieve dominant political influence over the states of Indo-China. This goal had been suggested by the 1951 Programme of the Party, and was reflected in the development of Hanoi-

dominated Marxist-Leninist Parties and front organizations in both Cambodia and Laos. The Maoist model provided a suitable means by which this goal might be furthered, although it is tempting to consider the goal as an expression of nationalist sentiment alone. The long-term pursuit of this goal was necessarily subordinate to the primary goal of the unification of Vietnam. Nevertheless, an Indo-China under Hanoi's effective political control would provide a geo-political unit of some size and of considerable strategic significance. In particular, Vietnamese control of the Plain of Jars region of Laos would give control over access to north-east Thailand, should they consider it necessary or desirable to resume their historic expansionist tendencies. Also, an enlarged "Democratic Republic of Indo-China" would help strengthen (although it would not absolutely ensure) Vietnamese ability to resist Chinese political and other pressures if these were to be applied in the future. In order to secure a dominant Vietnamese influence in such an enlarged poltical unit, large tracts of Laos and Cambodia might be colonised by Vietnamese from the Tonking delta region. Such a "maximum" goal has for the time being been frustrated by the insistence of the leaders of "Democratic Kampuchea" that this state should develop in isolation, in a radical manner, and with assistance from Peking rather than from Hanoi and Moscow: but the long-term prospects for an independent and sovereign Cambodia seem no brighter than in early 1970.

It is clear that the order of priority accorded to their foreign policy goals by the PRC and the DRV respectively has varied at different times during 1954 to 1975. The goals and perceptions of the leaders of one state were not necessarily those of the other. The above discussion suggests that the PRC sought the status of a "great power" in world affairs, while the DRV sought to achieve goals which at best could be described as regional. The PRC at first considered the US as the main enemy, but after August, 1968 the US was joined by the USSR to be regarded as joint enemies of the Chinese state, and the USSR was named China's "main enemy" in 1972; the DRV was constant in its appreciation of the US as its main enemy allegedly controlling the "Saigon puppet clique". The PRC was cautious, and reluctant to take unnecessary risks, in its relations with the US; the DRV matched the US escalation in South Vietnam with its own counter-escalation of PAVN soldiers sent to the South, and as early as the Tonking Gulf incident seemed almost to invite and welcome US retaliatory destruction in response to Vietnamese communist initiatives. The PRC leaders judged from February, 1965 to March, 1971 that negotiations with the US were impermissible without either a prior US

military withdrawal or a decisive military defeat of the US forces; the DRV never completely closed its negotiation options, although it insisted on certain pre-conditions. The PRC urged a protracted war strategy on the DRV leaders after the US build-up in mid-1965, later arguing that the Vietnamese could "fight on for generations if need be"; the VWP leaders decided as early as December, 1963 that while their principle was to fight a protracted war, nevertheless a "decisive victory" should be sought in the quickest possible time; guerrilla tactics were never used exclusively, even after 1967.

These contrasts may be summarised in the proposition that, from 1954 to 1975, the PRC consistently followed — and advocated that the DRV should follow — policies designed to enhance China's security and ideological interests. In fact, with the major exception of the 1971 support for the principle of a peaceful settlement of the Vietnam conflict, the Chinese made very few (if any) concessions to Vietnamese interests. Even the transit of material from the USSR to the DRV via China was regarded as an issue which might be used to embarrass the USSR, rather than as a practical matter calling for an unconditional fulfilment of a "proletarian internationalist" obligation on the part of the PRC.

It was ironical that the Chinese leaders chose to assess (in July, 1963) that a person's attitude towards the "Vietnam question" was the basis of deciding whether that person was a true or a sham revolutionary, since the gap between revolutionary protestations and pragmatic actions which was deplored at the time was precisely what the Chinese leaders themselves demonstrated eight years later in relations with the US. The VWP spokesmen made many strong references in 1972 to the contradiction between serving "narrow national interests" while claiming to advance the cause of the revolution, *apropos* President Nixon's visit to China. The DRV leaders had been pragmatic in their approach to and relations with the USSR, and concentrated their attention on the primary goals — to advance the cause of seizing power in South Vietnam through armed struggle, and to gain as much practical and material support as possible from the "fraternal socialist countries". The Vietnamese successfully sought to unify both halves of Vietnam under communist rule, and to be available as go-betweens for any feasible moves to reconcile the Soviet and Chinese Parties; the Chinese sought to embarrass and politically isolate the Soviet Union and to divert the threatening aspects of US power and presence in Asia

The Vietnamese gave their struggle the slogan "against US aggression, for national salvation". The Chinese put major stress on the first

component of this slogan, insisting that the Vietnamese struggle was the "focal point" of the world anti-imperialist revolution. The Vietnamese placed equal, or indeed greater, emphasis on the "national salvation" component. The Chinese showed by their comments — in early 1967 in particular — that they recognized the strength of this component as a motivating force for the North Vietnamese.

The Vietnamese had early developed tactics for declining absolute support to either the CPSU or the CPC on any particular issue, unless there was no practical alternative but to take some public stand on that matter. In the years after 1960, the Vietnamese diplomacy and tactics became more sophisticated, and their confidence in their ability to pursue an independent line — in ideology and in practice — correspondingly increased. In this situation, it is interesting to note that the Vietnamese reaction to the many Chinese public criticism and advisory comments was for the most part passive. The Chinese side, too, went no further than its public protests and admonitions; that is to say, Chinese disapprobation did not extend into the field of action and therefore that of state relations, so far as can be ascertained from the published record. Occasionally the Vietnamese made public references to China which might be thought to imply that they accepted a relationship of subordination to China which was not so very different from that of the early 19th century, and was not at all one of sovereign and equal states in a socialist commonwealth; but these occasions were balanced by equally diplomatic expressions of independent judgement concerning matters affecting the two states and their relations with third parties.

When the North Vietnamese leaders did take a "low posture" towards China, it did not imply a sense of inferiority towards China, but it was merely to accept that China was the greater state, and that respect was due accordingly. The Chinese, for their part, implied that between China and North Vietnam there existed a special relationship, one of "lips and teeth", of mutual dependence and mutual reliance, which was not the case in China's relations with other countries excepting, perhaps, North Korea. The Chinese political pressures on the DRV seem to have taken the form of persuasion (no doubt often very vigorously expressed in private): but on the whole the PRC leaders appeared to respect the right of the DRV leadership to make their own policies as they thought necessary.

The above discussion of relations between the two states indicates that considerations of security were of greater importance for the PRC than issues of ideology when it was necessary to choose between them. By exploiting the circumstances of Sino-Soviet differences, the VWP had

been able to develop its "creative" policies: the provision of Soviet aid in particular, while essential for air defence, also provided an alternative to dominant dependence on China as a sole source of economic and military assistance, and helped explain why the VWP continued to seek Soviet assistance after the withdrawal of US combat forces from Indo-China. It is also clear why the Soviet Union was prepared to grant such assistance. Yet even if this had not been forthcoming, it did not follow that the DRV would be destined to become a satellite or province of China. The Vietnamese had survived Chinese pressures concerning policy, and had enhanced their sense of national identity; these achievements would not be willingly or easily foregone. All of the VWP leaders were Vietnamese first and foremost, although individually they might (and did) incline to favour this or that aspect of CPC or CPSU policy at any particular time. At the same time, there was no evidence to suggest that the PRC had territorial designs on the DRV or indeed on Indo-China as a whole although the issue of the Paracels and Spratleys remained to be resolved. Between the minimum programme of expulsion of foreign powers from the region (at least as far as an unfriendly military presence was concerned), and a presumed maximum programme of a Vietnamese state fully responsive to Chinese policies, there were many intermediate points at which the two nations could co-operate to further shared goals while Vietnam could preserve its essential sovereignty.

The developments and arguments above suggest that in the case of Sino-Vietnamese relations from 1954 to 1975, national sentiment on the part of the Vietnamese has been a more enduring source of political action than the avowedly common ideology; yet geography and an ethnic and cultural affinity draw the two states together to oppose the distance created between the two peoples by the sense of discrete patriotisms. Thus policies are sprung from patriotism, but are constrained by geography and history. The result is an uneasy dynamic balance. A genuine "peaceful coexistence" between the two states, with non-interference in each other's internal affairs — especially by the stronger power — can not be expected to come to pass until each of the states has completed the process of achieving their separate major foreign policy goals. In practical terms, this suggests that major differences in policy between the PRC and the Socialist Republic of Vietnam are likely to remain until greater stability (and thus predictability) comes about. This circumstance in turn depends on the development, in China, of a consensus on a "general line" for domestic development and on the manner of peaceful political succession: and, in Vietnam, on a clarification by the leaders of the extent of territorial interest in Laos, Cambodia, and ultimately Thailand.

Southeast Asian Political Demography: Converging Lines of Conflict in a Political-Ecological Adjustment

Gayl D. Ness

A Political-Ecological Adjustment

Of the many issues in the political demography of modern Southeast Asia, the most dramatic and decisive is that of rapid population growth and the political ecological adjustment to which it gives rise.

All the states of Southeast Asia have experienced rapid population growth during the past quarter century. As is well known, this has come about through the rapid decline in mortality and the maintenance of high fertility. (Table 1) The decline in mortality, as is also well known, has come not from a gradual increase in the standard of living, but from the importation of a new technology to control mortality and morbidity. The result is annual population growth rates of 2.0% to about 3.5%.

Over the past decade and a half, we have also witnessed a process in which organizations of the modern state have increasingly perceived the process of rapid population growth, defined it as detrimental to their interests, and have moved to adopt public policies to reduce fertility. The attempt to adjust fertility to rapid population growth marks this as an ecological adjustment. That the adjustment is led by the organizations of the modern state makes it a political-ecological adjustment. We can demonstrate the pattern of this adjustment by mapping the time of the political decision to confront rapid population growth with public organized programs of fertility control. That is, we simply map the date of the *political decision* to create a public fertility control program. Figure 1 illustrates this mapping, showing the process for Asia, Africa, Latin America and the Mediterranean-Islamic high fertility world. Two observations on the political-ecological adjustment should be made at this point.

The first observation is that the process is quite different from that by which fertility was reduced following the rapid population growth of the

Table 1. Population, Vital Rates and Rate of Natural Increase for the Countries of Southeast Asia 1950-70

	1950				1960				1970				1950-70
Country	Pop.	CBR	CDR	RNI	pop.	CBR	CDR	RNI	Pop.	CBR	CDR	RNI	Ave. Ann. Pop. Growth
Burma	18.3	40	47	-07	22.2	42	20	12	27.7	40[a]	13[a]	27[a]	2.5%
Indonesia	76.7	27[b]	15[b]	12[b]	94.2	29	11	18	121.2				2.9%
Khmer	4.1				5.4				7.1				3.7%
Laos	1.3				1.8				3.0				6.5%
W. Malaysia	6.1	42	16	26	8.1	41.	10	31	10.8	32[c]	07[c]	24[c]	3.9%
Philippines	20.3	31	8	23	27.4	30	08	22	38.1	27[d]	06[d]	21[d]	4.4%
Singapore	1.0	45	12	33	1.6	38	06	32	2.1	23	05	18	5.5%
Thailand	19.6	27	10	17	26.4	35	08	27	36.2	33[d]	07[d]	28[d]	4.2%
Vietnam[f]	24.6	38[e]	11[e]	29[e]	30.2	30	07	23	40.1	25			3.2%
TOTAL	172				217.3				286.3				3.3

Sources: *Comparative Study of Mortality Trends in ECAFE Countries*, Asian Population Studies Series, No. 14, Bangkok ECAFE Population Division, 1973, Annex II.

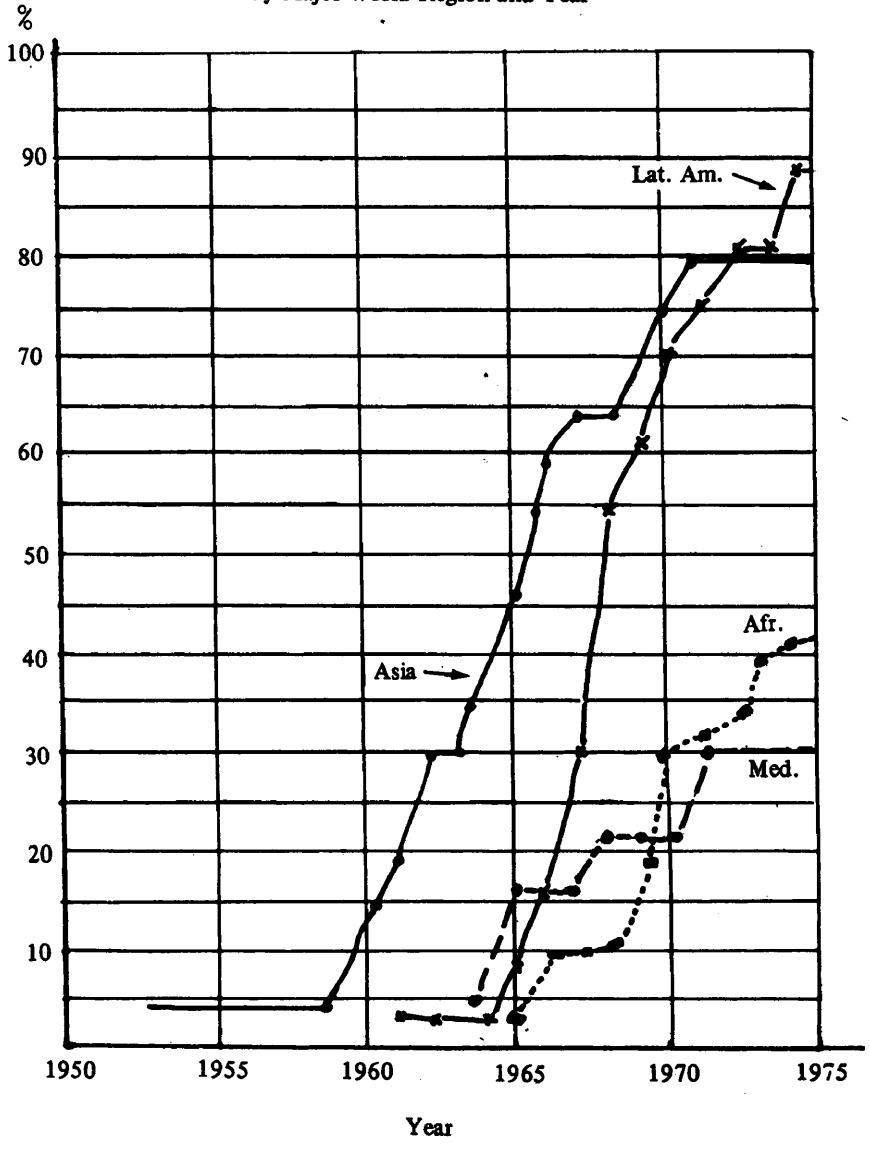
Population figures are given in millions; vital rates are given per thousand.

a. data for 1968; b. data for 1952; c. data for 1969; d. data for 1969; e. data for 1954;

f. population data are for all of Vietnam; vital rates are for South Vietnam only.

Figure 1

Per Cent of High Fertility Countries
With Fertility Control Programs
by Major World Region and Year



currently industrialized nations. For virtually all of the industrialized nations, industrialization was accompanied by rapid population growth. The cause, then as today, lay in the reduction of mortality while fertility levels generally remained high. Further, the period of rapid growth was terminated largely by the reduction of fertility, to complete what has come to be known as the demographic transition. What was different in the previous adjustment, however, was that it operated largely through what can be called normative and economic organizations. The large family norm came to be replaced by the small family norm primarily through market forces, which transformed large families from assets to liabilities. The downturn in fertility occurred often against pronatal political policies, as the unseen hand of the market came to be felt by individual families.

Second, the mapping in figure 1 shows a series of logistical curves, typical of ecological adjustment processes, which are similar in shape for all the high fertility regions of the world. Gradual beginnings are followed by rapid change, followed in turn by slower change. Thus we see the political-ecological adjustment as a common pattern of adjustment in the high fertility nations of the world. Although the shape of the curves is similar, however, the scheduling is different. Southeast Asia, and all of Asia are historically more advanced than are Latin America, Africa and the Mediterranean high fertility world. It is especially instructive to note that more than half of the Asian nations made the political decision for fertility control programming *before* The United Nations 1966/67 proclamation legitimized such programs and The United States 1967 AID decision provided massive financial assistance for them.

Elsewhere we have proposed a theory of the political-ecological adjustment, which attempts to explain both how it comes about and why it occurs earlier in Asia than in the rest of the high fertility world.[1] We can briefly summarize that theory here.

Modern political colonialism was the mechanism by which the Western capitalist mode of organization was spread to the rest of the world. Colonialism implied the creation of the modern centralized state, replacing older patrimonial states. In its ideal-typical form, the older patrimonial state and its administrative structure existed largely to sustain the ruler. The ruled were subjects whose duty it was to serve and obey the ruler. This form of the state was largely destroyed by the 19th century epidemic

[1] Gayl D. Ness and Hiro Ando, "Population Planning in Asia: A Political-Ecological Adjustment", January 1974, Mimeograph.

of political colonialism. In its place was laid down the form of the modern state served by a more extensive, a more differentiated and more technically specialized bureaucratic structure. Further, the legitimizing formula of the new state lay not in the protection of the ruler, but in the participation and welfare of the ruled. Thus the combined consent and welfare of the ruler were the goals that legitimized the modern form of the state.

In the colonial context, this form of the state was laid down and much of its structure was created throughout Asia and Africa in the 19th and early 20th centuries. But colonialism contained as well a basic contradiction, in that the modern form of he state existed in a subject population, whose major responsibility was to support a foreign ruling class. Nationalism was the force that resolved this contradiction, and promoted the next stage of the process. In the nationalist struggles of Asia and Africa, both the consent and the welfare of the ruled masses were raised to the position of explicit and dominant norms of legitimate government. These norms effectively mobilized masses in the colonial territories and confronted the metropolitan powers where they were most vulnerable. Against these norms and this popular mobilization, Western military superiority, which had been decisive, though relatively weak by modern standards for three centuries, was impotent. The political colonial system came to an end with the birth of scores of new nations.[2]

With the form of the state and its technically specialized administrative structure laid down in the colonial period, and the nationalist demand for participation and welfare of the governed, it followed that the new states would emerge with a strong commitment to economic modernization. This is a commitment to a broad social transformation marked by increasing levels of human productivity, based on a machine technology powered by inanimate sources of energy, and by increasing levels of human welfare, based on organized public programs for education, health and welfare.[3] Two broadly different strategies for achieving this social transformation can be identified, termed revolutionary and evolutionary, also recognized as the differences between command and

[2] Gayl D. Ness and Jeannine R. Ness, "Metropolitan Power and the Demise of Overseas Colonial Empires", paper presented to the annual meetings, American Sociological Association, New Orleans, Louisiana, August 1972.

[3] Much theorizing on economic development has focused exclusively on industrialization, neglecting the integral historical tie between that process and the equally decisive rise of a welfare-oriented state bureaucracy.

demand systems. Although these strategies are differentiated in large part by the scope and power of the central government in directing the social transformation, an important legacy of the colonial and nationalist movements is the general agreement that government everywhere shall play a major role in the social transformation. It is in large part the resulting *political character of this commitment to economic modernization* that produced the political character of the current ecological adjustment.

The broad commitment to economic modernization implied that national level plans would be generated with goals specified in terms of output per capita. It also implied that a variety of organizational mechanisms would be created to stimulate, direct, and above all, to monitor the transformation that was desired. These organizational mechanisms have been generally modeled on the administrative structure of the modern state. That is, planning required such specialized activities as census taking, social and economic surveying, industrial and agricultural promotion, and the provision of educational and health services, all of which would be paid for by central budgeting and mass mobilization of revenues.

Given this political commitment to increasing output per capita and the organizational structure developed to put work into that commitment, it is easy to understand how rapid population growth came to be perceived as a problem by the central political leadership. Census and survey capacities made known the rate of population growth and the implication in such critical characteristics as age distributions. Especially after the round of censuses in 1960, many states found they were growing more rapidly than they had predicted. They also found that this growth implied increasing proportions of the population in the youngest ages. This in turn implied high levels of immediate consumption, with increased productivity only coming after a decade or two. Planning for such services as education simply amplified the central perception of the costs of rapid population growth: all those new children would have to be educated. Since increased education was a specific goal in the overall plan of modernization, an increase in the numbers to be educated added doubly to the costs that would be borne by the central government. At the aggregate level, defining economic modernization as increases in output per capita made population growth appear a direct obstacle to modernization. This definition generally sharpened the perception of both the rate of population growth and the problems it posed, and led many central governments to define rapid growth as a problem that required attention.

Thus our theory of the political-ecological adjustment proposes that it is a function of the political commitment to economic modernization and

of the organizational structure created to implement that commitment, which in turn are functions of modern political colonialism and nationalism. The theory thus explains the timing of the political-ecological adjustment by observing that both modern political colonialism and nationalism were more advanced in Asia than in Africa or Latin America. The contrast with Africa is primarily based on the more recent penetration of modern colonialism in there, and the later development of both administrative structures and indigenous nationalist movements. The contrast with Latin America is based on different forms of colonialism. Although colonial penetration is as old in Latin America as anywhere, the colonialism was an older patrimonial variety. When it was destroyed in the early 19th century, it came to be replaced in part by a more economic form of dependence upon the advanced industrial capitalist states of Western Europe and North America.

Space permits us only to mention an important difference, in political demographic implications, between revolutionary and evolutionary strategies for the achievement of economic modernization. The revolutionary strategies imply a broader scope and more organic orientation to the desired social transformation. Thus such issues as reshaping bureaucracy and family, equality among the sexes, or radical feminism have been integral elements of the more general aims of economic modernization. Further, the revolutionary ideology provides great power to override public opposition to public policies. This has meant that the decision for fertility control has been generated by a more diverse set of interests, and thus could come earlier and with greater force. The evolutionary strategy began with a narrower orientation to productivity, with an especially heavy emphasis upon industrialization. Equality among the sexes, for example, was far less powerful an aim in the evolutionary states. Further, the political ideology of the evolutionary states makes them more vulnerable to public opposition. Thus the decision for fertility control was based upon a narrower and weaker orientation to aggregate growth, and was set in an organizational framework that was more differentiated and specialized than was found in the revolutionary states. For this reason the decision in the evolutionary states came somewhat later on the average, was strongly dependent upon the development of a narrowly specialized new contraceptive technology, and in its own implementation has been more narrowly conceived as family planning programs rather than as an integral element in a more organically based transformation.

Converging Lines of Conflict

That the current ecological adjustment is a political one means that the

great variety of issues surrounding population dynamics will become conflictual issues. Politics, as the legitimately coercive and public resolution of issues of resource mobilization and allocation, tends to crystallize differences and creates as well as resolves conflict. This is perhaps nowhere more true than in the area of fertility control. Condoms can be carried in a private pharmaceutical market, abortions can be equally available in a private medical market. As the private market implies a voluntary interaction, fertility control in such a setting can usually avoid widespread public conflict. Even abortion, precluded by laws for the protection of life, tends to be readily available nonetheless, with only an increase in costs and risks to reflect the impact of the laws. But when the state moves to enter the fertility control process, when it proposes the distribution of condoms or the provision of inexpensive and safe abortion, it must do this publicly and inevitably with the potential for coercion. Under these conditions, conflict is bound to arise.

In Southeast Asia we have witnessed a variety of conflicts emerge around the public action for fertility control. In this, of course, Southeast Asia does not differ from the rest of the high fertility world. But the region does differ both in the specific form some of those conflicts take, and more importantly, in the manner by which those conflicts are resolved or managed. Thus in an examination of the converging lines of conflict around Southeast Asia's political-ecological adjustment we can gain some insights into both common aspects of the adjustment, and distinctive aspects of that adjustment in Southeast Asia.

Here I shall distinguish and briefly describe four types of conflicts, all of which come together around the issue of fertility control. I shall not attempt a rigorous and quantitative analysis of the strength and distribution of these conflicts. Although such an analysis would be interesting, it is far beyond the scope of this paper, would itself require a very large scale research effort, and I have some doubts concerning its theoretical or practical utility. Rather I shall use specific cases to illustrate the form of conflict, and at the same time to show how the conflict is being managed or resolved, in what I consider to be rather distinctive Southeast Asian patterns. The four types of conflicts distinguished here are around conditions of 1) ancient empires; 2) ethnicity; 3) sex role; 4) ideology.

Ancient Empires. Southeast Asia has been divided for centuries into empires that engaged in chronic warfare with one another. This was especially dramatic on the mainland, where warfare combined with ancient economic orders to produce rulers with strong pronatalist orientations. People meant power: power in armies, power in corvée labor and power

in tribute. In modern Thailand we witnessed a powerful conflict between this militarist-pronatalist orientation and fertility control in the last half of the 1960's.

Thai economic planners and some of their foreign (private) advisors began to be concerned about Thailand's rapid rate of economic growth in the early 1960's.[4] In 1965 a pilot project was launched to test the acceptability of a clinic-based IUD program. The pilot program was a great success. Thai women were eager for assistance in fertility control and the Thai medical bureaucracy, or at least a portion of it, was willing and capable to provide that assistance. Yet it would require five more years before Thailand would adopt a public policy of fertility control for the entire nation. The major obstacle lay in specific Thai ruling generals, who were opposed to fertility control. Their reasons were strongly reminiscent of the pronatalist orientations of ancient rulers: people meant soldiers, workers and tax-payers. Thailand could, they thought, support a larger population, and Thailand needed a larger population to protect itself against its hostile neighbors.[5]

The resolution came in a series of subtle movements from both domestic and foreign sources. Thai economic and health officials promoted fertility control through the private association and mounted cumulating economic arguments for fertility control. Finally they gained permission to launch a pilot project, which would be nationwide. In all of this they were assisted by foreign aid sources, largely from the US, but also from the international private association for fertility control, which were willing to provide extensive financial assistance for fertility control.

Finally in March of 1970 the Thai parliament adopted a national fertility control program, which has gained considerable acceptance among the population in general. Reminiscent of many previous Thai historical processes, both the conflict and the resolution around fertility control moved in subtle plays of promotion, resistance, evasion, and compromise; a process that is distinctively Thai.

Ethnicity. Ethnicity has recently been recognized as one of the major

[4] See for example the abbreviated historical presentation in Royal Thai Government, *The Demographic Situation in Thailand*, prepared for the Second Asian Population Conference, Tokyo, 1972. The important Pothram Study is reported on in Chulalongkorn University, Institute of Population Studies, *The Pothram Study*, Research Report No. 4, Bangkok, Thailand 1971.

[5] Information from personal interviews in Thailand 1960 through 1972.

political forces of the modern world.[6] The modern socialist and welfare state has given to ethnicity a new strategic efficacy in the promotion of group interests. In the area of public fertility control, ethnicity has emerged as perhaps one of the most powerful and potentially violent sources of conflict. In every state that contains deeply divided ethnic groups, public fertility control uncovers deep-seated fears of ethnocide.[7]

The most dramatic illustration we have in Southeast Asia of this dimension of conflict is in Malaysia. When the public fertility control program was first announced in 1965, Malay extremists raised objections on grounds of the fear that such a program would make Malays a minority in their own land. This fear, which has persisted throughout the life of the fertility control program, can be stated in fairly explicit terms, but it also appears that a much more diffuse and subtle set of ethnic antagonisms is somehow galvanized by the public fertility control program. This has led government leaders to require that the fertility control program proceed with a very low profile, abstaining from massive media campaigns to promote program aims. Thus the mass media campaign that had been launched early in the program's history was almost completely curtailed following the violent race riots that shook the country in 1969.

The ethnic conflict over fertility control has not been resolved, but it does appear to have been contained, and in the containment to have three types of impact on the program. In the first place, there is evidence that the program is more costly and less efficient because of ethnic conflict. Evidence for this position comes from a comparison of the Malaysian and Korean fertility control program.[8] The two countries are roughly similar in their general socio-economic conditions, and the two programs are similarly structured. Both programs are organizationally distinct, so that it is possible to use comparable measures of financial and personnel inputs and to relate these to numbers of acceptors or couple years of protection as program outputs. Both programs show high correlations between

[6] Nathan Glazer & Daniel P. Moynihan, "Introduction" in their edited *Ethnicity: Theory and Experience*, Cambridge, Mass., Harvard University Press, 1975, pp. 1-28.

[7] For example, American black male militants often define American public family planning programs as genocidal.

[8] From 1973-75 the ESCAP Population Division sponsored a series of comparative country studies of the administration of family planning programs, including Korea and Malaysia.

input and output measures, indicating comparable levels of bureaucratic rationality or capacity.

When outputs are related to inputs, we obtain measures of program efficiency, acceptors per staff or couple years of protection per staff, and cost per acceptor. Table 2 shows comparative figures for Malaysia and Korea over the past few years. Korea obviously has a higher level of acceptors per staff, and a lower cost per acceptor.[9] Further, efficiency appears to be increasing in Korea and decreasing in Malaysia. Finally, since over 90% of Malaysian acceptors use the oral contraceptive pill, and Korean acceptors are distributed roughly (1972) 42% IUD, 24% OCP, 4% sterilization and 30% condom and other, Korea vastly exceeds Malaysia in the couple years of protection achieved per staff or per dollar.

Second, the ethnic divisons in Malaysia appear to result in a disproportionate orientation of the fertility control program to service the Malay population. In the early days of the program, Malay and Chinese acceptors were in proportions roughly equal to their proportions in the areas served by the program. Chinese acceptors outnumbered Malay acceptors in the first year or two, when the program was building up by providing service first to the urban areas. By 1970, when rural coverage was more extensive, Malay and Chinese acceptors were roughly equal in number, and by 1973, the last year for which we have ethnic breakdowns by acceptors, Malays were 55% of acceptors and Chinese were only roughly 35%.[10] Although this relatively accurately reflects the ethnic proportions in the country as a whole, it must be interpreted as a higher than expected number of Malay acceptors, since Malays are more rural and thus exhibit less strongly the characteristics usually associated with high contraceptive acceptance.

The higher than expected proportion of Malay acceptors can be related to two types of program characteristics. First, the program officials de-

[9] In table 2 we show the cost per acceptor in US $. These figures should not be taken as truly comparable cost figures, however, because of large differences in purchasing power. The figures do accurately reflect rank orders of the two countries, but the intervals must not be considered valid. That is, we can say that costs per acceptor are higher in Malaysia than in Korea, but we cannot say that Malaysian costs are over twelve times as high as those in Korea.

[10] Government of Malaysia, National Family Planning Board, Annual Reports, for years 1967 through 1973.

Table 2. Comparison of Family Planning Program Efficiency in Malaysia and Korea

KOREA [a]	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
New Acceptors (000)	62	151	288	431	580	495	440	539	646	674	695
Staff	253	704	3592	3669	3701	3909	3774	3884	3814	3791	4020
N.A./Staff	243	214	80	118	157	127	117	139	169	178	173
real won[b] / N.A.	1966	1109	885	657	972	830	1134	1034	869	918	760
est. real US$/N.A.[e]	$4.91	$2.77	$2.21	$1.64	$2.43	$2.08	$2.84	$2.59	$2.17	$2.30	$1.90
MALAYSIA[c]	1967	1968	1969	1970	1971	1972	1973	1974			
New Acceptors (000)	8.3	43.1	48.1	39.4	36.2	35.0	3.5	36.6			
Staff	101	231	281	330	381	388	425	481			
N.A./Staff	82	186	171	120	95	90	84	76			
real M$[d]/N.A.	91	40	45	68	86	76	86	78			
est. real US$/N.A.[e]	$30.03	$13.20	$14.85	$22.44	$28.38	$25.08	$28.38	$25.74			

a. Kim, Kwang-woong, *A Comparative Study on the Administration of Family Planning Programmes in the ESCAP Region for the National Study of the Republic of Korea: Organizational Determinants of Performance in Family Planning Services,* U.N., ESCAP, Population Division, Bangkok, Thailand, June 1974, p. 74.

b. Current won presented in the Korea report were deflated using the general wholesale price index as presented in the UN *Statistical Yearbook,* 1973.

c. Stephen Chee and Chan-Onn Fong, *A Comparative Study on the Administration of Family Planning Programmes in the ESCAP Region: Organizational Determinants of Performance in Family Planning Services – The Malaysian Case,* U.N. ESCAP, Population Division, Bangkok, Thailand, November 1975, pp. 18, 20, 22.

d. Current M$, presented in the Malaysia report, were deflated using the consumr price index presented in the UN *Statistical Yearbook, 1974.* For 1974, a 5% rise in the index was used, reported in the Far Eastern Economic Review Asia Yearbook, 1975.

e. Exchange rates used are U.S. $1.00 = 400 won = M$3.03. These are rates for 1970 since the real won & M$ figures are in 1970 prices.

cided to concentrate almost exclusively on pill distribution and almost completely to neglect IUD service. This decision in itself reflects a strong orientation to Malay acceptors, since it was originally justified with the argument that orthodox Muslims (Malays) would object to the IUD on the grounds that the body must be free of foreign matter during prayer. Further, following the successful and well known Taiwanese and Korean models, IUD programs were known to work best when the private medical community is mobilized for IUD insertion, for which it is paid a fee for service by government. It can be argued that Malay officials do not give full consideration to utilizing such a program, because they fear that government will be cheated by the largely non-Malay private medical community. Thus the technology decision of the program reflects a clear orientation to service to the Malay population.

In program staffing there is also a clear Malay preference in the program. At present Malays are in the majority in program staff, exclusively so in top executive positions, and predominantly in the clinic services as well. This appears to lead to greater Malay acceptance and lower levels of Chinese acceptance, since there is evidence that ethnic homogeneity among staff and clients produces higher levels of clinic efficiency than does ethnic heterogeneity.[11]

Both the technology and staffing decisions reflect a more basic set of conditions in Malaysia. Since independence there has been a clear rise in Malay dominance in the political arena. Malay political dominance leads to Malay preference in both government jobs and government services.

The third impact of ethnic divisions on fertility control follows from the second. It appears that Chinese contraceptors are increasingly served by the private market and Malay acceptors increasingly served by the government program. Thus the delivery systems for fertility control have become differentiated by race. This type of differentiation is not unique to the fertility control process. Tilman[12] noted much earlier that the process of Malayanization, in which indigenous personnel took control of the administration from the departing British expatriate officers, pro-

[11] See Stephen Chee and Chan-Onn Fong, *A Comparative Study on the Administration of Family Planning Programmes in the ESCAP Region-The Malaysian Case*, U.N. ESCAP, Population Division, Bangkok, Thailand, November 1975, p. 52.

[12] Robert O. Tilman, *Bureaucratic Transition in Malaysia*, Durham, N.C., Duke University Press, 1964, passim.

duced a similar differentiation. He showed that the central administrative system was becoming increasingly dominated by the Malays, and the non-Malays came to dominate in the less politically powerful technical services. Thus the overall administration became differentiated by ethnicity.

Although this type of differentiation of activities by race may increase costs, decrease efficiency, and postpone a final reckoning of the meaning of citizenship, it may also be interpreted as a mechanism of accommodation. It tends to separate groups at points on which the reconciliation of differences is difficult if not impossible. Whether or not it reduces long term potential for conflict resolution is uncertain, but it perhaps does reduce immediate conflict potential. And in the face of the deep and explosive nature of ethnic differences, the reduction of immediate conflict potential may not be in an inconsequential accomplishment.

Sex Roles. Fertility control programs everywhere raise conflicts around sex roles. Virtually everywhere, men control and direct fertility control programs, whose consumers are women. Further, there is increasing evidence that men and women may have very different interests in fertility control programs. Among American blacks and among Southeast Asians, men tend to want children for the glory and the power; women tend to want some relief from the burden of childbearing. Men often oppose fertility control programs in part because of the freedom such programs give to women. A female-controlled contraceptive technology is often feared because it reduces male exclusive rights of sexual access to "his" female.[13]

Although this line of conflict has arisen around fertility control programs in many places in the world, it appears less strident and divisive in Southeast Asia than, for example in the United States. Systematic data do not exist to demonstrate this, but my own limited personal observations and discussions in Malaysia, the Philippines, Indonesia and Thailand lead me to believe that the conflict is considerably muted. There is gentle laughter and bantering among men and women as they agree with my suggestions of the sex role differences. Certainly we have seen nowhere in South Asia the strident tones and the powerful mobilization found in women's liberation movements in the U.S.

[13] The earliest systematic evidence of this sentiment of which I know in is J.M. Stycos, *Family and Fertility in Puerto Rico,* New York, Columbia University Press, 1955, pp. 169 ff.

There may be an explanation for the limited Southeast Asian sex role conflict in the relative positions of the sexes in the region. Many people have remarked on the autonomy and the economic power of women in traditional Southeast Asia. Yengoyan[14] has observed something of perhaps greater importance: there is relatively little male sex preference in indigenous Southeast Asian societies. In this they contrast markedly with South and East Asian societies. In Malaysia we can perform one rather powerful test of this difference in sex-preference, because Malays and Chinese are in close proximity and in relatively equal numbers. This permits us to observe sex ratio differences among the very young, which shows that a good deal of child-transfer occurs and reflects the different sex-preferences among the races. From Malaysia census data, it is clear that among the 0-5 age groups there is a surplus of females among the Malays roughly equal to the deficit of females among the Chinese. These data support the casual observations that Malays show little sex-preference in children, that Chinese show strong male preference, and that Malays readily adopt Chinese girl babies.

Thus it is possible that a greater equality between males and females exists in Southeast Asia at a very profound cultural level, and that this greater equality considerably dampens the potential sex role conflict that arises when fertility control becomes an object of public policy.

Ideology. By ideology here we refer to ideas that serve, either by specific design or by traditional usage, the interests of organized power groups, The emergence of public fertility control programs has generated two major types of ideological conflict. One concerns the opposition of the Roman Catholic church to "artificial" fertility limitation, and the other concerns the conflict between rich nations and poor over equality in the world distribution of wealth. Both lines of conflict prevail throughout the world, are manifest in Southeast Asia, and show some distinctive properties in Southeast Asia.

Religion. Roman Catholic opposition to "artificial" fertility control has produced a noticeable impact on the political ecological adjustment, which can be seen through an examination of all fertility control programs in the high fertility world. The Population Council uses a two-part classi-

[14] Aran Yengoyan and George H. Viterbo, "Gender and Ideology: Economic Variation and Gender Preference in the Central Philippines," in J.F. Marshall & S. Polgar, eds., *Culture, Natality and Family Planning*, forthcoming.

fication of fertility control programs, which is most useful for this analysis. Countries may have a *stated fertility control policy* and also put resources into public *programs* for fertility control. But countries may also put resources into *programs without a stated policy*. The distribution of countries by this classification is itself instructive, as table 3 shows.

Table 3

Fertility Control: Countries with Policy Plus Program, and Program Without Policy by Major World Regions

Region	Policy Plus Program		Program Without Policy	
	N	%	N	%
Asia	16	84%	3	16%
Latin America	7	33%	14	67%
Africa	4	24%	13	76%
Mediterranean	5	100%	0	0%
Total	32	51%	30	49%

See Figure 1 and list of countries.

In both Asia and Latin America, the great majority of countries have now made the political decision to engage in direct fertility control programs. Without the organizational strength of the Roman Catholic Church, Asian programs generally include a direct antinatalist policy statement. The greater organizational strength of the Church in Latin America often leads governments to engage in program activities without running the risks of making public policy statements to that effect. (Figure 1 shows that less than half of the African and Mediterranean high fertility world have the political decision behind them, indicating a more diverse and powerful set of specific constraints on this poltical ecological adjustment.)

In most of Southeast Asia the organizational basis of Roman Catholicism is generally weak. Adherents have usually been foreign and minority groups. In some cases this did present an obstacle to public fertility programs during the transition to independence,[15] but for the most part

[15] Gayl D. Ness and Hiro Ando, "The Politics of Population Planning in Malaysia and the Philippines", *Journal of Comparative Administration*, Vol. 3, No. 3, November 1971, pp. 296-329.

Figure 1. Sources: Countries by Region with Dates of Fertility Control Policy Adoption

Year	Asia	Lat. America	Africa	Mediterranean
1952	India			
1960	Pakistan (Bangladesh)			
1961	S. Korea			
1962	China N. Vietnam	Cuba		
1963				
1964	Taiwan			Tunisia
1965	Sri Lanka Singapore Hong Kong	Chile	Mauritius	Egypt Turkey
1966	Malaysia Nepal	Honduras Jamaica	Kenya S. Africa	
1967	Iran	Barbados Nicaragua Trinidad & Tobago		
1968	Indonesia	Bolivia Costa Rica Dominican Rep. Ecuador El Salvador Venezuela	Rhodesia	Morocco
1969		Guatemala Panama	Dahomey Gambia Ghana	
1970	Philippines Thailand	Colombia Puerto Rico	Nigeria Sudan Tanzania	
1971	Afghanistan	Haiti	Botswana	Algeria
1972		Paraguay	Mali Uganda	
1973			Liberia Zaire	
1974		Brazil Mexico	Lesotho	
TOTAL	19	21	16	5
No Programs	5	3	23	13
Country Grand Total	24	24	39	18

this opposition could for all practical purposes be ignored. In South Vietnam, the opposition was more effective, but that is today largely a matter of history. It is in the Philippines that we see both a powerful conflict with the Church, and a distinctive pattern by which that conflict was managed.

President Marcos was among the original group of Asian leaders who signed a population declaration in 1966-67, in a move that helped to bring the United Nations to promote fertility control policies. By 1967 a core of Philippines intellectual and economic planning elites had developed considerable momentum for a public policy of fertility control. It is noteworthy that this was basically the same type of elite, with the same organizational bases in universities and government planning agencies from which the impetus for fertility control emerged in most of Asia. In the Philippines this elite group also included significant numbers of the priesthood, with the Jesuits providing much leadership.

The momentum for a fertility control policy appears to have been checked however, by the encyclical *Humanae Vitae*. Thus, although President Marcos created a Population Commission to make recommendations on population policy early in 1969, he kept the commission's activities out of the public arena during the 1969 election campaign. As a shrewd politician, he apparently did not wish to test the strength of the Church on this issue, and preferred not to raise potentially divisive issues during the election. Just after he achieved success in the elections, however, he announced the fertility control policy that the Commission was proposing. Two sets of social forces were mobilized to make this announcement possible.

First, an outspoken group of the priesthood spoke for a fertility control program in the name of responsible Christian parenthood. It balanced this positive argument with a strong attack on *Humanae Vitae* as a violation of the spirit of Vatican II.[16] Thus Philippines society experienced a crisis of authority in religious leadership, which dampened the hierarchy's vigor in public opposition to a public fertility control policy.

Second, another group of Philippine elites, generally known as the young technocrats provided the Church hierarchy with a viable alterna-

[16] This set of conflicts is fully documented in V.R. Gorospe, ed., *Responsible Parenthood in the Philippines*, Manila, Ateneo University Publications Office, 1970.

tive to direct opposition.[17] They proposed a strategy using an organizational tactic called the Responsible Parenthood Council, with a religiously acceptable technology, the rhythm method, as a central instrument. This proposal gained the acceptance of the Council of Bishops, coopting the hierarchy therefore in part making possible the public proclamation of a fertility control program.

Equality and Development. The First World Population Conference, held in Budapest in August 1974, crystallized the ideological conflict between First and Third World leadership over public fertility control programs. This crystallization apparently came as something of a surprise to the population control proponents of the industrialized nations, who expected the Budapest meeting merely to endorse its own sense of urgency over the world population problem.[18] Third World leaders, led by Algeria, denounced the emphasis upon family planning as a tool of development and argued forcefully for greater equality in the distribution of the world's wealth. Thus *family planning* came to be partly opposed to *equality* in the specific aims of economic modernization. It should be noted that this is by no means a new and unique conflict. A major portion of the long and acrimonious debate between Thomas Malthus and William Godwin (1798-1820) can be described in precisely the same terms, with Malthus arguing for moral restraint in fertility control, and Godwin arguing for greater equality in the distribution of wealth. Almost two centuries after it was first raised this same ideological conflict emerged again, although now on a total world-wide scale.

Although this ideological storm rages around the world, Asia in general and Southeast Asia in particular are not at its center. The First Asian Population Conference, in 1963, noted the problem of rapid population growth and warned of its dangers. By the time of the Second Asian Population Conference, in 1972, the political commitment to reduced fertility had been made, Asian countries had acquired much experience in fertility control, and attention was focused on the variety of technical, economic, and organizational issues by which high fertility could be managed.

[17] See Ness and Ando, op. cit., for further discussion of this process.

[18] See Nazli Choucri et. al. "A Report on Bucharest," *Studies in Family Planning*, Vol. 6, No. 9, (Sept. 1975) for a good survey of the Bucharest conference. For an excellent *analysis* see Jason Finkle, and Barbara D. Crane, "The Politics of Bucharest: Population, Development and the New International Economic Order." *Population and Development Review*, Vol. 1, No. 1, Sept. 1975, pp. 87-114.

In his address to the Conference, Rafael Salas, Director of the United Nations Fund for Population Activities,[19] observed the limited achievements of specialized family planning programs and called for population control to be fully integrated into a broad approach to economic and social development. He argued as much for equality as for fertility moderation.[20] Yet this appeal did not draw ideological battle lines. It was accepted as a statement of fact and necessity; it reflected what most Asian governments had discovered through extensive experience with population control programs. In a sense, Asia had already gone beyond the point of ideological debate by facing the intractable problems of promoting both broad social development and fertility control.

Following the Bucharest meeting, the Asian nations met in Bangkok for a post WPC session. This meeting had two objects. The most specific was to draft a plan of action for the region, which would work toward implementation of the World Plan of Action agreed upon Bucharest.[21] There was, however, a second and somewhat more diffuse object in this meeting. Many Asian delegates expressed some discouragement with the Bucharest meeting, which they felt did not provide them with sufficient opportunity to present their specific needs, nor did it speak of their problems.[22] In a sense they felt they were beyond the ideological arguments that engaged what they felt to be the less technically qualified and more political representatives from other parts of the world. The draft plan of action they produced did in fact ignore the more conflictual ideological rhetoric of Bucharest and speak in much greater detail of the problems of the Asian nations and of specific actions that could be taken to meet these needs.

[19] Rafael M. Salas, "Asia: An Area Assessment", speech delivered at the Second Asian Population Conference, Tokyo 1972.

[20] It should be noted that much the same argument for a broader and more integrated approach was also being made in regard to agricultural development. As with population, this argument reflected the Asian experience with agricultural development, and the tone also avoided the ideological conflict presented at Bucharest.

[21] ESCAP, "Follow-Up Action on the Decisions and Recommendations of the World Population Conference, Report of the Regional Post-World Population Conference Consultation," Bangkok, Thailand, 29 January 1975, E/CN.11/1208.

[22] Data from personal interviews in Bangkok, summer 1975.

Conclusion

This is, to be sure, only a brief description of the major lines of conflict that have emerged with considerable strength throughout the world as population and fertility control have become issues for modern governmental action. Two things seem clear, however, even from this brief treatment. First, the lines of conflict over public fertility programs are deep and powerful. They touch some of the most subtle and profound symbolic structures of human societies. The depth and power of these conflicts is understandable when one recognizes that the human species is relatively precarious, and that its reproductive habits reflect the species' struggle for survival in the face of its basic precariousness. It is also apparent, however, that the converging conflicts we observe throughout the world are muted in Southeast Asia.

The conflict arising out of the territorial bases of ancient political systems is muted by the relative weakness of the international initiative in Southeast Asia. This is a region with no super-powers. Its territory has been, to be sure, the battlefield of super-powers and of many of the social forces those powers reflect. To a certain extent, however, we may argue that the very intrusion of external super-powers reduces the initiative of countries of the region. And this reduction in initiative forces upon the national leaders of the region a kind of short run pragmatism in which compromise and accommodation are more powerful than conflict. The short-run pragmatism has also been supported by the experience in economic planning, in which the region has been relatively successful. Success in economic planning, we argue, turns men's actions from violent and divisive conflict to the solution of more differentiated and specialized technical problems. Thai generals may well have seen the world, as they have for centuries, as a battlefield in which sheer numbers would be important. But the success of Thai economic planners helped make quality more important than numbers. The cold hard figures of the economic returns of education and the rising costs of education under conditions of rapid population growth helped turn the pronatalist orientations of the generals to the antinatalist orientations of the planner.

The conflicts arising from ethnic differences and fears of ethnocide have always been explosively divisive in the region. But Southeast Asia has known such divisiveness for centuries. Out of this experience, the region has also developed patterns of accommodation through separation, which help to mute immediate conflicts. This strategy for muting conflict does not depend upon the elimination of ethnic differences.

Rather, it permits them to persist, for both good and ill, but to persist in relative peace.

Sex role conflicts, in forms ranging from radical feminism to simple and muted male-female differences in fertility interests, are emerging throughout the world as powerful sources of conflict. Equality between men and women is increasingly gaining power as an aim or norm of human organization. Whether this is seen as a result of the economic forces inherent in industrialization or the political forces inherent in the march of equality, the process of change is pervasive and is generally considered progressive. But as with most change, it does not come without considerable conflict. Male dominance will not be given up without considerable struggle.

These lines of conflict appear in Southeast Asia as they do in the rest of the world, but they, too, are muted. Southeast Asian society does appear distinctive in the degree of equality between men and women and certainly in the weakness of male-child preference. It also appears that the distinctive character of the sex-roles of Southeast Asia reduce the potential for conflict over their change.

Ideological conflicts abound around public fertility control. The power of religion is great, as is the power of political-economic ideologies. Again, however, Southeast Asia lies outside of the center of the ideological storms. With only one Roman Catholic country in the region, and with Roman Catholic groups clearly in the minority in other countries, the organized power of this group is considerably diminished. The relative isolation of the Philippines Roman Catholicism may be argued to have permitted that society to experience its own distinctive process of change. There the experience of the crisis of authority and the working out of the economic-demographic demands of development alongside of that crisis of authority were contained in the relative isolation of a distinctively Philippine national experience. In this more insulated national setting a Philippine resolution to the conflict was achieved. As in the rest of the region, the resolution reflected the growing power and capacity for public promotion of modern social and economic development.

The ideological conflict around issues of equality versus development was also muted in Southeast Asia. It appears that what was most important here was the relatively advanced position of the region in its political ecological adjustment. We saw an earlier commitment to modern economic planning, a greater development of the organizational and technical capacities for development promotion, and a greater experience in promoting economic development generally and fertility control specifi-

cally. Ideological conflicts appear to wither away in the face of this type of direct experience. In a sense, the experience in attempting to promote change leads to more pragmatic and less ideological orientations. The pragmatic orientations more readily permit of conflict resolution; the greater ideological orientation tends to generate more conflict.

On the whole, then, Southeast Asia has been outside of the center of the conflictual storms raised by public fertility control programs. To a great extent, the position on the periphery of the storms derives from what we observed at the outset: Asia's more advanced position in the political-ecological adjustment. Asia in general, and Southeast Asia in particular started into the adjustment process earlier and as a result have gained a position in which they are touched but not battered by the storms of conflict generated by that adjustment.

THAILAND: THE PROBABLE DISCONTINUITY

George Baker Bell

For the student of international affairs, the recent course of Thai-American relations raises questions of fact, theory, and policy.[1]

I

On March 18, 1976, in a news conference held in Honolulu, the senior American military officer in the Pacific area confidently predicted that the negotiations that were then taking place in Bangkok would be concluded satisfactorily: in the admiral's mind the Thai government was about to accede to the American request for permission to maintain military personnel in Thailand beyond the year-old deadline for withdrawal, which had been scheduled for March 20. These personnel would be responsible for the routine, noncombative operations of the renamed 635 Aerospace Group at the strategic airfield at Utapao, and of the Seventh Radio Research Field Station (RRFS) at Ramasun.[2]

At Ramasun, located near the Laotian border in the northeastern province of Udorn-Thani, life continued as usual for the army servicemen and civilian employees of the National Security Agency (NSA): Chinese, Vietnamese, Laotian, and Soviet electronic activity continued to be monitored, recorded, and analyzed. Activities sponsored by the United Services Organization (U.S.O.) and the military, social clubs continued at full strength. Racketball fans were glad for the new courts that had just been completed in January. Academically-minded G.I.'s were looking forward to the eight-week, college-level courses that would begin on March 22.

[1] The first draft of this report was written in Udorn, Thailand, during the turbulent, initial period of retrograde operations. At that time, when permission to enter the secretive intelligence base at Ramasun was being denied to journalists, this writer was employed on the base.

[2] The Thai pronunciation is "rama-soon."

At Utapao, in the southeast, near Cambodia, a similar brand of optimism prevailed: The conscientious base librarian had just reduced his holdings from 30,000 volumes to 3,000 and he was pleased that by a careful selection of those volumes that had received the greatest circulation he had created a small, field library that would be of continuing value in future years. On March 19 an aircraft arrived at Utapao from Yokota, Japan, carrying a group of several dozen, newly-assigned, military personnel of both sexes, along with a few civilians, among whom were two instructors that had been reassigned from Korea to teach off-duty classes in psychology, anthropology, and history. One junior, female officer was reporting for a regular, twelve-month assignment; the other passengers carried temporary-duty orders, the time-period of which varied from several days to several months.[3]

Although many Thais had lost their lucrative jobs as a result of the closure of the bases in some cases and the reduction of operations in other cases, those Thais that continued to hold their jobs looked forward to a period of long-term employment. Meanwhile, in the bungalows outside the bases, Thai contract-wives (called *tee rahke*) waited with their accustomed impatience for their client-husbands to return home with an armful of groceries and BX items, some of which would find their way handily into the flourishing black market.

Outside of a small circle of anxious negotiators in Bangkok, few Americans and fewer Thais suspected that anything was about to go wrong. None would have imagined that by June 20 — three months distant — Americans at Ramasun and Utapao might be gone. Who would have said that the American house of strategic cards in Thailand was about to collapse?

II

By January, 1976, leftist elements in Thailand realized that American, military authorities intended to defy the Thai deadline of March 20 for the final withdrawal of military forces. Although Americans had removed the last of the combative units on December 20, 1975, about 4,500 military specialists would remain, as the Americans used to say, "in-country," on the date of the deadline. Behind the scenes American diplomats had asked for permission to retain 3,000 technicians for special, noncombative missions. On February 4 the Thai deputy foreign

[3] The only unusual feature of their orders was the requirement that persons arrive not later than March 20, a Saturday.

minister, in presenting a seven-point list of principles to the American ambassador, stressed that although an agreement on principles would be required by March 20, agreement on details could be worked out later at a leisurely pace. The Americans had only to agree to principles and all would be well.

Thai government leaders, seemingly resentful of the disrespect toward Thai sovereignty that American insistence on diplomatic immunity for intelligence personnel implied, asked that the technicians that would remain in Thailand must come under the jurisdiction of Thai law; that is, they must forfeit all claims to diplomatic immunity for crimes committed on Thai soil. These technicians must also forfeit all claims to privileges of tax exemption. American acceptance of these principles, namely, non-immunity and non-exemption, would mean that all G.I.'s would be subject to the jurisdiction of Thai courts — and, by implication, if found guilty of a crime punishable by imprisonment, be liable to punishment in Thai jails. Acceptance would also mean that the American, government-sponsored, retail sales system (BX), grocery sales system (commissary), and postal system (APO) would cease operations.[4]

Americans found their imagined picture of life in Thailand without diplomatic protection for G.I.'s guilty of criminal acts and access to a tax-free source of beer, tobacco, toothpaste, and postage unacceptable. On March 14 the American ambassador insisted on the continuation of the privileges of tax-exemption for all U.S. military personnel, and diplomatic protection for those personnel whose jobs and security-clearances required immunity from Thai law and Thai jails.[5]

Intense, last-minute negotiations between Thai and American diplomats were carried on continually during that final week. At one point Americans asked that a part of the technicians be considered staff of the U.S. embassy; but the Thai prime minister, who had said that Thailand would refuse to permit the presence of 4,000 American ambassadors,

[4] In the past Thai policy-makers had met with some success in the area of restricting privileges of tax exemption: American, government-invited, civilian contractors had been required to forfeit their BX, commissary, and APO privileges on June 1, 1975. Thais had discovered, however, that American military leaders were determined to defend their standard of living, one which, Americans believed, would depend on the uninterrupted operation of these various services.

[5] American counter-intelligence experts feared that the secrecy of the top-level, military information known to RRFS personnel would be jeopardized were any of these personnel to be imprisoned with anti-American agents.

rejected this proposal. When it became evident that they had failed to convince Americans that all military technicians should live in Thailand on the local economy as peaceful, law-abiding residents, Thai officials asked for total withdrawal within two months. Shocked Americans, who had failed — after years of repeated effort — to convince Thais to grant a status-of-forces agreement, only protested that more time, at least six months, was needed. Although the Thais extended the date to July 20, Americans decided to accelerate their pull-out; a list of closure-dates for Utapao current as of April 5 showed that base authorities intended to close the base on June 20, which they subsequently did.

The American government interpreted the Thai decision to limit the grace period for the withdrawal of the remaining military personnel to four months as a Thai readjustment to the new political realities brought into being by the end of the U.S.-Vietnamese war. Speaking in Dallas before the World Affairs Council on March 22, the American secretary of state explained the Thai policy in terms of a modified, domino-theory analogy: Thai leaders, the secretary affirmed, were trying to counter-balance North Vietnam and China. Their decision reflected, not hostility toward America, but their reassessment of the strategic situation in Southeast Asia. The consensus in Thailand, however, was that the prime minister's decision had less to do with peninsular rivalry than with electoral insecurity: he had hoped by this maneuver to forfeit support from the pro-American, military sector in exchange for support from leftist and centrist sectors.[6] Thais recalled that during the prime minister's visit to China in 1975 he had been warned, in the analogy of the Chinese proverb, to beware of chasing the tiger out the front door while letting the wolf enter through the back door.[7]

What will be the strategic consequences of the closure of Ramasun and Utapao? In the case of the Utapao airfield, the answer is simple: a loss of convenience. In the case of the Ramasun electronic ears, the answer is complicated; for it may be the case that although little is gained in terms of informational content, much may be gained by the threat of knowl-

[6] Kukrit's gamble was ill-calculated, for in his bid for reelection in his home district of Dusit, he was voted out of office by well-instructed citizen-soldiers.

[7] Did the Chinese want the U.S. to remain in Thailand to counter-balance the weight of an increased Soviet presence in Southeast Asia?

edge. Ramasun may have been more valuable as a symbol of an electronic, intelligence-gathering capacity than as a source of electronic intelligence.[8]

III.

The failure of Thai-American negotiations over the extraterritorial status of RRFS personnel requires explanation, for Thailand is now the fourth Southeast Asian country in which U.S. policy has suffered a major set-back within one year. Why did American authorities fail to obtain from the Thai government the juridical precondition that they had set for overtly-sponsored, intelligence operations?[9]

Any world-specific, historical explanation of reasons for the failure of these negotiations to come up to the expectations of American military and intelligence planners will have to refer to an underestimation of one factor and an overestimation of another: the underestimated factor was the potential discontinuity within Thai politics, and the overestimated factor was the credibility of the American strategic scenario. Although names and dates may be cited to show biographical and institutional details, the essential questions are structural ones: How, after all, do the processes of underestimation and overestimation take place? Are these processes simply consequences of the intellectual tug-of-war that is waged continually between the intelligence, military, and diplomatic sectors of the foreign-affairs community? Since culture consists in the interpenetration of symbols, values, myths, and fantasies, what is the anthropology-of-knowledge of American national security?[10] Clues to the answers to these questions may be found in an examination of the epistemological platform upon which foreign-affairs institutions perform.

The failure of American policy-makers and diplomats in the negotiations with Thai authorities was one of foresight. The failures of Ameri-

[8] Read the report on the NSA published in *Penthouse* (Nov. 75).

[9] At a time on the American scene when so many reputations have been made and broken by news-profiteers that have reported events as if they were a matter of the blame or credit of individuals (the great-man theory of history), it would be in keeping with the spirit of things to identify a handful of foreign-affairs personnel and lay bare their professional incompetence or criminal negligence; yet, any attempt to assign responsibility for the "fall" or "liberation" of Southeast Asia would produce only deceptions — however marketable they might be in the news media.

[10] The emotional component of the worldview of modernistic culture is characterized by

can, foreign-policy execution from the U-2 incident to the present have a common characteristic: Highly-qualified persons fail in their missions, not because of inferior technological capacities, but because of inferior knowledge of the present and probable conditions that prevail in areas of strategic concern. Why do foreign-affairs spokesmen fail to anticipate probable discontinuities in host-country affairs?

The lack of intercultural foresight among foreign-affairs officials exists as a natural consequence of a personnel system that operates independently of the cognitive requirements of the national-security community, and that fails to provide cognitive follow-through in the administration of the intellectual resources of the national-security complex. The processes of reassignment and promotion are carried out without any attempt to measure the specific knowledge that any member of the personnel system may have concerning the local conditions, practices, and probable discontinuities of other nations and cultures. Admittedly, any attempt at such measurement would meet with resistance from persons whose careers have been built on the strength, not of their knowledge, but of their efficiency. In such an institutional environment, personnel systems that traffic in symbols of knowledge are preferable to any system that might try to measure the contents of knowledge. In this way the personnel system fails to perceive the central fact that the intellectual mission of any national-security community is the creation of knowledge of the potential and probable history of the world.[11] Perhaps, if the past and potential contribution of a member of the foreign-affairs community were evaluated, not in terms of the mechanistic concept of efficiency, but in terms of a humanistic concept of intercultural foresight, then the frequency of last-minute, Bay-of-Pigs-style reversals of policy might be reduced.

paranoia in the international arena and by narcisism at home. Foreign-affairs "knowledge" is colored by these two traits. In consequence, political and military leaders are culturally bound to explain the world in terms of "security," "defense," "threats," and "gaps." Israel, for example, has only to learn from South Korea to "discover" that Jordanians have been building tunnels under the Dead Sea.

[11] This rigid state of systemic ignorance is one architectural feature of the Tower of Quantitative Babel, the construction of which was carried out largely during the Kennedy and Johnson years by government-funded, power-dreaming social scientists. Unfortunately, this tower was built in such a way that only from a narrow slit could potential discontinuity by seen. For this reason its sentries failed to foresee that militarism guided by the fantasy of systems-analysis could be met successfully by militarism guided by the fantasy of national liberation.

With these ideas and questions in mind, one may return to the topic of the collapse of negotiations in Thailand: American foreign-affairs authorities failed to foresee that to allow the matter of the legal status of American intelligence personnel to enter the arena of Thai electoral politics was to furnish anti-American elements with a symbolic issue: a juridical gap. Since in American presidential politics the rules of gapsmanship are well known, American diplomats should have anticipated that the leaders of the harassed and insecure Social Action Party might try to close that gap by ordering the closure of the bases at Ramasun and Utapao.

When Thai diplomats began to protest too much over a legal technicality concerning the jurisdictional scope of Thai courts, American diplomats should have realized that this juridical issue was only a symbol of Thai nationalism and electoral unease. American policy-makers that earnestly wanted to keep Ramasun should have offered an alternative symbol of greater value to Thai nationalists. Surely there must have been a way to have enhanced Thai nationalism and to have kept Ramasun and Utapao. That American thinking saw no alternative course, short of withdrawal, to insisting upon diplomatic immunity for intelligence personnel and tax exemption for military personnel suggests that the issues of extra-territorial status and tax-exemption were symbolic ones for Americans as well as for Thais. For status-conscious American officials, the status of extra-territoriality was a symbol of cryptological security. That Americans should have chosen to abandon their information-gathering station at Ramasun rather than to give up their symbol of counter-intelligence efficiency shows how, once again, symbols of knowledge (in this case of symbol of the protection of knowledge) are more highly prized than the contents of knowledge.

Ramasun and Utapao were surrendered in an argument over what should have been an unrelated issue. The status of the personnel at strategic facilities should have been discussed under the head of the U.S.-Thai military cooperation agreement of 1950, not under the pressure of the Thai demobilization policy of 1975, and certainly not under the recent canopy of electoral violence and rhetoric.

The Overseas Chinese in Postwar Thailand

Kenjiro Ichikawa

The Chinese and Japanese in postwar Thailand have different ways of reacting to the changing economic and social situations in the land. The Chinese in postwar Thailand are generally successful in their demographic and cultural assimilation into the local society, and, nowadays, are regarded as the elite who play leading roles in political and economic activities for the national integration of the country, while the Japanese find it much more difficult than do the Chinese to change their way of life and allow themselves to become Thai. Because of the assimilation policy of the Thai Government in the war period and of the declining contact with Mainland China since 1949, a large number of Chinese groups in the country have been assimilated into the indigenous society, where the local born Chinese-Thai who usually obtained Thai nationality, have been educated just like the Thai in Thai schools, in the Thai language and by Thai teachers. With a rapid development of the economy and urbanization in Thailand, the generation gap among the Chinatown Chinese has increased greatly in recent years.

Many people over fifty years of age are generally first generation Chinese, so they prefer to speak their home town dialects, use Chinese characters and are willing to join dialect group association. They are willing to work for such guilds as the Rice Merchants or the Rice Millers Association in which relatives and friends of the same dialect group help each other. There are also members of associations of people with the same surname such as Mr. Huang's or Mr. Ma's Association in which they preserve the traditional cult of their common ancestral spirit. 'On the other hand, most younger people under thirty years of age are usually local born Chinese-Thai who have Thai nationality, think as the Thai do, and speak Thai as their native tongue, although they write and read some Chinese. It is very natural that these younger people should have less interest in the hometown dialect associations than their parents do and prefer to live in Thai society as Thai. The younger people in China-

town in Bangkok prefer to modernize and rationalize the function of the traditional guilds which have been maintained by their elders. As they do not pay attention to the social ties of old guild members, the younger people often compete both in respect to price and quality with members of the same guild or hometown association in Chinatown in Bangkok.

Although there are some refugees who have immigrated from Mainland China since 1949, the age distribution and the sex ratio of the Chinese society today shows almost the same tendency as that of the Thai society. Generally speaking, the wealthier people can speak Thai fluently, tend to have small sized families and are easily assimilated into Thai society through interracial marriages, while lower class people such as unskilled laborers do not have enough savings to send their children to school, speak only hometown dialects and live within an isolated society consisting mainly of relatives and have not been assimilated as well into the indigenous society as the former, having little chance to marry the Thai, mainly because of their poor economic and social status. Because these poor Chinese live together with their relatives in a small house, their family size is usually very large, in contrast with the small sized families of the wealthy Chinese who build new houses for their children when they marry.

While Chinese merchants usually own rice mills or are engaged in the transportation of agricultural products in rural Thailand, wealthy Chinese in urban areas like Bangkok, tend to invest their capital in suburban lands or industrial factories, so that they become owners of lands or factories through joint companies owned by them and foreign investers.

As an outcome of the development of economic and technical cooperation between Thailand and Japan since the 1950's, Thailand today has more than six thousand Japanese residents, most of whom are managers and office or factory workers, as well as advisors and technicians serving in the Thai Government. The impact from such a highly industrialized society as Japan upon a developing society as Thailand, created in the Thai people's mind a fear of Japanese domination of the domestic economy. Such an anxiety is closely related to the desire to maintain economic independence of Thailand against the invasion of neo-colonialism from abroad.

Most of the Japanese residents in Thailand are sojourners who entered with non-immigrant visas to stay there usually for one or two years. Even in a hot and humid tropical city like Bangkok, they work hard until midnight, showing loyalty to their company, competing with other companies in Thailand, in the hope of being promoted after returning to

Japan. Japanese office workers, therefore, are less concerned about the society where they are stationed than about their own society in Tokyo or Osaka where rivalry for economic and social growth is stronger than in Thailand. Japanese wives' associations, organized by each company in Bangkok, contribute not only to welfare services for company men and their families, but also take care of visitors who come to the company from Japan. They also hold various kinds of meetings to maintain the solidarity of their own homogeneous society. Alumni association meetings of Japanese universities are often held at Japanese restaurants in Bangkok where the members often sing college songs in chorus to strengthen their solidarity. Furthermore, the Japanese home town associations in Thailand are less active than Chinese dialect associations, because of their highly urbanized society which has little need for dialect groups.

As for age distribution, probably more than half of the Japanese are office workers of thirty to forty years of age. They are university or college graduates and usually are accompanied by their wives and children of school age. Meanwhile, the older generation of over fifty years of age are usually superintendents or managers who stay in Thailand without their families, because their children are in high schools or universities in Japan. For the education of the Japanese children in Bangkok, the Japanese language class attached to the Embassy of Japan, the so-called "Japanese School" invites several full time teachers from Tokyo and fills the shortage of staff with twenty part-time teachers and secretaries who are wives of the Japanese workers in Thailand. They teach five hundred pupils who are enrolled in 23 classes of primary and junior high school courses, plus 120 kindergarten children. Japanese parents, however, are very much concerned about their children's ability to pass entrance examinations for secondary schools after returning to Japan. In the summer of 1972, the Thai Government asked the Japanese School to follow the Private School Law of the country, in which only Thai citizens can manage the school and only the Thai language is required. Under this nationalistic policy of the government, Japanese children in Bangkok have to engage in Japanese studies after school at an isolated Japanese society with their parents as teachers.

The generation gap among the family members is less than in Chinese families, because of the tight family solidarity of the Japanese in Thailand. As for social stratification, upper class officers for the United Nations, the Government of Thailand and the Embassy of Japan, as well as company managers and superintendents are apt to live in such a highly modernized circle that they are isolated from the indigenous society.

They have little chance to speak the local language and can hardly understand and adjust to the society where they are stationed. On the other hand, such lower level Japanese as workers for Japanese restaurants, bars, Turkish baths, hotels, apartment houses and construction firms, usually live with the local people and have a chance to speak the local language. But as they usually stay there for only a limited time, unlike the Chinese, they are not assimilated into the local society. Japanese technical advisors for agriculture and fisheries also stay temporarily in rural districts, but generally leave after a short while for their own professional work in Japan.

In short, Japanese intellectuals in Thailand hardly mix with the local society and prefer to live in their own homeland oriented society. This provides a striking contrast to the upper class Chinese who have moved into the political and economic circles of the leading Thai people.

Though Chinese and Japanese in postwar Thailand show different patterns of adjustment to the local society, we cannot generalize immediately that the overseas Chinese adapt themselves better to the local society than the overseas Japanese do. In Brazil, for example, the descendents of Japanese agricultural immigrants who are second or third generation often move from rural to urban societies where they have gradually been assimilated into the Brazilian society and have given up the traditional Japanese value system which had been preserved by the first generation Japanese. Chinese ancestors in Bangkok of about one hundred years ago were separated from the indigenous society and could not easily be assimilated into the local society in the same way as the first generation Japanese in Brazil. But, mixed blood Chinese-Thai of the second and third generation today are regarded as elite Thai who play leading roles in political and economic activities for the national integration of the country.

Thailand today is on her way toward industrialization and modernization and is filled with a strong sense of economic nationalism in which the local people desire to acquire their own economic independence and be free from any colonial invasion from abroad. Rapid expansion of Japanese enterprises in the country, therefore, is regarded by the Thai people as a conquest of their domestic economy or a foreign invasion which will undermine the economic independence and social stability of the country. In November 1972, the National Student Centre of Thailand which is an organ of Thai university students, staged an anti-Japanese movement in downtown Bangkok. At the same period, Thai workers of Thai-Japanese joint-stock companies in Thailand demanded that

Japanese managers give them equal treatment, which means the same position and the same payment as Japanese workers. Such a demand for equality with Japanese workers will escalate into a movement to seek positions as company managers or superintendents.

Meanwhile, the social background in postwar Thailand is quite different from that of the second half of the nineteenth century when a number of unskilled Chinese workers filled the gap of the labour shortage of the country. Under the circumstances of economic nationalism in Thailand, however, rapid assimilation of the Japanese into the local society cannot be expected. The actual situation is, however, contradictory to the ideal of economic nationalism. In order to promote industrialization, Thai political leaders wish to introduce capital and import technology from highly industrialized countries such as Japan. Viewing the matter from the Japanese side, pre-war immigrants were called "unwanted, abandoned people" or the cast-off of the society which shipped them out and tried to forget them. Even today, many of the Japanese residents in Bangkok still consider themselves as "abandoned society" and are anxious to return to Tokyo or Osaka, as soon as possible.

With the changing pattern of foreign aid for economic and social development in postwar Thailand, past strategies of foreign aid for rapid industrialization of the country have changed to transfer of technology transactions from developed to developing societies. Japanese technical advisers and managers in Thailand, today, teach Thai and Chinese workers of the country not only simple technical skills, but also a higher level and wider aspect of knowledge for managers and superintendents. And soon after transferring their technology transactions to their indigenous colleagues to enable them to inherit and supervise joint-stock companies, Japanese residents in Thailand will have more and more faded out from the economic circle of the country.

As for the Chinese society in Thailand today, the open-door international trade relationship between Mainland China and Thailand will produce friction between the new arrivals of Chinese from the mainland and local Chinese-Thai who have already been assimilated well into the local society. By learning a lesson from Brazil where local born Japanese-Brazilians have usually criticized the attitudes of newly-arrived Japanese who prefer to live in their own homeland society, the popular account that regards overseas Chinese as a "Fifth Column" of Communist China should be reconsidered.

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A Survey of Singapore's Relations with Indonesia and Malaysia, 1965-1976

Robert L. Rau

Introduction

Singapore's foreign policy, from the shock of forced separation from Malaysia, in 1965, to the post-Bali months of 1976 has made interesting reading. The policy line has progressed from the enunciation of tough positions taken in the political and security areas to increasing reliance, over the years, upon the diplomacy of interdependence.

Singapore's relations with her closest neighbors, Indonesia and Malaysia, over the past decade merit examination. These relationships have been characterized by frequent periods of tension, limited cooperation and continuing undercurrents of inherent distrust. Despite the residue of uneasiness Singapore nurtures a very special and, when necessary, a cooperative partnership with both countries, especially Malaysia.

The impact and role of Lee Kuan Yew and the political party he leads, the People's Action Party, is of major importance in this discussion of Singapore's foreign policy.[1] Much of the political history of the PAP has been included in this paper. One political factor must be stressed, however. The aggressive political activity of the PAP while Singapore was a member of the Federation of Malaysia (1963-1965) was mainly responsible for Singapore's expulsion from Malaysia.

The discussion of Singapore's relations with Indonesia then Malaysia proceed chronologically from 1965 to 1973. From 1973 to 1976 events

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[1] The question of PAP-UMNO relations and Singapore's separation from Malaysia have been treated by numbers of specialists. One source which seeks to provide a comprehensive look at Lee Kuan Yew and the PAP is *Lee Kuan Yew* by his unofficial biographer Alex Josey, (Angus and Robertson, 1974).

have been discussed in a regional context reflecting Singapore's participation and recognition of the increasing importance of issues of concern to all three states.

Initial Reaction — Singapore 1965

Although separation was viewed within the Singapore government as a serious and disturbing event, the PAP leadership was not faced with the necessity of implementing an active diplomacy, either in theory or in practice. Singapore's immediate concerns in its foreign policy hinged upon relations already established with Malaysia and those to be developed within Indonesia.

Soon after separation, Mr. S. Rajaratnam, the Foreign Minister, freely admitted that Singapore's wish for independence in foreign relations had to be balanced against the imperatives of defense and economic interdependence with Malaysia.[2] For this and other reasons, Singapore's latitude in foreign policy has been and will be very limited. Limitations notwithstanding, the PAP leadership welded an imaginative, innovative, and very flexible foreign policy which reflects the historical, political, cultural, social, and economic forces existing in Singapore.

The following brief survey of the roots and evolution of this foreign policy will reveal the extent to which Singapore has become a regional leader. Her rapid development, however, incurred the ire of less successful states in Southeast Asia, and from 1965 to the early 1970s her relations with Indonesia and Malaysia were marked by misunderstanding and distrust.

The PAP's efforts in the formulation of a foreign poligy were predicated upon previous experience, contacts, and predilections. While the general theoretical foundation was already present (a non-aligned policy with a strong Afro-Asian orientation), the more pragmatic considerations of defining the short- and long-range objectives of foreign policy were undertaken soon after separation from Malaysia.

Singapore, at the Pacific Ocean end of the Straits of Malacca, is in a strategic position. Her neighbor, Malaysia, lies one mile to the north, and her neighbor, Indonesia, only five miles to the South.

Moreover, Singapore with its impressive residual facilities for possible future use is of considerable significance as a military base or resupply or repair site.

[2] S. Rajaratnam in *Singapore Parliamentary Debates*, Vol. 24, No. 6 (December 17, 1965), Columns 287-288.

Considerations such as the pull-out of the United States and subsequent collapse of South Vietnam, the recent discovery and development of seabed oil resources in Southeast Asia and other mainly political developments in individual countries of the region, place Singapore in an increasingly commanding position.

As a contrast to Singapore's strategic position, her size might be called a negative factor. At the time of separation, approximately 1.9 million people were living on 224 square miles, whose highest point is 581 feet, and whose longest river is 9 miles. A growing population; reliance on Malaysia for food and, to a lesser extent, for water; and lack of any natural resources made it impossible for Singapore to be truly independent.

The demographic make-up of Singapore (approximately 75% Chinese, 15% Malay, 8% Indian and 2% others) demanded that strict attention be paid to reducing prevailing concern in Malaysia and Indonesia that the city-state might become a satellite of the People's Republic of China.

In an attempt to speak to the fears of her neighbors in Southeast Asia on the question of becoming a haven for subversion or an outpost of the People's Republic, Singapore, in her diplomacy, stressed her multi-ethnic policy and Lee Kuan Yew made personal representations to neighboring states on this topic.[3]

Lee's government is faced with the difficult problem of a Chinese society dived by socio-economic factors. The PAP is in power through the support of the lower- and middle-class Chinese who generally support PAP social development schemes. The PAP must avoid alienating the wealthy Chinese because economic progress is dependent on them. A further division exists in that certain segments of the Chinese society relate to and support the People's Republic of China, others support the Republic of China, and a much smaller number would have Singapore become a "Third China" (a Chinese Republic).[4] Reconciling these disparate views and factions is a persistent political problem for Lee Kuan Yew.

Separation did not change Singapore's economic situation as a middleman and broker, but her economic relations with Malaysia and pre-

[3] George S. Thomson, "Formative Factors In Shaping Singapore's Foreign Policy", *Singapore's International Relations*, Radio Talks, Series 7 (Singapore: Lembaga Gerakan Pelajaran Dewasa, no date), p. 82.

[4] *The Straits Times* (Singapore), March 25, 1970, p. 1.

monitions of a future British military pull-out (in 1968) made necessary an immediate reappraisal of her economic priorities.

With the second highest standard of living in Asia, a polity of uncertain loyalty to the government and an active, however controlled, Malaysian Communist Party confronting the Singapore government, the PAP's survival depended upon a rapidly developing economy. The labor force had to be employed and new jobs found for young people leaving school. In 1965, Lee said:

> I think that we ought to trade with every country in the world that is prepared to leave us alone to be ourselves. There should be no question of subversion. We don't want to be anti-Communist. Nor have we any intention to allow Communists to bring us down. This is a democratic state. In other words, it is non-Communist and follows democratic procedures. That having been said, like Britain, we can trade with the world, including Russia, China and Indonesia, if the latter wants to trade with us.[5]

His speech reflected an awareness that Singapore's future viability depended upon a greatly expanded volume of trade, expanded trade relations with the Warsaw bloc, and economic development innovations. Moreover, Lee's comments pointed up the ambiguity in his stated position on anti-communism. Economic pressures forced the PAP into an active commercial policy, especially regarding the People's Republic of China, and subjected Singapore to increased exposure to political subversion.[6]

The political history of the city-state and the ideology of the PAP had both positive and negative aspects. The possibility of political instability in Singapore had been of concern to Britain, then to Malaysia, and, with separation, to Singapore's immediate neighbors. Although the PAP skillfully and forcefully had coped with its communist opponents, the charisma and latent appeal of the MCP and the chauvinism of numbers of

[5] Lee Kuan Yew, "Basis of Singapore's Foreign Policy," reported in *The Mirror*, Vol. 1, No. 24 (August 14, 1965), p. 2.

[6] An example of this problem is the controversy in Singapore, in May 1971, at which time the Singapore government closed *The Eastern Sun* newspaper for allegedly accepting funding from sources connected with the People's Republic of China. This incident is indicative of what Lee considers economic subversion by channeling money into Singapore via the Hongkong banking community and using a widely read local newspaper to undermine the confidence of the people in the government. See reporting in *The Straits Times* (Singapore) and *New Nation* (Singapore), daily during May 1971.

local Chinese remained a pervasive threat to the PAP and to the stability of the region.

Since 1954, the PAP has achieved a significant degree of political success, under a democratic-socialist ideology. While the PAP leadership won early elections with a policy of anti-colonialism and merger with Malaysia, its major objective was always a better life style for the people through democratic socialism.

Lee Kuan Yew and the other members of the PAP leadership are socialists, but not in a doctrinaire sense. Because of Singapore's unique geographic, social, and economic situation, socialism in PAP thinking is pragmatic and tailored to conditions in Singapore. Socialism, to Lee Kuan Yew, means social justice, better living, freedom and peace.

The PAP Constitution defined its social and economic goals in 1954, and they continue, in theory, to the present time:

> To abolish the unjust inequalities of wealth and opportunities existing in the present system; to establish an economic order which will give all citizens the right to work and full economic returns for their labour and skill; to ensure a decent living, and social security to all those who through sickness, infirmity or old age can no longer work.[7]

PAP socialist orientation and modified policies were well received and effective while applied only in Singapore. However, when the PAP chose to compete in the 1964 Malaysian elections, its socialist orientation and anti-capitalist campaign evoked a predictable response from the Alliance Party.

With the defeat of the PAP in that election, Lee shifted the emphasis from cooperation with and persuasion of the Alliance to that of a class appeal.[8] This tactic was probably ten years too late. Malay poverty and lack of economic opportunity could not be changed overnight.

The unrelenting socialist policy of the PAP had been a major factor in bringing about the separation of Singapore from Malaysia. Therefore, socialism as the ideological base in newly independent Singapore continued to exacerbate the existing difficulties in relations with Malaysia

[7] See "The First Ten Years, Time for Reflection and Re-assessment", *Our First Ten Years*, (PAP, Singapore, 1969), p. 109.

[8] After the defeat in the 1964 election the PAP began emphasizing poverty and lack of upward economic and social mobility for Malays and Indians as well as Chinese. This challenge struck at the heart of Malay supremacy.

and served further to separate Singapore from other capitalist nations in Southeast Asia.

Conversely, the socialist policy espoused by the PAP made easier its relations with other newly independent states, and aided its initial efforts in the United Nations.

There are many contradictions inherent in Singapore's socialist policy, three of which predominate. The first involves the disproportionate distribution of wealth in Singapore. On this topic Lee remarked:

> I do not pretend that we are an idyllic socialist community in Southeast Asia. We still have the highest number of millionaires per ten thousand of population in Southeast Asia. But we are one of the few places in Asia where there are no beggars, where nobody, old or young, dies of neglect or starvation.[9]

The second paradox derives from the fact that, while the PAP and the working class are ready and willing to implement socialist economic principles, such as nationalization of industry and other methods designed to redistribute wealth, Singapore's entrepôt economy, predicated as it is upon free trade, union efficiency, and low labor costs, would fail were they to do so.

Third, the Employment Act passed in August 1968, sharply restricts the individual rights of labor and increases power in the hands of management in order to cut production costs and attract foreign investment capital.[10]

It is apparent that the PAP, in a subjective sense, believes that a basically socialist policy line is still a valid political platform. The realities of life in the Straits of Malacca area, however, preclude, for the present, implementation of many of the tenets of socialism.[11]

Another political factor of some consequence is the nature of the PAP approach to government and the overwhelmingly Chinese composition of the Civil Service and party. This factor also has its contradictions. On the one hand, the PAP political leadership has a highly impressive record

[9] Josey, *Lee Kuan Yew*, p. 587.

[10] *Singapore Year Book* 1968, p. 189.

[11] Although Singapore's socialist policy line harms as much as it helps in the foreign relations context, the PAP delivers on its promises to the people for above average (for Asia) housing, public health attention, functional educational opportunities and other socially innovative and atypical schemes.

in surmounting significant problems. Its success is predicated upon hard work, pragmatic planning, and the ability to organize and utilize available economic and manpower resources. While this record and an efficient commercial environment have encouraged Western investment and industry, They are viewed with envy by the other governments in Southeast Asia, which enjoy the same conditions but have not had the same success.

This question is complex but derives from long-held feelings of distrust and animosity for the Chinese and their obvious economic abilities and power in the area. Moreover, the economic growth of Singapore, when compared to that of other countries in Southeast Asia, places her in a category considerably more advanced in terms of per capita income, gross national product, and other basic economic indicators.

These unstated but prevalent feelings in neighboring countries, make Singapore's relative isolation, in terms of both cultural and economic progress, more important with the passage of time.

Singapore's success in her diplomacy and trade relations with neighboring countries has come as a result of good personal relations between PAP officials and civil servants and their counterparts in neighboring countries. Personal cooperation and contacts have been developed over a period of years because of shared educational, military, and commercial experiences. With the recently perceptible trend in the PAP, and to a lesser extent in the Civil Service, for "new blood" in the political and governmental system a further isolating trend may be developing.

Foreign Policy Objectives

Soon after separation, Lee Kuan Yew made the following observation on survival: "Singapore is the linch-pin of Southeast Asia. Without our survival a lot of countries, not least our immediate neighbors, may find survival a hazardous business indeed."[12]

As Lee indicated, Singapore's viability was vital to the stability and progress of Southeast Asia. Assurance of that viability, however, had to come from internal activity and change.

In 1965, the PAP set out to combine internal political stability with Singapore's latent industrial capacity and labor energy in order to pro-

[12] Lee Kuan Yew, quoted in "Survival Exercise," *The Mirror*, Vol. 1, No. 39 (November 29, 1965), p. 1.

duce a viable nation on which industrialized neighbors could count for services and continued growth.[13]

Lee's plan for guaranteeing Singapore's survival was to make Singapore indispensable not only to its neighbors but also to the big powers seeking a stable political environment, a well-educated, low-cost labor pool, and favorable tax benefits.

Protection of Singapore's national sovereignty was complicated by its interdependence with Malaysia. Article 5 of the Separation Agreement bound both countries in a relationship of mutual protection but limited the foreign relations and defense options of both.[14] In spite of consideration tension, the basic agreement has held up, and Singapore's foreign policy towards Malaysia has continued to be, in the words of Mr. S. Rajaratnam, "of a special kind — each vitally dependent on the other for survival".[15] As a result, the qualified protection of Malaysia continues to be an objective of Singapore's foreign policy.

Lee's dream of a multi-racial society must be listed as an objective, although there is ample reason to believe that his reliance upon merit and quantifiable production may leave many non-Chinese incapable of or uninterested in competing in this multi-racial society.

Perhaps the most volatile, although laudatory, objective is the PAP's largely unpublicized plan to make Singapore a haven for other Chinese in Southeast Asia. Lee stated:

> The foreign policy of Singapore must ensure regardless of the nature of the government it has from time to time, that this migrant community that brought in life, vitality, and enterprise from many parts of the world should always find an oasis here whatever happens in the surrounding environment.[16]

This question figures significantly in Singapore's relations with Malaysia and Indonesia. It also provides some insight into Singapore's perception of itself as a Chinese island in a Malay sea.

[13] S. Rajaratnam, "Preparing For the Seventies," *The Mirror*, Vol. 3, No. 13 (March 27, 1967), p. 1.

[14] Singapore "An Agreement Relating to the Separation of Singapore from Malaysia as an Independent and Sovereign State," *Government Gazette Extraordinary*, Vol. II, No. 66 (August 9, 1965), p. 3.

[15] S. Rajaratnam, "Safeguarding Our Independence," *The Mirror*, Vol. 1, No. 17 (December 24, 1965), p. 4.

[16] Lee Kuan Yew, *We Want To Be Ourselves* (Singapore: Ministry of Culture Publication, October 9, 1966), p. 8.

The PAP has always been aware that the development of a good public image, both internally and on the international scene, is of great importance. Consequently, some of its objectives are aimed at image-building and salesmanship.

As a corollary to policies necessary for survival, there has been a persistent campaign to encourage the major world powers to take an interest in Singapore. Lee believes:

> The foreign policy for Singapore must be one as to encourage first the major powers in this world to find it — if not in their interests to help us — at least in their interests not to have us go worse. "If you do not like me as I am, then just think of what a nasty business it could be if I am not what I am."[17]

Other effective policies included pragmatic efforts to publicize Singapore as a repository of technically trained or trainable talent ready to adapt quickly to new industries and products. These policies were both internal and international. Before the PAP could guarantee that space, facilities, financing, and labor existed in quality and quantity, it had to convince its own people that a crisis existed and that they must support the PAP development scheme.

Early Foreign Policy Themes

While Singapore was compelled to exercise a degree of sensitivity and concern for the feelings of its neighbors, it was able to form an independent policy line. The PAP leadership has been successful in formulating a flexible foreign policy responsive to changing conditions and to the new roles forced upon Singapore. Success in this field has come from being aware of developing trends and being able to anticipate Singapore's interests. In formulating Singapore's foreign policy the PAP looked to the experience and example of such notable small states as Switzerland, Finland, and Israel.[18]

[17] Lee Kuan Yew, *We Want To Be Ourselves* (Singapore: Ministry of Culture Publication, October 9, 1966), p. 8.

[18] This was especially true in the field of internal defense and militay development. Israel was finally chosen as the system to be emulated. Israeli military and civil advisors have been active in Singapore.

Singapore has reconciled itself to having to live in the shadow of larger states-both neighbors and the major powers. This reality has not prevented the PAP leadership from establishing an aggressive policy which guarantees that Singapore's views are heard in the trade centers of the world.

In 1966 Lee outlined a basic foreign-relations philosophy:

> We want to be ourselves. Those who want to thwart us and prevent us from being ourselves must necessarily not be our friends.
>
> And, therefore, we seek the maximum number of friends with the maximum capacity to uphold what our friends and ourselves have decided to uphold.
>
> That is the beginning and the end of any foreign policy for a situation like Singapore's.
>
> We have no aspirations, no ambitions to exercise and influence — in the sense of exercise of authority — beyond persuasive moral authority on others.[19]

That Singapore seeks the "maximum number of friends" and hopes to exert "persuasive moral authority on others" illustrates the parameters of her foreign policy.[20]

Singapore's foreign policy line stems from its ideological conviction that communism is as permanent a fact of international life as are capitalism, socialism, and nationalism.[21] Once this fact is accepted, all emerging systems should be viewed not as "warring ideologies but as alternative systems of government".[22] What follows then, from Singapore's point of view, is the establishment of an international environment of peaceful coexistence. Lee believes that coexistence is the only rational foreign-policy position for a small independent state.

Above all, the PAP is pragmatic in its evaluation of its position and interests in foreign-relations matters. The adoption of a strictly neutral

[19] Lee Kuan Yew, *The Mirror*, Vol. 2, No. 41, (November 7, 1966), p. 4.

[20] Lee Kuan Yew, *The Mirror*, Vol. 2, No. 41, (November 7, 1966), p. 4

[21] S. Rajaratnam, "Brave, New World" reproduced in *The Mirror*, Vol. 2, No. 13 (March 28, 1966), p. 1.

[22] *Ibid.*, p. 7.

position vis-a-vis the super powers and the cold war is an example of this pragmatism. Mr. S. Rajaratnam has said:

"If Singapore is to survive, we must give every foreign country some stake in Singapore's survival."[23] And he commented: "We are satisfied that trade and other relations with Communist countries carried no greater or lesser trials and tribulations than trade with capitalist countries."[24]

Lee Kuan Yew also believes that Singapore's survival and progress depend on her ability to react to changes in other nations' policies, to events in the immediate geographic area, and, above all, to the actions of the big powers.

The non-alignment position adopted immediately after independence in August 1965 had significant merits in that it allowed Singapore to present a non-bellicose posture and appeared to placate Indonesia. A non-aligned position also was mandatory in establishing relations with the Afro-Asian bloc, where Singapore's goal was to develop trade markets quickly.

Finance Minister Lim Kim San in his December 1965 Budget Address to Parliament discussed this strategy:

> Our policy of neutrality, non-alignment between the two power blocs together with an active identification with the Afro-Asian world gives us a good start with the growing consumers' world in Afro-Asia.[25]

Considerable attention has been paid by the Ministry of Foreign Affairs to the further definition of its non-alignment policy. Frequent speeches are given by PAP and government officials clarifying the non-alignment concept and striving to separate Signapore from those countries whose non-alignment policy has been "nothing more than a kind of getting the best of both worlds policy while it lasts."[26]

[23] S. Rajaratnam, "Exercise In Survival," *The Mirror*, Vol. 2, No. 27 (July 4, 1966), p. 4.

[24] *Ibid.*

[25] Lim Kim San, speech in Parliament, *Parliamentary Debates*, Singapore (Singapore: Government Printer, 1965), Vol. 24, No. 2, December 13, 1965, Col. 50, in Chan Heng Chee, "Singapore's Foreign Policy, 1965-1968," *Journal of Southeast Asian History*, Vol. X, No. 1 (March 1969), p. 180.

[26] Inche Rahim Ishak, Minister of State for Foreign Affairs, "Non-Alignment: Ideology behind our Policy," *The Straits Times* (Singapore), August 29, 1970, p. 2.

Although Singapore cannot be categorized as a typical non-aligned country enjoying the fruits of the competition between the major powers for its cooperation, its non-aligned stance was difficult to take seriously because of its dependence on British forces and funds. This question proved to be a public-relations problem immediately after independence, when the PAP sought diplomatic recognition by the Afro-Asian bloc. In different circumstances, Singapore would have been unable to refute a charge of neo-colonialism.[27] In August 1965, however, Singapore was being threatened by Indonesia; the British were decidedly non-aggressive in the prosecution of the war against Indonesia; and Singapore needed the economic and security contributions of the British for survival. At that time, Lee issued strong statements to the effect that Britain's options for military activity using her bases in Singapore were to be limited and that the bases would be phased out as soon as economic conditions permitted.[28]

A further limiting consideration in the credibility of Lee's non-alignment policy was the implication of Article 5 of the Separation Agreement and the ongoing defense relationship with the Malaysians as well as with the British. Rajaratnam, soon after independence, spoke of the necessity of striking a balance between independence and interdependence with Malaysia, especially in defense and commerce. He conceded that occasions would arise when Singapore would have to give up absolute freedom in the interests of the larger relationship.[29] This could have been interpreted as a tacit admission that Singapore's intimate relationships with Malaysia and Britain precluded much change in her foreign policy, and further diluted her non-aligned position.

Non-alignment has been used by Singapore as a concept and policy which has been meant to be inoffensive; it is noncommittal and serves well as a cover for adjustments in policy and orientation. Lee Kuan Yew has snarply defined the concept in the Singaporean context, and redefined it to fit his notions of the problems of the developing countries.

Singapore's policy of qualified non-alignment does not imply indifference to the rapidly changing regional environment. In addition to out-

[27] This term implies the existence of residual colonial influence in the newly independent state; usually expressed in economic influence, investments, expatriate managers, etc.

[28] Estimates indicated that the bases represented approximately 50 million pounds and 40,000 jobs to Singapore. Chan, "Singapore's Foreign Policy 1965-1968," p. 181.

[29] S. Rajaratnam in *Parliamentary Debates*, Singapore, Vol. 24, No. 6 (December 17, 1965), Col. 287-288 in Chan, "Singapore's Foreign Policy 1965-1968," p. 181.

lining future problems and pressing for changes in the economic development of her international relations, Singapore is evolving a more flexible position in terms of developments brought on by the lessening of British influence in the Straits of Malacca and by the significant adjustments that are being required in Southeast Asia as the United States militarily withdraws from Southeast Asia and Hanoi's future objectives assume greater importance.

Relations with Indonesia, 1965-1973

Over the years Singapore has been linked with Indonesia in an economic relationship not unlike that which it enjoys with Malaysia. Indonesia relies upon Singapore as a major trading partner and, of necessity, as a middle man in the transshipment of its exports and imports.

Relations between the countries have never been culturally or ideologically close because of such barriers as lack of cultural understanding, different styles of government and the existence of certain prejudices that each holds regarding the other. Mr. Willard Hanna, a journalist with experience in and knowledge of both Indonesia and Signapore, made the following observations:[30]

> To Singaporeans, Djakarta is the chaotic capital of an economically irresponsible, politically explosive, socially disrupted, abysmally maladministered neighboring nation, gigantic in size. inexhaustible in resources, and extraordinarily perverse — but also profitable in business relationships.
>
> The Djakartans stereotype of Singapore is equally clear and distinct. Singapore is the arrogant, affluent, abrasively aggressive agent and old abominations in new guises. Singapore...practices a brand of capitalism, colonialism and imperialism all the more vicious for being contrived by the canny overseas Chinese...

Diplomatic relations had not been a factor in the Singapore-Indonesia association until 1967 when ambassadors were exchanged. Prior to these events diplomatic relations existed between Indonesia and Malaysia. Singapore's independence required that more formal ties be established. Relations between Indonesia and Malaysia have been traditionally close,

[30] Willard A. Hanna, "Post Confrontation Encounter", *Southeast Asia Series*, Vol. XIX, No. 10 (New York: American Universities Field Staff Service Reports, 1971), p. 1.

excluding the period of Confrontation, because of religious, cultural and, recently, ideological affinities. Singapore, therefore, has been isolated now only in geographic and economic terms, but more importantly in a communal sense. She has seventy-five percent Chinese population, whose position her activist and successful government reflects and advances.

The economic role of the overseas Chinese in Indonesia is usually that of broker, middle-man, money lender, or entrepreneur. He is distrusted and despised by many Indonesians for his economic success and controlling influence in the Indonesian economy.[31] This feeling when transfered to the intra-regional level, specifically regarding Chinese businessmen in Singapore and Lee Kuan Yew, plus the conviction that Singapore is getting the more profitable end of the economic partnership, has led to a generally strained relationship between Singapore and Indonesia.

Relations between Lee Kuan Yew and Sukarno prior to Singapore's independence in 1965 were never personally close and, of course, were nonexistent officially. Contacts between the two trading partners were kept in repair through close personal and business relationships between the Chinese communities in both countries. While economic relations endured (although on a non-official or clandestine level) from 1963-1966 the militant aspect of Confrontation involved Indonesian political and military activities against Singapore. These included the use of Indonesian territory as a base for the "People's Revolutionary Party of Singapore", which had been formed early in 1963 with the object of setting up a communist government in Singapore.[32] Indonesia was also used as a training site for guerrillas and terrorists who were inserted into Singapore during 1964 and 1965.

Sukarno's attempts at military infiltration met with failure in most cases, mainly because the commonwealth military and police officials were forewarned of most landings and because the infiltrators enjoyed little support among the people of Singapore.[33]

[31] An excellent example of these attitudes may be found in Assat, "The Chinese Grip on Our Economy", originally published in Badan Pekerdja KENSI Pusat [Central Working Committee of the All-Indonesian National Economic Congress] (Djakarta Djambatan, 1957), pp. 51-61. Reprinted in Herbert Feith and Lance Castles, *Indonesian Political Thinking, 1945-1965* (Ithaca and London: Cornell University Press, 1970), pp. 343-346.

[32] See *The Straits Times* (Singapore), September 23, 1967, p. 8.

[33] Malaysia, *Indonesian Aggression Against Malaysia* (Kuala Lumpur: Ministry of

The attempted purge of the Indonesian army by the Indonesian Communist Party (PKI) on September 30, 1965[34] set the stage for an adjustment in the methods of Confrontation. As a result of the army's defeat of the PKI and the resulting political, social and economic chaos brought about by this power struggle, the army under the direction of General Suharto, assumed day-to-day control of national security. Ultimately General Suharto gradually eased Sukarno into retirement.[35]

A shift in thinking on the part of the new leadership was observed when the editorial page of the army-oriented paper *Trisakti* stated: "We suggest a peaceful confrontation instead of a physical confrontation or war that was inspired by the Indonesian communist party for the interests of China."[36]

On April 9, 1966, Adam Malik, newly appointed Foreign Minister, announced that Indonesia was considering the establishment of diplomatic relations with Singapore.[37] Singapore "welcomed" the Indonesian initiative but felt constrained to consult Malaysia before making any further commitments. Tunku Abdul Rahman questioned whether Indonesia wanted to make peace with Malaysia and viewed Singapore's

External Affairs, 4th July, 1964), pp. 125-130; Lt. Col. J.P. Craw, R.A., "Indonesian Military Incursions Into West Malaysia and Singapore Between Auust 1964 and 30th September 1965" *Journal of the Royal United Services Institution*, Vol. CXI, No. 643, (August 1966).

[34] See John O. Sutter, "Two Faces of Konfrontasi: Crush Malaysia and the Gestapu," *Asian Survey*, Vol. VI, No. 10 (October 1966), pp. 523-546. Sutter develops the relationship between Sukarno's confrontation of Malaysia and the unsuccessful coup which ultimately cost the PKI its legal status as a political party and the lives of its leadership and thousands of its members. For a discussion of Sukarno's foreign policy rationale for Confrontation, see Jon M. Reinhardt, "Nationalism and Confrontation in the Southeast Asian Islands: The Sources of Indonesian Foreign Policy" (unpublished Ph.D. dissertation, Tulane University, 1967).

[35] Suharto assumed limited power in a dual capacity with Sukarno soon after the coup was put down, in the fall of 1965. Suharto was appointed Acting President on March 12, 1967 and finally appointed President on March 31, 1968. O.G. Roeder has reported political development events in Jakarta during both the Sukarno and Suharto administration. This comprehensive coverage may be found in the *Far Eastern Economic Review*.

[36] Reported in *The New York Times*, April 5, 1966, p. 2.

[37] There was some question as to whether Malik meant to use this play as a way of further confronting Malaysia or as a genuine overture to begin talks to end Confrontation. See reporting in *The New York Times* for April 5, 11, 12, 1966; also see Franklin B. Weinstein, *Indonesia Abandons Confrontation* (Ithaca: Modern Indonesia Project, Cornell University, 1969, pp. 38-39.

desire to reestablish trade and work toward the normalization of diplomatic relations with Indonesia as "Hostile."[38]

Lee Kuan Yew assured Tunku Abdul Rahman that Singapore would not allow herself to be used by Indonesia against Malaysia,[39] and insisted that Jakarta suspend Confrontation while talks between Singapore and Indonesia were in progress.[40] Discussions continued between those two countries and between Singapore and Malaysia until June 4, 1966, when Dr. Toh Chin Chye of Singapore accepted Indonesian recognition of Singapore.[41] Lee assured the Tunku that Singapore in her new relations with Indonesia would not enter into any agreements that would be injurious to Malaysia.[42] Indonesia, for her part, recognized the special relationship existing between Singapore and Malaysia, especially in the area of mutual defense.[43]

Relations between Singapore and Indonesia in late 1966 and 1967 focused upon restoring trade and diplomatic ties.

On October 17, 1968, the Singapore government executed by hanging two Indonesian marines who had been charged, tried, and found guilty of mining a building in a busy shopping district in Singapore and killing three people. This act had occured in March 1965, during Confrontation. The Court, taking into consideration the fact that the two men were not in uniform at the time they committed the crime, denied them prisoner of war status and tried them for murder.[44]

The execution of these men, after Confrontation had been declared over, was viewed by President Suharto and Foreign Minister Adam Malik as personally insulting, but the Singapore government rejected their appeals for clemency. Indonesia declared the marines "national heroes", and their remains were returned in state to Indonesia for burial.

[38] *Ibid.*

[39] *The Straits Times* (Singapore), April 27, 1966, p. 1.

[40] Antara (Indonesia), April 28, 1966, in Weinstein, *Indonesia Abandons Confrontation*, p. 39.

[41] "Indonesian Recognition," *The Mirror*, Vol. 2, No. 24 (13 June 1966), p. 1.

[42] *The Straits Times* (Singapore), June 7, 1966, p. 1.

[43] *Ibid.*

[44] See articles by Neil Jillett, *The Canberra Times* (Australia), October 17 and 30, 1968.

Lee Kuan Yew may have miscalculated the Indonesian reaction to what was, in Singapore, adherence to the Rule of Law. Soon after the execution, the Singapore Embassy in Jakarta was wrecked by Indonesian students and the home of the commercial secretary was extensively damaged.[45] A further outgrowth of the execution was a wave of attacks on Indonesia's Chinese population (burning of businesses, damaging of homes, etc.) for a period of days afterward.[46] Other reprisals occurred, most of them not sanctioned by the Indonesian government. In Singapore, Indonesian ships were left unloaded, and in Indonesia dock workers refused to handle cargo from Singapore. Foreign Minister Malik was responsible for maintaining calm and helping President Suharto control the Indonesian military and the governments of both countries cooperated in maintaining relations on an even level.

The implication to be drawn from this event is that, in denying clemency, Lee Kuan Yew was emphasizing to his internal opposition the fact that political violence is punishable by death. In a more muted form he was putting his immediate neighbors on notice that Singapore would make no concessions to the appeals of outsiders on issues of this nature.

The execution and its aftereffects in Indonesia left observers in Southeast Asia relieved that Suharto and Adam Malik had firm control and had adopted a moderate stance.

Since that time relations between the two countries, excluding commercial and trade activity, have remained formal and correct and there has been a considerable amount of contact and cooperation within the framework of ASEAN. As of 1972 Indonesia, under the leadership of Suharto and with its foreign relations influenced by Malik, had made great strides in trying to mitigate the problems of economic development, the Chinese in Indonesia, the reconciliation of the diverse interests of the army and top civilians in the Indonesian government, and many other issues. Singapore had adopted the role of intra-regional financier and increasingly the repository of expertise and facilities. In the political context, Singapore is striving effectively to structure the components of a continuing accommodation with Indonesia.

[45] *The Canberra Times* (Australia), October 18, 1968, p. 1.

[46] The ever present hostility of Indonesians toward their Chinese minority erupts periodically with delicate implications for the Indonesian-Singapore relationship. See "Adam Says 'Cool It'," *Far Eastern Economic Review*, Vol. LXII, No. 44 (October 31, 1968), p. 226.

In 1970 a top Indonesian official said:

> Some of us have reservations of Singapore developing into the Israel of the East. But we do not mind Singapore becoming an independent prosperous Switzerland of Asia.[47]

In August 1969, Adam Malik said Malaysia and Indonesia had many things in common and "there is no other alternative for Singapore but to cooperate with them".[48]

Singapore's continuing concerns are reflected in a statement made by Dr. Goh Keng Swee, Minister for Defense, on December 31, 1970. He said he hoped that Malaysia and Indonesia would succeed in their endeavours to deal with their respective domestic problems. "If they do not, the troubles that follow may well spill over their borders."[49]

Relations with Malaysia, 1965-1973

Singapore and Malaysia agreed to separate because political cooperation between the leaders of both states was difficult, if not impossible, to achieve. The Separation Agreement, signed by both parties, sought to define the boundaries of the future relationship.[50] It is doubtful whether either side ever believed that the Agreement could serve as anything more than a formal document produced as a symbol of their changing relationship. Articles V, VI, and VII dealt with such substantive issues as mutual defense (Article V) and joint cooperation in economic matters (Articles VI, VII).[51] Results satisfactory to both parties were predicated upon a spirit of cooperation which did not exist prior to separation and has

[47] *The Straits Times* (Singapore), December 17, 1970, p. 1.

[48] *The Canberra Times* (Australia), August 21, 1969, p. 2.

[49] *The Straits Times* (Singapore), December 31, 1970, p. 1.

[50] See Malaysia, "An Agreement relating to the Separation of Singapore from Malaysia as an independent and sovereign State," Foreign Affairs — Malaysia, Vol. 1, Nos. 1 and 2 (Kuala Lumpur: Ministry of Foreign Affairs, 1966), p. 25.

[51] Limited cooperation has come about in the defense field (especially in air defense) as a result of the Five Power Defense Arrangements concluded in 1971. Economic relations have become more formalized, more competitive and considerably less reliant on each other.

not been in evidence since. At the time of separation, both sides believed in varying degrees that separation would bring about an improvement in relations and a revitalized economic atmosphere in both countries. Immediately following the announcement public celebrations were reported in both Kuala Lumpur and Singapore.

Evidence accumulated over the past ten years supports the contention that the hope for defense and economic cooperation has failed to develop beyond the level existing in August 1965. The nature of the contents of the Agreement and the failure of both parties to find it in their interest to abide by the Agreement produced a state of active mistrust in which neither complete separation nor total cooperation existed between 1965 and 1973.

While taking into consideration the totally different political philosophies of Singapore and Malaysia, Tunku Abdul Rahman and Lee Kuan Yew conceded that reunification would undoubtedly take place at some future time.[52]

Interdependence in defense, mutually supporting economic systems, a mutual colonial heritage, families of all races living in both Singapore and Malaysia and other factors previously mentioned in this study pointed to some form of accommodation in the future.

The post-election riots that started in May and continued intermittently through July 1969 in West Malaysia presented an unexpected challenge to the Singapore government.[53] On the night of May 13, 1969, communal rioting between Malays and Chinese and, to a lesser extent, Indians, broke out in the streets of Kuala Lumpur. The most destructive rioting occurred between May 13 to 16, although serious incidents erupted from time to time thereafter all along the west coast of West Malaysia from the Thai border to Johor Baharu on the Singapore-Malaysia border.

Official Malaysian figures listed 196 dead, 439 injured, 11,019 miss-

[52] Neither Lee nor Tunku Abdul Rahman has ever been specific as to when or in what way reunification would take place. Lee indicated that it would be undertaken by the next generation. The Tunku suggested that Singapore would be welcomed back some time in the future. Lau Teck Soon, "Malaysia-Singapore Relations: Crisis of Adjustment, 1965-1968," *Journal of South-East Asian History*, Vol. X, No. 1 (March 1969), p. 155.

[53] An objective overview of the effect of the riot in Singapore may be found in Anthony Polsky, "Hot Cross Lines," *Far Eastern Economic Review*, Vol. LXIV, No. 24 (June 12, 1969), pp. 597-598.

ing and 9,143 arrested between May 13 and July 31, 1969.[54] Of significance in Singapore, however, was the fact that a high proportion of the dead were ethnic Chinese. As soon as the rioting began in Kuala Lumpur, the news of it was telephoned to Singapore, where violent communal incidents soon occurred.

The Singapore government acted swiftly to arrest rioters and would-be rioters of any race. More than 700 persons were arrested, 4 were killed, and 41 hospitalized.[55] There was some evidence of illegal entry by persons from Malaysia. However, the potential for violence on the order of that which occurred in Kuala Lumpur was erased by a very firm and impartial application of police and mobilized military force.

The impact of the riots in Singapore had aftereffects of great significance not only for Singapore's relations with Malaysia but also for her perceptions of her own national security. The capability of the UMNO to govern was questioned and the issue of the status of Chinese and Indians in Malaysia was considered with trepidation.

Singapore's relations with Malaysia subsequent to separation had been based on the tacit understanding that the "interdependence" inherent in their economic and defense relationship would, in time, lead to reunification. May 13 and its overwhelming racial implications for the Chinese put any hope of reunification out of the question for this generation of Singaporean leaders.

The communal disturbances in West Malaysia in 1969 brought about a significant alteration in Singapore's thinking on reunification. As previously said, the riots in Kuala Lumpur and the resultant Chinese casualties caused the Singaporean government to place total reliance on its own resources for the protection of Chinese in Singapore. This factor, while important, must be set aside in considering the other facets of Singaporean/Malaysian cooperation.

The events of the past have demonstrated that there is little or no practical basis for reunification and that, if anything, the two states are settling into a more formalized relationship, closely indicative of that of two

[54] National Operations Council, *Report on the May 13 Riots* (Kuala Lumpur: Government Printing Office, October 1969), p. 7. Unofficial estimates of the death toll ranged between 400-800, according to my interviews of knowledgeable persons in Singapore, Kuala Lumpur, London, and Washington.

[55] Polsky, "Hot Cross Lines," p. 597.

sovereign powers with a special necessity to acommodate to one another rather than that of two territories anticipating closer cooperation.

Between 1965 and 1973 there was a gradual lessening of political invective and administrative harassment. Evidence indicates that both states are developing their own style in solving internal problems, have worked out foreign policies reflecting their individual interests, and, by 1973 were showing signs of a formal and possibly more cooperative relationship.

In February 1966 Mr. S. Rajaratnam, speaking on Singapore's independence and sovereignty, said that in the six months since Singapore's separation from Malaysia both sides had taken a close and active interest in one another's affairs. He pointed out that this situation was natural because constitutional and political separation has not obliterated the brutal fact that the two territories are interdependent. He also pointed out that both states have the capability to do fatal injury to the other.

The separation of the two states has not brought about the dissolution of the previous political relationships, problems and attitudes. Political ties had been too close to be severed immediately. The UMNO branch in Singapore continued to operate in Singapore and the PAP remained active in Malaysia. The renaming and restructuring in methods of these parties after Separation helped somewhat but their residual attitudes and activities continued to provide the same irritants as before.[56] Each state immediately established a High Commission in the capital of the other. However, informal methods of communications[57] persisted despite official statements by both governments that discussions on all matters be conducted on a friendly but official basis.[58]

[56] The PAP in Malaysia was renamed the Democratic Action Party (DAP) in 1966. The United Malays National Organization in Singapore was renamed the Singapore National Malays Organization in 1967.

[57] Communication between senior officials of both governments and lower level managers continued in the pre-Separation style. In many cases personal relationships had been established in local universities and graduate institutions in the United Kingdom. The "old boy" system of communication and cooperation continued to be relied upon. Close working relations continue to exist especially in the special branch (internal police and security functions), defense and customs areas.

[58] Both governments recognized that a practical working relationship would come only with the mutual exercise of patience and cooperation. Malaysia emphasized a more official relationship and Singapore appeared to stress closer contacts and a more official relationship after mutual problems had been resolved. For the Singapore position see *The Straits Budget*

Diplomatic channels were reserved for serious incidents which, most often, were complaints involving alleged or real evidences of interference in one another's internal affairs. In September and October of 1965, the Malaysian government used diplomatic channels to send notes of protest to Singapore. The September note protested Lee Kuan Yew's remarks on the Tunku's government working in collusion with the opposition to the PAP against the best interests of Singapore.[59] Lee replied that the matter could be referred to the Courts if the remarks were in fact defamatory. The Singapore government also stated that the interference in internal affairs had been started by Malaysia through speeches by UMNO leaders who had made derogatory remarks concerning Singapore.[60]

The second note from Malaysia protested a speech made by Lee Kuan Yew on Singapore's "policy of survival" in which Lee had criticized the Malaysian government as being corrupted.[61]

Other evidences of mistrust were apparent during the five year period after separation. In May 1969 Alliance leaders in Kuala Lumpur accused the Singapore government of funding opposition parties in the 1969 national elections in Malaysia.[62] The Singapore government rejected the accusations and demanded evidence.

Differences of view existed in the perceptions of Singapore and Malaysia in the field of foreign policy. Singapore, prior to separation in 1965, had developed an innovative and profit-oriented foreign trade and policy outlook. Malaysia's foreign policy perceptions, in comparison, were much more conservative. Moreover, the Tunku believed that after the break the "interdependence" of Malaysia and Singapore should be continued in the field of foreign policy as well as in that of defense and economic cooperation.

A dispute of significant proportions regarding the relations of both Singapore and Malaysia with Indonesia developed soon after separation. Lee had announced that Singapore's foreign policy would be neutral

(Kuala Lumpur), March 2, 1966, p. 20. Malaysia's views may be found in *The Straits Budget* (Kuala Lumpur), May 18, 1966, p. 16.

[59] See *The Straits Times* (Singapore), September 18, 1965, p. 1.

[60] See Lau, "Malaysia-Singapore Relations: Crisis of Adjustment, 1965-1968," pp. 166-167.

[61] See *The Straits Times* (Singapore), October 22, 1965, p. 2.

[62] *The Straits Times* (Singapore), May 9, 1969, pg. 1.

and non-aligned, and that Malaysia's interests would be safeguarded. On the day of separation Lee stated that if Indonesia wished to resume relations, she would have to recognize Singapore as an independent and sovereign state. Indonesia responded that she was considering moves to recognize Singapore. The Tunku regarded the possible resumption of ties with alarm and Indonesia finally negotiated an accord with Malaysia not Singapore.

Friction in the foreign policy area arose also over the differences in approach to diplomatic recognition, trade with communist countries, and Malaysia's belief that Singapore was favored by Britain in the complicated three-way economic relationship.

The announcement by Britain's Labor Government in 1968 of its impending withdrawal of British forces from the Singapore-Malaysia area by 1970 constituted an economic and security threat to both countries and caused an improvement in their relationship with one another.[63]

By 1969 gradual improvements were being realized in the development of the official relationship between the two countries. However, in May 1969 communal riots occurred in Kuala Lumpur, spilled over into Singapore, and brought about a re-evaluation of the relationship especially on the part of Singapore.

Doubt was established that the Tunku's government was capable of administering the country.[64] Although it is not certain that the communists were responsible for the riots, the racial overtones of the May disturbances placed the Singapore government in a difficult position regarding the security of its multi-racial community. On these racial matters, Singapore's foreign minister, Mr. Rajaratnam stated:

> In Singapore and Malaysia the races that make up their respective societies

[63] The security of Singapore-Malaysia is covered in the following articles: R.L. Rau "ANZUK and the Security of Singapore and Malaysia," Southeast Asian *Spectrum* (Bangkok, SEATO, Vol. 2, No. 4, July 1974); "Singapore's Self-Defense Forces: Concept of Employment and Development," *Spectrum* (Vol. 3, No. 3, April 1975).

[64] The Tunku charged that the communists fomented the riots. The mishandling of the riots by the Malaysian government led Lee Kuan Yew to question whether Malaysia was able to cope with a resurgence in communist guerrilla activity. See John Slimming, *Malaysia: Death of a Democracy* (London: John Murray, 1969), pp. 75-76. Also Tay Seow Huah, "War and Peace in Southeast Asia," *Singapore Herald*, August 25, 1970, p. 2.

are historically associated with three of the most populous countries in Asia, China, India and Indonesia. An open race way, with all its horrendous implications, will not find these three countries disinterested.[65]

Singapore's fear is that the Alliance government in Malaysia will not be capable of providing enough economic opportunities for its poorer citizens (both Malays and Chinese) or of keeping communal tensions in check. Racial conflict, if allowed to erupt again, might spread across Malaysia and also engulf Singapore.[66]

In the wake of the riots both governments took firm steps to repair the damaged communal relationship. Malaysia's prime minister, Tunku Abdul Rhaman, retired in September 1970. Tun Abdul Razak assumed this office and continued stepped up efforts to provide the Malays with greater economic opportunity.[67] Evidence of sensitivity to the delicate political situation in Malaysia was provided by the Singaporean government in late 1969 and in 1970 by the relative absence of petty disputes and an effort to establish more friendly relations. In June 1970 Dr. Goh Keng Swee, Singapore's finance minister, publicly endorsed and encouraged a policy of Singaporean investment in Malaysia, citing the economic, social, and political benefits of Malaysia's economic growth keeping pace with that of Singapore's.[68] Singapore's High Commissioner to Malaysia, Mr. Maurice Baker, in a major address on August 10, 1970, called for the building of a second Malaysia-Singapore causeway, "the causeway of the minds".[69] In this speech he strongly advocated that the young continue to keep alive the close personal contacts which enabled leaders of both countries to solve their problems.

[65] *Sunday Times* (Singapore), May 10, 1970, p. 1.

[66] See Dick Wilson, *The Future Role of Singapore* (London: Oxford University Press, 1972), pp. 32-44.

[67] During the May 13 riots the Malaysian government instituted Emergency rule which lasted until January 20, 1971. During this period the Emergency Government initiated legislation which, hopefully, would ensure an equal distribution of wealth to all racial groups. See Ahmad Ibrahim, "Constitutional and Legal Trends"; Syed Hussein Alatas, "Trends in Politics: A Personal Interpretation"; and Alex Lee, "Trends in Politics: A Malaysian-Chinese View" in Patrick Low, ed., *Trends in Malaysia* (Singapore: Institute of Southeast Asian Studies, 1972), pp. 16-26, 44-53.

[68] *The Straits Times* (Singapore), June 20, 1970, p. 2.

[69] *Ibid.*, August 10, 1970, p. 3.

In August 1970, the Singapore police detained overnight three Malaysian youths on the grounds of having long hair and unkempt appearance. The three tourists were given haircuts and lectured on their "hippy" appearance. Once back in Kuala Lumpur, they told their story to *Utusan Melayu*, a Malay-language newspaper which has supported the ultra right wing of the UMNO. This regrettable incident was highly publicized in both Malaysia and Singapore. The press handling of the issue aroused a considerable amount of anti-Singapore commentary. Singapore offered a mild apology and proceeded to defend its social policy, which proscribes long hair and other evidences of "hippy culture".[70]

Damage, however, was done by this incident. For more than a year Lee Kuan Yew had been making plans to visit Kuala Lumpur. This was to have been Lee's first official visit to Malaysia. Because of the bad publicity in both countries Lee postponed the trip indefinitely. The Singapore government had received a diplomatic note from the Malaysian government seeking "full clarification of the forced hair cut incident".[71] The incident served to illustrate the continuing fragility of relations between the two countries and the fact that continual pressures were being brought to bear on both governments by Malay and Chinese extremists.

In the period from 1965 to 1970 personal relations between senior members of the Alliance in Malaysia and the PAP in Singapore were poor. Lee and the Tunku maintained a relationship which had been soured by the Malaysia period (1963-65) and probably irrevocably marred by the separation of Singapore from Malaysia. Attitudes prevailing in 1965 of the leaders of both countries continued to prevail into 1970, thus increasing the probability of misunderstandings. The retirement of the Tunku in 1970 brought about a degree of relief in this atmosphere. Tun Razak has proven to be capable, pragmatic and businesslike in his approach to Singapore.

Lee Kuan Yew's postponed visit to Malaysia took place in March 1972, and was said to be the end of the "special relationship" which had characterized previous relations.[72] It was the first official visit since

[70] See reporting on this issue in *Ibid.*, August 20, 21, 24, 1970 and *Singapore Herald*, August 24, 1970, p. 4.

[71] *The Straits Times* (Singapore), August 20, 1970, p. 1.

[72] See reporting in *The Straits Times* (Singapore and Kuala Lumpur editions), March 20-24, 1972.

separation and was described as correct and businesslike. The agenda focused on discussion of economic cooperation and internal security matters. In both areas differences of opinion of long duration existed.

Demonstrations were threatened by UMNO radicals during Lee's visit, but failed to materialize when Tun Razak's government issued strong warnings against UMNO youth activity.

Singapore's Shift to Regional Diplomacy

The 1970 retirement of Tunku Abdul Rahman and the more formal diplomacy of the new Malaysian Prime Minister, Tun Razak, were factors in a new emphasis in Singapore's diplomacy. In May of 1973 Lee visited Indonesia for the first time as Prime Minister. As a gesture of reconciliation, Lee sprinkled flower petals over the graves of the Indonesian marines executed in Singapore in 1968. This gesture sought to heal the rift which had previously existed.

Increasing cooperation with both countries was sought because the first eight years of independence had been generally successful. Less reason remained for Singapore to emphasize attributes, strength and values which separated her from her neighbors. Moreover, the other countries were originating and publicizing policies which were of regional importance and necessitated Singapore's cooperation and/or response.

Some examples of policies which required mutual discussion, coordination and cooperation were:[73]

> The 1971 Malaysian proposal to neutralize Southeast Asia.[74]
>
> The Indonesian "Archipelago Principle" promulgated by President Sukarno in 1960.[75]

[73] The policy positions of each state have not been developed because of space limitations. A brief commentary on each has been included below.

[74] This concept seeks to remove major power influence from the region. It has been endorsed by the ASEAN nations with qualifications. Indonesia and Singapore have doubts about the concept. Indonesia has established a position of leadership in maritime Southeast Asia. Singapore believes that her best interests are served by keeping the super power interest alive in the region

[75] The Archipelago principle allows Indonesia to claim sovereignty over areas of water more than sixty miles from the longer inhabited islands, but more importantly opens to question the right of "innocent passage" for ships of all types of all nations. One of the better articles on this problem as it affects Singapore and Malaysia is, Michael Leifer and Dolliver Nelson "Conflict of Interest in the Straits of Malacca," *International Affairs*, Vol. 9, No. 2, (April 1973).

New Security Arrangements, necessitated by the phase out of the Five Power Defence Arrangements and the pull-out of U.S. forces from South Vietnam.[76]

Other policies included the question of the Recognition of the People's Republic of China in 1974-75 and the reaction to the fall of the Thieu government in South Vietnam in 1975.[77]

The political, security and economic events of 1973-1975 in Southeast Asia were of such importance that Singapore's continuing national development and growth was more and more dependent upon stable relations with Indonesia and Malaysia.

On issues such as the neutralization proposal and the Archipelago principle, Singapore disagreed with her neighbors. On questions of security a high degree of mutual understanding has been achieved. Of importance, however, is the fact that while disagreement occurs on important issues, fruitful negotation has taken place and compromises reached in an atmosphere of cooperation and perserverance.

Vestiges of the old attitudes remain on the part of Indonesia and Malaysia. Singapore also reverts to her highly independent stance on occasion. Lee's strong advocacy of the free trade area concept within ASEAN posed problems in the negotiations prior and during the meeting of the ASEAN Prime Ministers at Bali in February 1976. Indonesia and to some extent Malaysia see the free trade idea as a ploy to increase Singapore's economic prosperity.[78] Singapore's decision to abstain in the voting in

[76] The Five Power Defence Arrangements replaced, in 1970, the Anglo Malayan Defence Agreement which guaranteed the security of Malaysia and Singapore. Five Power did not "guarantee" the defense of Malaysia and Singapore by Australia, New Zealand and the UK. It did however, provide some stability and the threat of defense assistance should Malaysia and/or Singapore have been attacked from an external source. An analysis of the Five Power Arrangements and the ANZUK forces may be found in the citations in footnote 63. The increase in terrorist activities of the Malayan Communist Party in West Malaysia was anticipated by Singapore, Indonesia and Malaysia in 1974. The pullout of U.S. forces from South Vietnam was considered to be a significant factor in this increase in terrorist activity.

[77] The background and issues of the recognition question as seen in Kuala Lumpur, Singapore and Jakarta may be found in R.L. Rau, "Normalization with PRC: With Emphasis on ASEAN States," *Pacific Community*, Vol. 7, No. 2 (January 1976), pp. 230-247. The reaction to the collapse of South Vietnam by Singapore, Malaysia and Indonesia has been extensively reported in the Far Eastern Economic Review.

[78] See Ho Kwan Ping "Lee Takes a Softer Line," *Far Eastern Economic Review*, Vol. 91, No. 13 (March 26, 1976), pp. 27-28.

the United Nations debate over Indonesian Actions in Timor caused some cooling in relations. The Indonesians viewed the UN vote as a censure. Malaysia voted on Indonesia's behalf. The Singapore decision to abstain breached the concept of ASEAN unity but does reflect Singapore's stated non-aligned and anti-colonial position.

Conclusions

Singapore's first eleven years as an independent state have not always been without challenge and controversy. The forced separation from Malaysia, the economic and security vacuum created by the British withdrawal and the necessity to provide jobs for thousands of school graduates burdened PAP leadership. In response to these demands Lee's government has created an enclave in Southeast Asia which acts as broker, supplier, educator and social conscience for the region.

Relations with Indonesia have progressed in a mutually rewarding fashion with differences deriving from atypical cultures and values. Both states are increasingly interdependent in economic and security matters. Singapore is still seeking to provide its neighbor with expertise and resources it does not yet have, while at the same time continuing her economic growth. Singapore does not seek a leadership role or increased influence in Southeast Asia above what she now enjoys. Therefore, relations are not likely to be upset by that form of competition. Singapore's policy continues to be one of profitable coexistence in the economic area and mutual cooperation in the political and security area.

Singapore's relations with Malaysia can be measured by the degree of outside pressure to which either state is being exposed. When economic, political or security pressures are being felt in either Singapore or Kuala Lumpur, relations improve and mutual assistance and cooperation increase.

Certain issues remain points of conflict between the two countries, Singapore views Malaysia's racial policies as possibly harmful. Tun Razak's policy of promoting the economic betterment of the Malay population at the expense of the Chinese and Indians is seen in Singapore as a primary cause of increasing terrorism in Malaysia. The new Malaysian Prime Minister, Hussein Onn, however, appears to be aware of the dangers in this policy and is reportedly in the Third Malaysia Plan (TMP) seeking to wipe out poverty regardless of race. The question of security relations is considered to be of increasing importance. In this area a paradoxical situation exists. Singapore and Kuala Lumpur cooperate on all levels in matters of subversion, political terrorism, communist party activities in both countries, etc.. On matters of joint operations,

coordination of training, use of training facilities, etc. of the defense forces of both states little has been accomplished since 1970 when a Five Power combined operation was conducted in West Malaysia (Bersadu Padu). The reluctance of Malaysia to cooperate with Singapore in this area continues to limit contingency planning for the future.

At this time there appears to be little interest either in Singapore or Kuala Lumpur in reunification. Singapore has enjoyed a highly successful decade as an independent nation. Kuala Lumpur undoubtedly has little interest in welcoming, once again, Lee Kuan Yew and the PAP into its political system.

Lee Kuan Yew and the other PAP leaders have established an impressive record in establishing Singapore's economic superiority, eradicating poverty, providing a level of security and setting the example in the developing world as to what hard work and cautious alliances can produce. In Southeast Asia the habit of being right and also highly successful doesn't earn many friends. In Singapore's case it has earned respect.

The Chinese Minority Groups in Southeast Asian Countries since American Withdrawal from Vietnam: A Reassessment of their Political Allegiance

David W. Chang

This essay attempts to put into new and proper perspective our understanding and emphases regarding the Chinese minority groups in Southeast Asia. More specifically, the author strongly repudiates the lingering thoughts and myths that the overseas Chinese are unassimilable, too clannish to be loyal citizens to their country of residence, and that they are easily susceptible to becoming instruments of Chinese expansionism or communist subversion. This broad interpretation has remained valid as the basis for policymaking in many countries; especially so during recent decades of cold war politics.

The cold war syndrome was fully detected by the late, best-known scholar on the subject, Professor Victor Purcell, who observed: "The main obstacle to the finding of a *modus vivendi* between the overseas Chinese and the other races was the continuance of the cold war". [1] Another outworn dictum that the Chinese do not mind who holds the cow so long as they milk it, has long become inapplicable and impractical when the Chinese must now think of Southeast Asia as their home ground of birth, life and death. Let us not lose sight that a new generation of Chinese, since 1949, has never seen China itself. These local-born Chinese see themselves as Southeast Asians in the first place.

The theme of this paper is to advance the already stated argument that the overseas Chinese in Southeast Asia are quite well-prepared toward national integration in their adopted new nationhood on the basis of equal rights and equal protection of the law. Multi-nationhood cannot co-exist with constitutional and other legislated discriminations which have been in practice in these new nations since their independence.

[1] Victor Purcell, *The Chinese in Southeast Asia* (2nd ed., London: Oxford University Press, 1965), p. 568.

The Chinese are practical people that have inherited an experience in adaptability and patience. For several centuries they suffered and adapted in the hands of the European colonial rulers. Today, conditions in Southeast Asia and in China itself are different. So are the younger generation, who are not Chinese chauvinists. If naturalized, they will not accept discrimination in law and in practice. They know their future is in Southeast Asia. Their only country is the country of their birth. And yet, they are today victims of circumstances, myths and misunderstanding.

The elites and governments of independent nations in Southeast Asia are even more victimized by the impact of colonial history and by their own misjudgment and unwarranted fear of immigrant minorities of whatever race. Under pressure at home and abroad, they have made unjust laws against the Chinese whether already naturalized or not. The new nations cannot send the Chinese away. And yet, some do not want to naturalize them, while others have made naturalization so difficult as to be untenable. On the other hand, nearly all the new nations in Southeast Asia recognize their own critical need of the Chinese minorities as an entrepreneural elite and good retail businessmen unmatchable by the indigenous races. Their economic modernization and urban development makes even more increasing demand for managerial skill that cannot be easily provided. The dilemma between politics and economics is real for the policymakers of the new nations.

Why are the relations between the Chinese and the indigenous people so bad? Who is responsible for such a state of affairs? Do we really understand accurately the true relations between them? Where have we acquired our knowledge? To what extent was the cold war of past decades responsible for the development of race relations as we find them today? To what extent has assimilation already taken place in race relations? What has happened to the Chinese in each major country in Southeast Asia during the last decades or so?

The answers to these questions will require empirical documentation which cannot be undertaken sufficiently in a short paper like this. Effort, however, will be made to respond indirectly or by inference so as to justify the theme of this paper: that the Chinese are well-prepared to become loyal citizens of the resident country on the basis of equal rights and equal protections. They will not remain as scapegoats for whatever crises of indigenous origin. These conditions shall be the basis, in my judgment, for full and unquestionable Chinese political allegiance to their country of residence. The choice and constructive response in racial policymaking must come from the Southeast Asian countries themselves.

I

Our knowledge about the presence of Chinese minorities in the area has come from a variety of sources. All of them are either incomplete or inaccurate. The European scholars and governments are interested in the overseas Chinese for mainly economic reasons. They are unable usually to get the true picture of the situation. The Chinese and the indigenous people often did not reveal their true feelings to Europeans who, until recently, did not even understand the local languages in the first place. Secondly, the Europeans have often been seriously influenced by their own social theories, personal compassion or policy necessity.

The Japanese have long been interested in overseas Chinese affairs and race relations in Southeast Asia. It is easier for Japanese scholars and government to achieve better or more accurate understanding than the Europeans. Japan, too, has remained interested in the subject only because of business profit and trade expansion. Our third source of information on overseas Chinese has come from the research and policies of indigenous governments in the area. They are critically interested in the subject because of their fear of the local Chinese, or of China in the north. They need policy of control and adjustment. Their strong subjectivism has affected their discriminative views toward the Chinese in education, language, learning and economic matters. The local governments do not have discriminations against the Europeans who are very few in number and will eventually return to Europe. The Chinese, on the other hand, will grow in number and will not go away. And thus, the Chinese represent a permanent threat to the integrity of their new nationhood. Obviously, such fear is one-sided and not fully accurate.

Our fourth source of information is from the Chinese side. The Nationalist government of China has always been interested in the matter because they needed support from overseas Chinese during the revolution of 1911 and the war against Japan in the 1930's. It feels obligated today to aid and sympathize with its overseas brethren. During the cold war decades, policies and politics have greatly colored Taipei's total policies domestically and in Southeast Asia. The People's Republic of China also has been interested in problems of overseas Chinese, but has often subordinated their concerns to primary considerations of communist world revolution, at least seemingly so in Peking's ideological stand and its anti-American imperialist effort. As a suspect to stir up revolutionary movement in the area, whatever Pekin did was considered either partial or was poorly understood. Lastly, the overseas Chinese themselves are our sixth source of information about the crisis of race relations in

Southeast Asia. These Chinese do not see the need for research effort. Nor do they understand and agree with scholarly publications about them and their country of residence. These Chinese businessmen and shopkeepers have no great intellectual leaders and political spokesmen in their own ranks. No political parties and pressure groups of their own represent them to participate directly in indigenous national politics. They have often relied on bribery to protect their business and physical security from local violence. Since the Second World War, they have been "orphaned" everywhere in the area. Many of their problems today did not exist before under the colonial government. Today, no one can effectively aid them, whether from the nationalists in Taiwan or the communists in Peking. These people do not share among themselves entirely what is published about them and their problems. I suggest that objective research and policy studies must be oriented more directly toward them, their plight, affection, attitudinal change, loyalty shift and their major concerns about their children's future in Southeast Asian contries. If we are to have a more balanced description and understanding, our sources of knowledge and information must be more objective and far-sighted.

In order to know more fully how Western colonialism of several centuries and the cold war competition since the 1950's have twisted race relations in Southeast Asia, we need more research and documentation on the alleged threat of overseas Chinese to the security of Southeast Asian nations. The concern over the communist threat has unfairly affected the interest of overseas Chinese and their relations with the indigenous hosts. Whenever the communist government did or said something in Peking, there was often a serious negative result for local Chinese in Southeast Asia. For example, just because Chen Yi said, "we have to have a guerrilla war in Thailand before the year is out," an American author quickly concluded, "Thailand, therefore, has now joined Laos, Vietnam, Malaysia, Indonesia, the Philippines, Cambodia and even pro-Peking and neutralist Burma as a target of this new imperialism ...".[2] In order to apply its revolutionary warfare policy to Thailand, "Red China started a propaganda campaign against the Thai government as early as 1950. Its justification was the alleged oppression of Chinese residents in Thailand".[3] Another American diplomat and scholar wrote, "No state in Southeast Asia is beyond the influence of

[2] Daniel Wit, *Thailand, Another Vietnam?* (N.Y., Charles Scribner's Sons, 1968), p. 3.

[3] *Ibid.*, p. 4.

one or more of communist China's instruments of policy, if only through the existence of overseas Chinese in all the countries of the region".[4] Incidentally, such Western prejudice caused the United States to put loyal Japanese descendants into concentration camps during the 1940's. Such comprehensiveness clearly implied that all the overseas Chinese would remain available for use by the Peking government. The author failed to recall that the Chinese in Malaya had cooperated with the British during the Emergency from 1948 to 1957. The cold war syndrome against international communism, in general, and communist China, in particular, brought the United States to the region to help the French in Indo-China in 1950 and to become involved directly in the civil war in Indonesia in 1958. The cold war also intensified "the struggle since 1949 between the Chinese Communists and the Nationalists for political influence among the overseas Chinese ...".[5] The existence of global cold war blighted the views and visions for many experts and policy-makers to see the presence of overseas Chinese in proper perspective in a region where new nations are desperately trying to achieve national integration and economic and political development. The new nations themselves were fearful of Peking's "political subversion through Chinese minorities". They have been equally resentful of "the concentration of economic power in the hands of unassimilated, alien groups".[6] Consequently, they have imposed on the Chinese several severe restrictions and controls.

The end of Western colonialism terminated one form of political structure and control which exploited but effectively protected the Chinese from the indigenous masses. The cold war, however, introduced another form of Western control to determine political alignment for the region. Under either circumstance, the indigenous nations and the overseas Chinese are pawns to serve the interests of others. The end of the Vietnam war and the inauguration of the Nixon Doctrine, which touched off the normalization process between China and the United States, have made it possible, for the first time in the history of Southeast Asia, for the new nations themselves and the Chinese minority groups to determine their own destiny and race relations. The question is how should they proceed and on what basis to develop new race relations. The overseas

[4] Russell H. Fifield, *Southeast Asia in United States Policy* (N.Y., Praeger, 1963), p. 40.

[5] A. Doak Barnett, *Communist China and Asia* (N.Y., Vintage Books, 1960), p. 186.

[6] *Ibid.*, p. 172.

Chinese want guarantees for the fundamental human and constitutional rights in a multi-racial, multi-lingual and multi-cultural society. What they want is the approximate equivalent of "Malaysian Malaysia" as Mr. Lee Kuan Yew defined it. The Chinese are impressed by the multi-racial, multi-cultural and multi-lingual practice in Singapore today. Here the majority ethnic Chinese have committed to a new multi-nationhood. This is a political formula which is working well since Singapore's eviction from the Federation of Malaysia in 1965.

With both colonialism and the cold war tension gone now, what are the bases for the new nations to continue the discriminatory practices against the overseas Chinese? Four years after the inception of American effort to normalize relations with Peking, and in the midst of a continuing process of diplomatic reconciliation between Peking and all the capitals in Southeast Asia except Jakarta, this is a good time to recast, review and reinterpret the race relations.

In quick review, the colonial governments were interested only in profit-making out of the Chinese "coolie trade" as they did with the African slave trade in North America. Poor Chinese villagers were recruited and shipped from the China coast and contracted out for profit by other Chinese and European profiteers. Children and wives of such laborers were not allowed to accompany these impoverished coolies from the southern coast of China. All of these coolies wanted to earn large savings and quickly return to their home village in China. Thus, a Chinese population slowly emerged in Southeast Asia. They consisted of diverse groups from different provinces and dialects in Southern China. They did not and could not belong to the indigenous people who considered these coolies "misfits and intruders" dependent on colonial protection. Nor did the coolies belong to the European community of imperial rulers. Yet the expanding "coolie hordes could not be controlled by the thin ranks of the colonial bureaucracies".[7] Secret societies of self-protection spread among the rootless coolies. These secret brotherhood societies initially assumed a fundamental and positive function in the resettlement of the immigrants. However, in time these brotherhood societies were given a bad name — collections of hoodlums, gangsters and extortionists.

As more coolies came out of contracted labor and proved capable of making a living on their own, they eventually came to occupy the

Lea E. Williams, *The Future of the Overseas Chinese in Southeast Asia* (N.Y., McGraw-Hill, 1966), p. 41.

"middle rung on the economic ladder" between the Europeans and the natives. They soon took control as retail businessmen who did the buying and selling among the natives. From the local point of view, this role of middleman in trade clearly made them the exploiters of the natives. After independence several decades ago, the indigenous people naturally want to control and minimize the Chinese exploitation and profiteering. While in control for centuries, the European rulers did not care about the race relations between the Chinese and the natives. Nor did they care about the "law and order" among the Chinese so as to prevent the rise of and dependence on the secret societies, family associations, and many other diverse developments among these immigrants who have transplanted their village society from Southern China to Southeast Asia.

However, the Chinese still suffered from violence. They feared both the Europeans from above and the natives from below. They still thought of returning to China. By 1900 A.D., they organized Chinese education for their children. They also became, by this time, very supportive of Dr. Sun Yat-sen's revolution of 1911 which helped develop Chinese chauvinism among the overseas Chinese globally. The Europeans at no time paid any attention to the need of immigrants and to healthy race relations. This legacy of negligence is partially responsible for race conflict today, and made it previously inevitable for the Chinese to rely on their "feudal" rural way of living, including provincialism, dialects, secret societies and other divisiveness. Such was their only alternative prior to their return to China when they became wealthy and old. Many of them soon discovered that they could not, however, return to China because of business establishments, friends and relatives already in Southeast Asia. At the same time, China itself was suffering from wars, poverty and revolutions. Whether they liked it or not, the sons inherited shops and occupations from their fathers. Generation after generation, the Chinese community grew larger and larger. The area became more and more developed. The European governments and capitalists more and more came to depend on the Chinese entrepreneural class in urban centers. And the indigenous masses became more and more hostile toward the Chinese aliens. So long as the European colonial governments remained in firm control, the Chinese were essentially protected from physical threat and violence from the hostile natives.

An uprooted immigrant community as such, it did not contribute to the independence struggle by the natives after World War II. Their eventual return to China was no longer possible after 1949. All Chinese communities throughout Southeast Asia remained neutral politically during the years of independence struggle and cold war decades. This failure to

share the cause and sacrifice for the national independence movement was considered clear evidence that the overseas Chinese did not share their loyalty for the destiny of the new nations. At the same time, the Chinese were also disturbed by civil war in China, the home of their ancestry. They were simply sitting on the fence during those years. Perhaps they did not see the future danger and threat to their business and security after the native victory against Western colonialism. The Chinese remained watchful in the early 1950's and realized at last that there was no China for them to return to. They began to accept emotionally Southeast Asia as their permanent settlement.

The cold war, like colonialism, immediately assumed momentum to influence and affect every country and government. The Chinese communist regime began to seek converts and support from their overseas brethren. The Kuomintang government embarked on a struggle to retain its strong links with the overseas Chinese, as the party of Dr. Sun Yat-sen had so richly been supported in the past. The leaders of Chinese communities in each country in Southeast Asia were confronted with difficult alternatives as to whether they should side with the nationalist or the communist government of China. This form of intensified struggle has been waged continuously to this day. The conditions varied from country to country. Some Southeast Asian nations were very anti-communist during the cold war years. Others were the other way around. On the surface, many countries declared themselves neutral. However, all of them imposed new laws of restrictions against the Chinese in Southeast Asia. The Chinese had no place to turn and were caught in the middle. On the whole, they chose to be silent and avoid conflict with the political stands of the indigenous government. The highlights of cold war policy shifts on the part of the countries in the area can certainly support this observation.

For example, the Chinese in the Philippines were very hostile toward Peking and international communism. Manila was, of course, thoroughly influenced by the United States' cold war policy in Asia. Sukarno's Indonesia, on the other hand, was clearly dominated by Sukarno himself until 1965 in her policy shifts between Moscow, Peking, and Washington, D.C. So was the confusion among Chinese in Indonesia. The pro-nationalist Chinese in Indonesia sat in prison while the pro-communist Chinese danced in Sukarno's palace. After the coup in September, 1965, by Colonel Untung, the pro-nationalist Chinese were released from the jail. And those Chinese who had associated with the Peking line were then sent to prison. They have remained in prison till today. The vast majority of Chinese in Indonesia simply remained silent and neutral

politically. The deplorable tragedy of the massive purge since 1965 affected many hundreds of innocent Chinese without sufficient reasons. The Chinese in Cambodia suffered, perhaps, the least, because Prince Norodam Sihanock was a genuine neutralist in cold war politics.

The story of cold war politics in Southeast Asia justifies, beyond any doubt, several observations. First of all, the general public accepted allegations that overseas Chinese were potential suspects, infiltrators or agents for international communist aggression. They were security risks and suspect targets for indigenous counter-insurgency. Secondly, many older leaders in the Chinese communities remained very loyal and devoted to the nationalist cause and its government in Taiwan, while young Chinese were attracted by the Peking regime in the early 1950's and returned to China.[8] The majority of the Chinese in Southeast Asia remained "pro-themselves". They were apolitical and adopted the wait-and-see approach toward China itself, and aloofness toward local national government. Eighty percent of all Chinese were in this category. Thirdly, the Southeast Asian countries legislated a number of restrictions against the Chinese because of the cold war necessity. For example, restrictions against new Chinese immigration and naturalization, regulations against local Chinese to visit mainland China, regulations restricting Chinese schools considered as communist infiltration centers, and suppression of Chinese language press, etc. The indigenous governments also tightened control over Chinese commercial activities: relocation of Chinese from rural to urban areas in Indonesia after 1965 and prohibition over land ownership by Chinese, ineligibility of Chinese nationals to own retail businesses in the Philippines from the early 1950's. Many other harmful legislations were enacted to speed up national integration processes. For example, in South Vietnam, the government simply declared by law that all Chinese are citizens of Vietnam subject to conscription and other citizen duties. The closing of Chinese schools in many countries was mainly for the purpose of national integration through education and cultural assimilation, although not totally divorced from cold war considerations.

From the colonial era through the cold war period, now is the third stage in inter-race relations in Southeast Asia. The present stage began with the Nixon trip to China which touched off a process for normalization of relations between Peking and the countries in Southeast Asia. During the last three years, presidents and prime ministers from the area have gone to Peking for the first time. One after the other they have

[8] *Ibid.*, pp. 51-72.

established diplomatic relations with China, all except Indonesia which seems only reluctant to take the first step toward Peking after a traumatic experience during the later years of the Sukarno presidency. What does this beginning of normal relations mean to the Chinese ethnic groups?

First of all, the de-escalation of cold war and the end of Vietnam hot war has provided a relief from tension and conflict orientation between super-powers in the region and among regional nations themselves. The indigenous governments can now sort out matters on their own terms. They can gain policymaking initiatives at home and abroad. They are freer from excessive influence from allies of past decades. Secondly, the local governments cannot expect to resist militarily any future aggressor, be it China or Indo-China. This fact forces them to depolarize and reconcile conflicts with one another. Each nation must now be self-reliant, including handling the Chinese minorities in their own countries. Their policy measures are not likely to be extremely harsh toward the local Chinese groups for fear of Peking's "surprise" intervention on behalf of their brethren abroad. Without the United States firmly behind the nations of the areas, each nation needs to be very careful in its relations with Peking. Fourthly, the overseas Chinese themselves must now, on their own, make the clear choice between naturalization and alien status. Do they still want to go back to their land of ancestry? Can they find the same China their fathers and grandfathers left behind decades ago? Can they become loyal citizens with full allegiance if the naturalization law is made more liberal and available? Most of these questions cannot be readily answered yet. Some questionable responses will depend on what the indigenous governments do in new policymaking toward making good citizens out of the practical-minded Chinese. The Chinese performance during the next decade or so will determine and influence the local policymaking and Peking's expectation from them. This development will be dynamic. Each shall watch the other. None will risk the new opportunity for peaceful reconciliation in Asian international politics. The Sino-Soviet conflict will have a significant role in the area.

The overseas Chinese do not have a real choice in the first place. They are very small in number in proportion to the total indigenous population. Except in Singapore and Malaysia, they count from 1 percent to 8 percent in other counries of the area.[9] Only in Indonesia, Malaysia, Singapore

[9] According to the Republic of China yearbook, 1971, p. 328, the actual percentage in Brunei is 26.3; Burma 1.6; Cambodia 7.0; Indonesia 2.6; Laos 2.1; Malaysia 35.1; Philippines 1.4; Portuguese Timor .9; Singapore 74.5; Thailand 8.5; North Vietnam 1.0; South Vietnam 5.3. The total population in Southeast Asia estimated in 1961 as 248 million with 12.5 million Chinese, an average of 5%.

and Thailand, the Chinese population reaches beyond one million and more (2,750,000; 3,315,000; 1,400,000; and 2,600,000 respectively). Among the 13 million overseas Chinese, some are completely assimilated, others are long prepared to be naturalized whenever the law is liberalized — that is not to bribe for citizenship from naturalization officers in many countries. Quite a large number have married to local spouses, especially so in Thailand and the Philippines. In Singapore, most of the Chinese are no more Chinese than by ethnicity and cultural heritage. The Singaporeans resent the "Third China" label. They are proud to have implemented their multi-cultural and multi-racial policies as fine examples of racial pluralism. The Chinese Malaysians are equally proud of their citizenship in Malaysia. This author was told by the Chinese Consul-General, for example, that according to his record in Kuala Lumpur that there was not a single Chinese in West Malaysia holding a Chinese passport. In short, we cannot know just how many Overseas Chinese in the area are still citizens of China and loyal to the land of ancestry. We are fairly sure, on the other hand, that nearly all of them are well-prepared to be naturalized. This conclusion is based on my research interviews and other data.

II

It is now up to the indigenous governments to provide a fair path to guide the Chinese minorities toward national integration. Of course, the Chinese minority issue is only one of many pressing national crises in their political, economic and social development. These nations have inherited several legacies from the colonial past which continue to affect their new national identities. Many pressures and conflicts in the indigenous culture, social structure and religious tradition are pulling these new nations in opposite directions. The leaders must and should gather all the resources at their disposal in the nation-building process. Diversity of human resources is their strength, not weakness. Indigenous nationalism alone is not going to assure national unity. Racial tolerance and cooperation must be a serious commitment. Cultural pluralism is a matter of realistic necessity for inter-cultural, mutual cooperation and appreciation. Multi-culturalism requires national spending to preserve all major cultures of the people, not to abolish schools and to prevent the citizens from learning to speak and write in another language. In short, multilingual, multi-cultural and multi-racial formula may be the best to follow if these new nations are to avoid unnecessary crises in the national integration process.

The assimilation process in each country seems quite unique. The

Chinese community has developed in each country a wealth of experience, including bribery, to minimize their sacrifice in time of threat and violence. It is important to comment on problems and experience in each of the major areas where the overseas Chinese are either faced with critical issues or are making excellent progress. According to my interview experience, I shall give a quick account to highlight some of the specifics.

The model of assimilation in Thailand follows a "*broad peaceful model*" of integration. It is broad because inter-racial marriage, economic cooperation and social intermingling are taking place simultaneously. It is also peaceful because of the total absence of racial fear and tension among the Chinese and the Thais. There is little expression of racial animosity from the majority Thais.

During most of my interviews, both my Thai and Chinese respondents reminded me that "there is no anti-Chinese racial discrimination in Thailand". Traveling in Thailand, one sees Chinese language signs everywhere. Retail shops display their names in both Chinese and Thai characters. Of all the Chinese in Thailand, only 350,000 are considered officially alien Chinese. Inter-racial marriage reaches a high percentage and started long ago. It is said that the Queen Mother, for example, traces her ancestry to Hainan, China. One official told me that 90% of the government officials have some Chinese ancestry. A high Chinese Embassy official simply told me at the end of the interview several years ago that "the overseas Chinese problem does not exist in Thailand". The same official could not resist telling me also, "if China were united and strong, the overseas Chinese problem would not exist anywhere". Buddhist religion and the strength of the royal institution combined seem to give the Thai people much self-confidence. The integrity of traditional social and political structure sets the Thai people apart from the rest of Southeast Asia which was directly ruled by colonialism. Professor Pracert of one Thai university emphatically said that "the Thais feel no sensitivity to talk about the local Chinese or publically admit their own Chinese blood". I met hundreds of them who enjoyed talking about their partial Chinese ancestry.

Intermarriage and naturalization have worked so well that it is no longer possible to estimate the number of Chinese in millions, either three or six million depending on who they say they are, Thais or Chinese when asked by the census agent. A Chinese business leader could not find an issue to discuss with me during one of the interviews. Perhaps, the only problem the Chinese parents have is the education of their children. Presently, there is no Chinese language school beyond 4th grade. Many

send their children to West Malaysia or Taiwan for middle school education and especially for Chinese language. A large number of university-age students remain in Taiwan for higher education. We must remember Chinese language is important in a future business career for Chinese merchants throughout Southeast Asia.

The difference between Chinese in Thailand and elsewhere in Southeast Asia is the much larger Chinese entrepreneur class in Thai economic life. They play a much more critical role in Thailand than anywhere else. The second most single important factor is the close relations between the Bangkok-based military bureaucracy and the Chinese money elite. These factors have made the Chinese feel very much at home in Thailand. Assimilation and integration take the natural course and speed. It seems that if any indigenous society remains stable, adaptive and less revolutionary, racial tension is far less. Religion and culture are also serious areas of conflict. Both tend to affect marriage and social contact. Thailand is fortunate to have all the favorable factors toward peaceful and broad national integration. In short, if there are to be serious future race problems in Thailand, politics will be the only excuse to arouse popular sentiment. Like colonialism and the cold war syndrome, the people will respond to false political propaganda which can erupt into formidable proportions anywhere.

The Malaysian story is unique and different. Here some 35% of the total population belong to the Chinese race. There is a genuine democratic experiment in Malaysia. Political participation has been open to the Chinese through the Alliance party since the early 1950's. Perhaps democracy is responsible for racial demagoguery. Political parties in Malaysia seemed to have tried to benefit from race politics. The model of race politics is "*unequal cooperation in the search for new nationhood*". The Chinese here can make a substantial contribution to the country if given an equal and fair opportunity to unite behind a well-accepted leader who can arouse support from all age groups and classes of the Chinese in Malaysia. As skillful politicians, the Malay political leaders have been able to manage peacefully the hidden racial tensions. However, the formula upon which race politics is being built is highly questionable in the long run and destructive in the short run.

The May 13 incident of 1969 generated a great deal of difficulties for the young nation since the eviction of Singapore four years before. That eviction was preceded by a very revealing debate in race politics. Slowly the extremists of both conservatives and radicals made their inroad into the complacent comfort of Alliance domination of national politics since independence. The experiment in "Malaysian Malaysia", as Mr. Lee

Kuan Yew conceived it, was, indeed, too liberal and risky for both conservative Malay politicians and wealthy Chinese businessmen. However, they failed to realize the strong opposition from young Chinese and Indians who, for the first time, made their weight felt in race politics. The result was polarization of tension which led to suspension of democracy at least temporarily.

The basis for race politics starts with the "unequal rights and unequal protection" rooted in the national constitution. The constitution grants special rights to Malays at the expense of immigrant Malaysians of both Indian and Chinese origins. The Malays enjoy constitutional special privileges in scholarship to national universities and in government jobs. Public education funds are not available for the Chinese language stream. Young Chinese who went through Chinese language schools could not get admission easily into the University of Malaya. The implementation of such "entrenched rights" for the Malays only leads into many other unequal practices in public policy. This situation by 1969 erupted into election politics. More specifically, the Democratic Action Party (DAP) championed the cause of Chinese youth in demands for "equal opportunity", "equal citizenship", "a Chinese language national university", and "Chinese as the second national language". The DAP political philosophy was that Malays, Indians, Eurasians and Chinese should all be Malaysians of equal citizenship. And Malaysia must be a multinationhood of equal protection. Such demands disturbed the leaders of the United Malay National Organization (UMNO), and frightened the leadership of the small Pan Malay Islamic Party (PMIP). The defeat of some UMNO leaders by PMIP Malay extremists and the victory of DAP and the Gerakans against the Malaya Chinese Association (MCA) under Tun Tan Siew Sin resulted in the May 13 incident shortly after the 1969 election.

Several years after the bloody incident, racial sensitivity still remained strong. The emergency government suspended democracy. It prohibited anyone "to utter, print, or act on questioning any matter of right, status, position, privilege established in the entrenched provisions of the constitution". The government declared "no return to democracy so long as racial harmony does not exist" and that "the nation has moved into an uncertain period...".[10]

This Malaysian experiment in racial cooperation is too much for some and inadequate for others. It has antagonized the extreme rightists of the Malays and the young generation of all immigrants. Unequal citizenship

[10] Report on the May 13, 1969, incident, National Operation Council, October 9, 1969.

and entrenched rights for the Malays cannot win true support. At present in politics, there is inter-racial reconciliation with little genuine national integration. Malaysia needs a genuine multi-racial political party that should be beyond and above racial prejudice. At present the extremists exist in each race. The economic imbalance or mal-distribution must be progressively corrected. Multi-lingualism in education should be seriously considered. The concept of Malays as hosts against immigrant races has to be abandoned. Until such issues in politics and culture are genuinely considered, Malaysian national life will continue to erupt in racial tension and incidents.

The Chinese minority (and Indians also) have accepted Malaysia as their country. They feel they have the right to fight for "equal rights and equal protection". They have given Malaysia their full allegiance. As the Secretary-General of the Gerakan Rayat Malaysia told this writer, unless causes for racial polarization are arrested, frustrated youth of Malays and Chinese "will head for the jungle" to join Chen Peng's communist force. At the present, however, we must conclude that only the Alliance party seems capable of maintaining and accommodating the internal politics forces. In spite of hidden racial difficulties, it may be repeated that in the whole region, only Malaysia has offered the greatest opportunity to the Chinese minority to participate and bargain in politics. This is so because of the comparable size between the Malays and the Chinese in the total population within Malaysia. Nowhere except in Singapore can the Chinese minority have such an effect on national politics as they do here. Malaysia as a concept of multi-racial nationhood is presently without a national culture as such to support it. Modernization and rural economic development will, hopefully soon, bring the Malays out of the feudal countryside into successful urban competition with the immigrant Indians and Chinese. When that happens, the Malay leaders may be ready to share their political power monopoly with their immigrant partners.

Singapore is a product of Malaysian political development. It begins and ends with its having the largest percentage of Chinese in the population — 74 percent roughly. Singapore as a naval and commercial base for the British in the early cold war years occupied a special defense significance in British policy east of Suez. It was kept out of the Malayan federation in 1948 so as to make it possible for the creation of Malaya for the Malays. Singapore was also considered the "infested nest" of communists in Southeast Asia until early the 1960's when the Tengku of Malaya took Singapore into Malaysia in order to assure Malaya national security. The eviction of Singapore from Malaysia was entirely due to

racial tension and political power consideration. The Malays did not share and could not tolerate Mr. Lee Kuan Yew's concept of "Malaysian Malaysia" — no Malays, no Chinese, and no Indians, they are all Malaysians of a new nationhood of equal citizens and open competition in political participation.

Singapore today, eleven years after eviction from Malaysia, represents a model in "multi-nationhood experiment". Lee Kuan Yew's multi-cultural, multi-lingual and multi-racial policy is in reality a laboratory for his early concept of "Malaysian Malaysia". All races in Singapore are called Singaporeans — an equivalent of Malaysians. The significance of Singapore also includes its promise to become a "Switzerland of Southeast Asia" — neutral, strong, capable, non-communist, and accessible to all nations in the area. Above all, Singapore must prove to itself and the immediate neighbors in Southeast Asia that it is not the "Third China". On the contrary, Signaporeans hope to show a successful experiment on multi-nationhood. The success of Singapore during the past decade has, indeed, been marvelous. This success should prove what a young generation of Chinese can do, given the opportunity and challenge to test their allegiance and capability. Singapore's racial fairness should eventually give a different message to her frightened neighbors. It seems clear to this writer that Singapore is a message of "live and let live" in spite of the racial texture of our societies. Singapore wants to be judged by the degree of technological modernization and peaceful and open competition for the advance in the quality of life of its citizens. Jealousy of others and self-stagnation in economic and social progress are ultimately self-destructive. Singapore leaders realize that, Chinese or natives, no one is going anywhere. If all are not careful, external powers will find ways to mess up things for the entire region.

The Chinese in Indonesia have suffered far more than their brethren elsewhere, if only because Indonesian political development has wasted several decades until the coup of 1965. Racial politics is a *"model of scapegoat persecution"* against the Chinese who have no recourse whatsoever. Such tragic development may have been unavoidable because of the lack of law and order in the nation generally. A patriotic Indonesian can certainly offer a very good defense concerning what has happened to the Chinese. For example, the history of racial conflict is long. The Chinese are successful "money lenders and exploiting shopkeepers who maintain a superiority complex".[11]

[11] My interview with Professor Miriam Budiardjo of the University of Indonesia in 1970. Also see my article, "Current Status of Chinese Minorities in Southeast Asia," *Asian Survey*, vol. XIII, no. 6, pp. 587-603.

From 1965, all Chinese schools were closed. Political arrest and business pillage brought the Chinese communities in various parts of the country to a standstill. These happened to fully assimilated Chinese also in spite of loyalty shift through naturalization and lifetime good behavior toward Indonesia. Only Jakarta was relatively safe for the Chinese during the peak of national crisis and political purge in middle 1960's. Many Chinese were forced to leave the country with or without their money and family. Since 1965 fear and deadly silence has descended on all Chinese communities. No one has dared to say anything. Many attributed such tragedy to both the political power struggle and Islamic religious intolerance. Furthermore, general poverty throughout the nation has been exploited by indigenous chauvinists to find an outlet for their frustration. In Indonesia, violence and damage against Chinese do not usually get investigated by the government. Two examples are worth mentioning.

In 1963, a street demonstration against Chinese occurred in Bandung. Stores were burned or pillaged. Many were wounded or killed. Among the demonstrators were even many children. Many were bribed in cash to march on the streets. This incident was never investigated. Till now, no one knows why it occurred in the first place. In January of 1967, a group of Indonesian paratroopers got into an argument with several Chinese in Jakarta. Suddenly, several motor cars carrying troops arrived and sealed off the area around Chinatown. When the indiscriminate massacre began, the regular police simply stood watching or really helpless. Shortly the military policement were brought in to stop the killing.

There was never a court-martial against the break of discipline, although several troopers were detained and released within a few weeks. The newspapers did not make any serious demands for punishment. This was the extent of Indonesian law and order. There is today still no physical security for the Chinese against violence. In short, the Chinese live in suspense in Indonesia, especially for those associated closely with the Chinese Embassy during the time of Sukarno. The Chinese, as a general-rule, cannot fairly advance in government positions, in the armed forces and in entry to university education, although there is no official policy of discrimination in these areas. On balance, however, the Chinese are again able to adapt to new crises and new reality. Political stability and economic development are the best guarantee for less discrimination against the Chinese in the future.

It seems to take more for Indonesia not to be anti-foreign. Some local scholars consider anti-Chinese sentiment "a condition of Javanese culture". Bloodshed incidents are simple lawlessness that can happen even

to any Indonesians. Some say there is little racial orientation in such violence which is usually beyond the power of police control. Other local scholars resent the fact that both Chinas are introducing politics into local Chinese communities. In the long run, they say, the anti-foreign mystique of Javanese culture will be minimized through modernization and pluralistic new harmony that will be achieved through cultural rationalism. The legal solution for the Chinese should be total assimilation, as one former minister for foreign affairs told me (Mr. Achmad Subardjo). It seems too early to predict what is in store for the Chinese in Indonesia.

The Republic of the Philippines is an anti-communist open and free society basically, where the Chinese minority is totally anti-communist. Since the normalization of relations between Manila and Peking recently, some policy adjustment is in order, especially with reference to the 2,700 "overstaying" Chinese since 1949. There is little violence and pillage against the Chinese in the Philippines. To become citizens, aliens, including even the local born, must go through naturalization procedures. However, it seems that naturalization obstacles have been used against foreigners, including the Chinese. As a result, many Chinese, who have lived in the Philippines for decades and with intention to be naturalized, are not citizens yet. They fear that failure in application for citizenship may cause their expulsion by the government. They live, therefore, in "open" seclusion. The government has tolerated the situation, or officials were bribed into ignoring the fact.

Racial pluralism and national integration have proceeded peacefully, although less speedily then in Thailand. Inter-marriage and acculturation have taken place without push and pull. The Chinese do not care to participate in the political process. The Filipinos leave the local Chinese communities to their own device and style. There is, therefore, surface racial harmony in the Philippines. The model for this race relation is "*democratic, peaceful evolution*". Underneath it, however, there are strong racial overtones.

The Chinese came to the Philippines as early as in the 15th century, long before their arrival in other parts of Southeast Asia. Their exact figure is confusing. The Commissioner of Immigration in Manila simply could not respond to my questions concerning the actual number of Chinese in the country, nor how many Filipinos have partial Chinese descent because of mixed marriage. No one knows, either, how many are naturalized or born locally. He told me that there is no way to investigate any of these areas. Indigenous nationalism and economic imbalance alone seem to cause today's sentiment against the Chinese. Retail

business law has not really functioned well. Filipinos on the street resent the Chinese employers who often practice employment prejudices and unfair wages. A larger sociological explanation for resentment is that the majority Chinese, as retail and small businessmen, are in close daily contact with the local masses. And their little wealth is constantly within the sight of the local poor. As a matter of fact, the bulk of national wealth is controlled by the 12 Filipino corporation giants who do not even always stay in their own country. The American control of the larger enterprises at the upper layer of the economy is not always known to the indigenous masses who do not physically see as many Americans on the streets. The Chinese, therefore, become the most available scapegoat for local frustration. The Chinese top businessmen in Manila did influence national politics through campaign contributions for political office. Clannishness of the Chinese is an important factor for self-isolation and resentment. In comparison, the Filipinos are more rational, open-minded and tolerable. The general breakdown of law and order and the lack of economic prosperity for the masses may have caused the scapegoat practice against the Chinese, but not against those who do mingle socially with the local youth.

In short, most Chinese community leaders admit assimilation is inevitable. Language difficulties prevent foster assimilation among the older people. They are quite optimistic and confident in their own ability to handle any local contingency against them. They say their wealth is their best resource to bribe for security.

Conclusion

In all other parts of Southeast Asia, the discrimination is either negligible or not known to us. We can fairly conclude that the large picture in race relations is now clear that each country has its own local variety in degree and cause for resentment against the Chinese. Where do we move from here? Nation-building and racial integration must forge ahead. National unity and cultural harmony are indispensable for rapid modernization. Prosperity for the Chinese and poverty for the natives cannot peacefully coexist. It is crucially important to remember, however, that economic and legal discriminations have not deprived the Chinese the ability to remain wealthy and to prosper from hard work. Jealousy is not rational or a virtue for greatness. Acceptance of the Chinese as part of the eventually integrated local populace is without alternative today. The Chinese are not going anywhere. For the first time in several centuries, they are now in a rational position to choose between Southeast Asia and

China for their ultimate allegiance and retirement. They seem to have chosen the former.

The United Nations Charter protects humans rights everywhere. Discrimination is a sign of uncivilization whether by the majority or minority or in South Africa or Indonesia. Equal rights and equal protection is the basic standard of justice. True justice does not come from the laws in the book, but the practice in human behavior. It may be very interesting to compare the implementation of the Malaysian constitution and Singapore multi-racialism.

Another interesting question to ask is whether the presence of the Chinese brings in harm or benefit to the indigenous nation. Do the Chinese contribute to local economic and trade development? Can they be more efficiently replaced by the indigenous people? Are they basically law abiding people or lacking in self-discipline? Is it not very fortunate for certain countries to have a group of thrifty and industrious immigrants who are especially efficient in business and industrial management?

In this post-colonial and post-cold war period, it is necessary for all nations to investigate what factors should govern their national policies at home and in foreign policy. Gone are the days of colonial protection against other colonial aggression. Gone are also the days of cold war alliance to enable a nation to rely on a superpower for defense and in domestic policy implementation. Each nation in Southeast Asia is now on her own to accept consequences of whatever policy she pursues.

For the first time, also, China can exercise strong influence in protecting the Chinese groups in the area if she chooses to. Colonial European rulers and cold war American partners will not be around to support one side against the other. For America itself has chosen to de-escalate its military role in Asian international politics.

What, then, must the countries do in both policy change and actual practice? First of all, in order to maintain the Chinese business security and physical protection, indigenous government must effectively and fairly maintain law and order against the unruly masses. Secondly, they must adopt fair and non-discriminative laws and execute them justly and fairly. For example, respect for human rights include language rights and bilingual education rights. There is a need for the establishment of departments for Chinese studies in higher education and the acceptance of Chinese culture as necessary to the ethnic Chinese in their cultural pursuit and daily living. Rights to equal opportunities include the opening of jobs in the police, armed forces, and high government offices for Chinese youth employment. Rights to travel may include the Chinese rights to visit China mainland and Taiwan freely without barring them

from returning to the resident countries. Many Chinese in Southeast Asia today have their parents, brothers and sisters and children left in mainland China or Taiwan since 1949. They should be allowed to have mutual visits whenever they feel it is necessary. Equal rights include open and direct political participation by naturalized or local born young Chinese. Political participation may be the best short-term means to foster long-term national and racial integration. Participation politically fosters the sense of belonging and fellowship.

To be loyal as naturalized citizens should not deprive the overseas Chinese of their enormous cultural heritage. The local government cannot stamp out the mature and well-integrated cultural life of the Chinese people. The love for their cultural heritage is certainly compatible with full allegiance to the local state. For example, the Irish, the Polish, the Germans, the Italians and the Jews in the United States still celebrate or recognize their cultural heritages. In the long run, it is self-enriching to accept the cultural contribution from the local Chinese.

National integration requires policies for active promotion. Social, educational and cultural programs and institutes are needed to accelerate the progress. The atmosphere is important to assure the adopted sons and daughters that they are not looked upon as "second class" citizens. Without positive promotion to prevent such stigma, racial sensitivity and cleavage cannot easily eradicate itself. Finally, trust and punishment must go hand in hand toward immigrant minorities. Trust requires courage. Punishment must be fair for any law violation. Scapegoat practice for own mistakes is shameful.

In short, the overseas Chinese are moving rapidly toward naturalization and assimilation. Their loyalty and allegiance are shifting swiftly as a result of the departure of Western colonialism and the normalization of interstate relations in Asia since the de-escalation of cold war polarization. It is up to the countries in Southeast Asia to put law and order in good practice and to remove unnecessary policies of racial discrimination. Pluralistic societies require pluralist policies to both preserve and protect the integrity of all racial components of the society. Indigenous chauvinism must eventually give way to rational modernization and realistic evolution.

Economic Problems

The Role of Foreign Investment in Interrelated Economic Development of Southeast Asia and Japan — A Case Study of Japan-Indonesia Economic Cooperation Using a System Dynamics Model

Akira Onishi

In this study, the author has attempted to make an objective evaluation, using a system dynamics model, of both expected and unexpected results of the economic and technical cooperation between Japan and Indonesia. The study reveals that, although Japan's official development assistance and private direct investment to Indonesia is making a contribution to the growth of capital stocks in building up and equipping the infrastructure of the Indonesian economy, an increase in both Japanese ODA and private direct investment to Indonesia would intensify Indonesia's dependent relationship with respect to the Japanese economy, and would also result in a rise in the "degree of sensitivity" to this fact. Consequently, if such a situation were left unattended, a widening "communication gap", acting as a spur to tensions between the two countries, could well result.

I. Introduction

One of the greatest crises facing mankind as we advance toward the 21st century is the so-called North-South problem, or, in other words, the economic and other tensions accompanying relations between the industrially developed and the developing nations. A symbolic example of the North-South problem is to be had in the critical situation which has arisen in the relations between Japan and Indonesia. We have taken the problems of Japan-Indonesia economic relations as the focal points of the present study, in which we have sought to analyze the various aspects of the crisis and to piece together a prescription for overcoming the causes of the feeling directed against Japan.

In order to make an evaluation of Japanese aid and private direct investment to Indonesia and of anti-Japan sentiment in that nation, it is a

prerequisite to develop a system model of Japan-Indonesia economic cooperation. For this purpose, we have chosen to apply the technique of "system dynamics." As is known, system dynamics, development of which was pioneered by Prof. J.W. Forrester of M.I.T., was employed in constructing the world model reported to the Club of Rome.[1,14] There is no precedent for using this technique for constructing a model to be applied to Japan-Indonesia economic cooperation. In this sense, we may say that our model of Japan-Indonesia economic cooperation is indeed a novel and pacesetting experiment, although there are system models for developing countries.[10,11] This exercise made by the present author is a part of the multination link modelling efforts. The bilateral link system model of Japan-Indonesia cooperation will be able to expand to the multi-link system model of the industrially developed and the developing countries in the world.[12,16,17]

II. Model-building Procedure

System dynamics, being a technique suited to estimating dynamic changes in social structures over a range including past, present and future, and suited also to resolving the focal points of specific problems, displays its powers to special advantage in the analysis of very complex social phenomena which tended to defy analysis by techniques used heretofore. However, it must be remembered that, in the absence of a clear statement of research objectives, the building of any system dynamics model cannot be commenced at all. As our objectives in building the present system dynamics model, we intend to gain a clear understanding of the impact created by Japan-Indonesia economic cooperation in promoting the development of the Indonesian economy, and furthermore propose that the model be used as a guide for policy reevaluations aimed at the smooth development of economic relations between Japan and Indonesia in the future.

The first stage in building our system dynamics model for analyzing economic cooperation relationships between Japan and Indonesia entailed putting together a team of specialists in various fields of expertise, and entrusting them with the task of sifting out all the various factors deemed to have a relationship to joint Japan-Indonesia efforts in the economic sphere. Then, among the various items produced, those variables considered to be of greatest importance for building the model were selected. (See Appendix I.) The second stage in building the model was the establishment of clear links of cause and effect among the numerous important variables so selected. As there are of course some complex and interwoven relationships between and among certain "groups"

of factors, seen to hang together most readily in patterns of mutual causation, it is necessary to unravel these more complex relationships one by one and incorporate them into the model in an orderly fashion. (See Diagram 1.)

The system dynamics model we used for evaluating Japan-Indonesia economic cooperation is based on a far more complex "system" than that used for the "World Model" of the Meadows group.[13,14,15] For the sake of reference, we have included a chart, in symbolic form, of the various causal relationships among the variables used. (See Diagram 3.)

The variables used in the present system dynamics model are differentiated into major "level variables" (symbolized in Diagram 2 & 3 by a rectanglar outline ▭), "rate variables" (symbolized by a pentagonal outline ▭>), and "auxiliary variables" (symbolized by a circular outline ○). The "level variable" may be thought of, for example, as corresponding to the level of water accumulated in a bucket at any given time, while the "rate variable" would, by the same analogy, correspond to the change in the quantity of water over a given time period. The "auxiliary variable" is defined as any of various other factors which influence or control a given rate variable.

The third stage in constructing the model was to take the causal relationships found by the above procedures to form links among the several model variables and systematically incorporate them into a structure of differential equations related to dynamic change. For this purpose, a computer programme known as DYNAMO III, developed especially for system dynamics use, was employed. (See Appendix tables.)

The actual construction of the model is concluded with the above, and we can now take up the matter of making simulation to predict the results of Japan-Indonesian economic cooperation under a variety of real or hypothetical policy assumptions.

III. The System Model

Before entering into a discussion of the simulation results, it will be worthwhile to give a brief explanation of the system model. (See Diagram 4.)

It must be remembered, first of all, that the official development assistance extended to Indonesia by Japan (OA) is intended to lend support to the financial budget of the Indonesian government (GR) and thus to back up self-help efforts — namely domestic savings (S) and investment (DKS). A part of Japanese aid funds are used for building up infrastructures within various productive sectors (e.g., AKS — agriculture, forestry and fisheries, MKS — mining, IKS — manufacturing industry) as

well as within various social sectors (SKS), with a view to increasing productivity in each field (APY, MPY, IPY and SPY) and providing opportunities for income (Y) and employment (L) in Indonesia.

Increases in per capita income (Y/N) tend to pull up the welfare (W) and educational standards (LE) of Indonesian people as a whole. Improvements in educational levels will promote improvements in technological levels, thus acting as a spur to economic self-supports. Such development would constitute a case of a "positive feedback loop" accompanying Japan's official development assistance.

However, one must also reckon with the existence of "negative feedback loops." For example, when Japan's official development assistance (OA) is employed in outfitting the infrastructure of the Indonesian economy, merely to say that this aid serves to raise productivity in each of the various sectors and creates opportunities for income and employment is not to say that the results of the aid will contribute in equal measure to the welfare of each social class. The income and employment of the "modern sector" (MAS, MMS, MIS and MSS) may increase, but employment in the "traditional farm village sector" (TAS, TIS and TSS) may, on the contrary, decrease. Labor force (LR) which is propelled away from the "traditional farm village sector" tends to become absorbed in part into the "modern sector" in the cities, but at the same time contributes to the pool of the unemployed (U) and to the growth of city slums. Thus, it is a regrettable fact that even though the national income may exhibit a high growth rate, this growth in national income may not be reflected in an improved welfare level for the masses.

Regarding the distribution of income in Indonesia (Y), an extremely large share goes to specially privileged classes among such groups as the overseas Chinese (YZ), while only a very small amount filters down to Indonesia's general populace (YI). And the problem is complicated further in that there exists a split-level "system construct" characterized by incompatibilities between, on the one hand, the "modern sector" controlled by overseas Chinese and other foreign capital and, on the other hand, the "traditional sector" which largely controls the economic activities of the general populace. In this conflict, the "traditional sector" is being pursued and restricted in its activities by the modernization process. Laborers (LR) who are obliged to quit activities in the traditional sector are either gradually absorbed into the urban "modern sector" or else become unemployed persons or "disguised unemployed" persons in menial or service jobs, lending impetus to the growth of city slums. Thus, even though the nation's total income (Y) may register a high growth, the level of the ordinary people's welfare (W) is not so very

much improved. The growth tempo of population (N) is high, and even though the level of general knowledge among the nation's people (LE) is still on the whole low (largely as a result of the fact that per capita income (Y/N) is still very low), the level of awareness of social inequalities (SEL) is gradually growing, and antipathy toward the specially privileged classes (PRS) is gradually gaining strength. And a part of this antipathy becomes linked to sentiment directed against Japan (ANJF).

In this system model, non-economic variables such as W, SEL, PRS and ANJF etc. are measured in terms of indices. Quantification of these variables are based mostly on the expert group judgement.

It must be remembered also that the loans extended to Indonesia by the Japanese government (OA) have acted indirectly, although undeniably, as a support for Japanese private investments (PFI). The latter are concentrated in the "modern sector," to which these loans have so greatly contributed by way of increasing production and employment in that sector. The encouragement of modernization, however, exacerbates the shrinkage of the traditional sector. And while a basic merit of private direct investment is supposed to lie in the process of giving cooperation from the sidelines in the nurture of self-supporting economies in developing countries (through the transfer of capital, technology and management knowhow from more industrially advanced countries), there have been many causes for regret that the transfer of technology and management knowhow is not always carried out smoothly.

So far, the local partners in the joint business ventures with Japan-based enterprises have been mainly overseas Chinese, and not Indonesians connected with so-called "indigenous national capital." Despite the point that, very fundamentally, a merit to be found in private direct investment is that of cooperation from the sidelines in the autonomous development of the economies of the developing nations through the transfer of advanced countries' productive capital, technology and management knowhow, in the case of Indonesia, there has been considerable bitter feeling over the fact that such transfers of technology and management knowhow are not penetrating through to the native Indonesians who are the most important part of the population.

Also, due to expectations of short-term recovery of invested capital by the Japanese enterprises, efforts to reinvest profits in the local setting have not been sufficiently pursued. Japan-based enterprises have heretofore failed to show enough concern for making expenditures for welfare or educational-cultural matters which would help maintain harmony and promote a feeling of common purpose with the social environments abroad with which they come in contact. Such facts have generated a

"minus" impact with respect to the smooth development of friendly relations between Japan and Indonesia.

While the evolution of Japan-Indonesia relations of economic cooperation has served to promote a growing degree of economic interdependence between the two nations, this process is on the other hand tending to exacerbate the unequal dependence of the Indonesian economy vis-a-vis the Japanese economy, with the result that the "degree of sensitivity" (SEN) on the part of Indonesians is coming to be very pronounced in this regard. Growth in the degree of economic interdependence between any two countries heightens the necessity for international cooperation, but also there may be a tendency for negative reactions between the two countries to become sharper. Relations between Japan and Indonesian are no exception, and in the present model, an attempt has been made to indicate "degree of sensitivity" (SEN) as an index compounded from trade and investment sensitivitiess (TSEN and ISEN respectively).

For instance, Indonesia's trade sensitivity with respect to Japan (TSEN) is measured by the following formula,

$$TSEN = [\frac{EIJ}{EI}] \ / \ [\frac{EJI}{EJ}]$$

where (EIJ/EI) denotes Japan's share of Indonesian total export and (EJI/EJ) Indonesia's share of Japan's total export.

On the other side, Indonesia's investment sensitivity toward Japan (ISEN) is measured by the following formula,

$$ISEN = \frac{(PFI/PFII)}{DKS}$$

namely Japan's share of private foreign investment in Indonesia weighted by Indonesia's gross domestic capital formation (DKS).

As an example of the inequality in degree of trade sensitivity, Indonesia's relative weight as a foreign trade partner for Japan is relatively light, since it takes only 2% of Japan's exports and provides less than 5% of Japan's imports (1972). On the other hand, Japan accounts for 49% of Indonesia's exports and 37% of its imports (1972), a fact which makes Japan rank as Indonesia's greatest trading partner. However, Indonesia's degree of trade dependence on Japan has in recent years been growing rapidly.

Regarding degree of investment sensitivity, the one-sided dependence relationship is even more pronounced. The number of Japanese busi-

ness enterprises operating in Indonesia grew from twenty-two in 1969 to ninety-eight in 1972, or a 4-fold increase in three years. On the other hand, Indonesian investments in Japan are virtually nil. Likewise, in fields of technical assistance such as the granting of intergovernmental loans, the dispatch of visiting specialists, or the activities of the Youth Overseas Cooperation Teams, Indonesia is a one-way recipient country. In other words, the relationship of "mutual economic dependence" is not an evenly balanced one. Attention must be given to the facts that Indonesia's relationships to Japan are of a strongly subordinate nature and that the "degree of sensitivity" held by the peoples of Japan and Indonesia toward one another is quite different. In sum, our "system construct" in this regard is one in which a given economic activity, if carried out by Japan, may have a large impact on Indonesia, but might cause little influence to be felt in Japan. In this context, it would rather be a matter of surprise if the economic activities of those Japanese who have no understanding at all of the standpoints of economically smaller nations should not invite feeling antipathetic to Japan. The fact that our system dynamics model establishes one sort of cause-and-effect relationship "loop" between "degree of sensitivity" and anti-Japan feeling (ANJF) suggests that anti-Japan sentiment is strengthened in accordance with the heightening of the former.

Simply put, we are dealing with a system structure in which for one and the same type of economic action, a large impact will be given to the Indonesian economy when the action is performed on the part of Japan, while if the action is performed on the part of Indonesia, the influence on Japan may, on the contrary, be hardly felt. The system dynamics model shows that when the "degree of sensitivity" to this situation on the part of Indonesia increases, subtle but not to be ignored perceptions of cross-purpose are likely to arise at an emotional level among the peoples of both countries, making for a greater communication gap.

IV. Evaluation of Japan-Indonesia Economic Cooperation

Let us now examine the Japan-Indonesia economic cooperation as evaluated through use of the system dynamics model. In the present study, we attempted to evaluate the results of Japan-Indonesia economic cooperation not only for "standard case" conditions, but also for various situations involving the hypothetical introduction of different policy alternatives. The calculations of the present study are based on actually observed data and accomplishments during the years 1969-73, and attempt to provide forecasts up through the year 1999. The model's structural parameters include both those drawn from time series and cross-

country data, using ordinary econometric techniques, for the period 1960-1973, as well as other parameters derived from on-the-spot survey data and from the comprehensive deliberations of specialists. A noteworthy feature of the system dynamics model is that it can incorporate variables which are left outside the scope of consideration in ordinary econometric models, and that the ultimate choice of structural parameters for a given model is dependent on the overall judgment of persons with specialized knowledge in the matters at hand.

The human brain, after all a basically very soft organ, prefers to make general and overall judgments with respect to many matters which, even when they may not in fact be impossible to quantify, are difficult to grasp numerically. And within the systems operating in the societies in which we live, among those things which do not lend themselves to easy quantification are to be found some extremely important variables. as a result of which we human beings living within a larger society are constantly being obliged to make general and overall judgments. The system dynamics model is relatively more concerned with the "structure" of systems as such than with appearing to be of very high "precision" (i.e., "precision" in the sense of reflecting the highest possible degree of statistical reliability in all parameters). The system dynamics model used in the present study for evaluating Japan-Indonesia economic cooperation, while incorporating econometric techniques in part, is of a more general nature than would be the case if econometric techniques alone were employed.

Let us now proceed to show some of the results derived from forecasting on the basis of having subjected our model to an electronic computer. It is seen from the forecast up to the year 1999 by our system dynamics model that so long as the "system structures" which have heretofore defined relations between Japan and Indonesia are allowed to continue, anti-Japan sentiment will grow even further, contrary to the purposes of any amount of aid increase.

In Figure 3, Indonesia anti-Japan feeling is indicated indirectly by the index of "degree of friendly feeling" so the crooked line sloping downward toward the righthand side, by indicating the decline in the degree of friendly feeling, at the same time indicates the increase in anti-Japan sentiment. It is noteworthy that from 1968 to the beginning of 1974, Indonesian anti-Japan feeling underwent rapid change for the worse, and the anti-Japan "structure" has afterwards continued unimproved.

To think that the Japanese are giving aid, and then to have that aid bring an increase of ill feeling toward Japan, causes the Japanese people feelings of almost unbearable hurt. But the forecasts deduced from the

system dynamics model are not a demon's soothsaying which would in effect make a mockery of the concept that aid to the developing countries can bring any positive results. For "system structure" can, through the challenge of human ingenuity, be changed.

In order to bring change, smoother communications and mutual understanding between Japan and Indonesia are of paramount importance. Efforts on the part of Indonesia alone cannot possibly overcome the problem of anti-Japan sentiment, and conversely, efforts on the part of Japan alone will not suffice.

The kernel of the problem, as the system dynamics model points out, is in policy efforts which must be made on the Japanese side. However much well-intentioned effort the Indonesians may make, unless there are corresponding policy efforts on the part of the Japanese, the structural make-up of the anti-Japan feeling which accompanied aid increases will continue, and future catastrophes may be unavoidable.

As to what should be done in the way of response on the part of Japan, firstly, the fact must be thoroughly grasped that expansion in the mutually dependent economic relations between Japan and Indonesia brings forth increases in Indonesia's dependence on Japan that are accompanied by a very acute "degree of sensitivity" to this condition. And mutlipronged countermeasures must be worked out to fill the communication gap which exists in this regard.

In considering matters of "foreign aid", Japan has heretofore placed primary weight on the forms of aid directly linked to the provision of money or materials, and has tended to overlook such non-material matters as education or cultural exchanges. It is necessary for the Japanese to endeavor to deepen the Indonesian people's understanding of Japan, and at the same time it is necessary for the Japanese to endeavor to deepen their understanding of Indonesia. If the Japanese who go to Indonesia have no knowledge of Indonesian culture and the traditional usages of Indonesian society, it could only be a matter of surprise if they did not stir up friction between themselves and their host society. It is in this respect that an educational revolution among the Japanese will be called for in order that they may live successfully in our ever more cosmopolitan age.

In spite of the fact that scholars and students at Indonesian universities have access to only very meager sources of accurate information about Japan and are apt to form mistaken notions regarding aid, Japan has up to now made no systematic effort at all to fill this Japan-Indonesia communications gap. Attitudes toward receiving visiting scholars and exchange students tend to be cool and nonchalant. If such conditions are

simply to be left as they are and attention given only to expanding Japan-Indonesia economic ties, then future crises in Japan-Indonesia relations are already visible on the horizon.

Next on the agenda is a reappraisal of Japan's development aid policies themselves as they impinge on Indonesia. Japan has a deep interest in Indonesia's natural resources and markets, and furthermore possesses capital, technology, managerial knowhow and an accumulation of experience in rapid growth which can serve to promote economic development in Indonesia. However, Japan's contribution to the modernization of an unprepared Indonesian economy gives rise to frictions between the modern and traditional sectors and, as becomes evident from our model analysis, it is not beyond the realm of possibility that carelessly prepared "contributions" to modernization on the part of Japan could bring about relations of conflict with both Indonesian native capital and with the general populace. Thus, a point to be taken into consideration in future development aid strategy will have to be that of how to plan for harmonious interaction between tradition and modernity.

This direction of inquiry suggests both a type of development which tries to preserve a harmonious balance between city and farming village, and also a sober and down-to-earth type of economic aid and technical cooperation in building the human and material foundations to make this balanced development possible. A major task in this connection is that of building the kind of material and psychological environment which can restore the attractiveness and absorptive capacity of agricultural villages for the young people who are flowing into the cities, forced away from traditional farm village society. Japanese cooperation in such endeavors could probably not be realized unless there is a drastic loosening up of aid conditions and a new direction given to aid goals. For given the present "system" of Japanese aid, to increase aid in this sort of direction is problematic.

As for urban industrialization, Japanese private enterprises have the potential for continuing to play a large role in this regard in the future. The problem is whether or not the growing tempo of economic growth which results from industrialization will bear a meaningful connection to the welfare of the general Indonesian public, and whether or not it will proceed in such a direction as to allow the technology and knowhow needed for independent economic development to take steady root among the Indonesian populace. This problem suggests the necessity for Japanese corporate activities to be redirected toward the furthering of harmony and integration with the society of the host country.

Our system model forecast warns that should response from the Japa-

nese side in this regard be delayed, and should we continue along the present course in the absence of new directions in Indonesia-related governmental aid and in the absence of new rules of behavior to govern corporate activities, then it may be expected that, regardless of any increases in aid from Japan, anti-Japan feeling in Indonesia will, as before, trace an ascendant course, and grave crises will no doubt continue to affect the future of Japan-Indonesia relations.

V. Summary and Conclusion

The following is a summary of the points brought to light in the forecast results, derived from our system dynamics model, concerning Japan-Indonesia economic cooperation.

1) Japan's official development assistance and private overseas investment (POI) to Indonesia is making a contribution to the growth of capital stocks for building up and equipping the infrastructure of the Indonesian economy in the agriculture, forestry and fisheries industry, the mining industry, the manufacturing and the service industries. A stop to this flow would cause a slow-down in the tempo of growth of capital stocks being allocated to the provision of social infrastructure, and would have the effect of slowing down the rate of economic growth as a whole.

2) An increase in Japanese official development assistance and POI to Indonesia would intensify Indonesia's dependence relationship with respect to the Japanese economy, and would also result in a rise in the "degree of sensitivity" to this fact. Consequently, if such a situation were left unattended, a widening "communication gap," acting as a spur to tensions between the two countries, could well result.

3) It is also a matter for anxiety, however, that a stop to all Japanese official development assistance and POI to Indonesia could, on the other hand, by lowering Indonesia's "degree of friendly feeling toward Japan," generate unwanted anti-Japanese sentiment.

Thus, it would seem that the future direction of Japan-Indonesia economic and technical cooperation must in any event follow a course which will demonstrate new vigor in making systematic efforts to fill the communication gap that exists between the two countries. There is always the apprehension that if such efforts are not made, it may turn out that even though there are in fact many positive results from economic and technical cooperation on the economic plane, these positive results may not be given the just reckoning they deserve, but rather an atmosphere be brewed up between the two countries in which only negative aspects are given prominence.

Diagram 1 An Example of Causal Loops Evolved from the Systems Dynamics Model

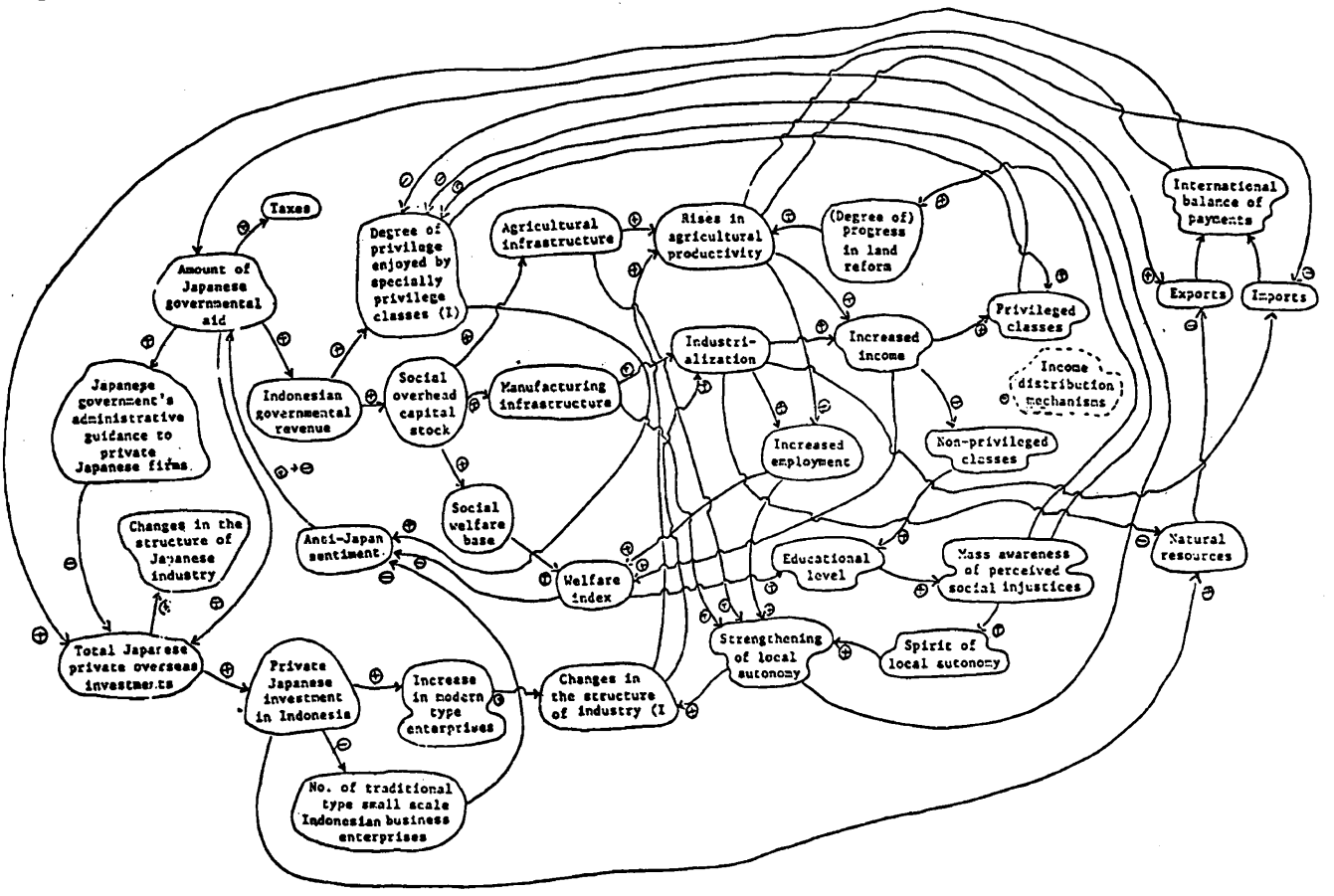


Diagram 2 An Example of Complex Relationships of Interdependence Among Variables

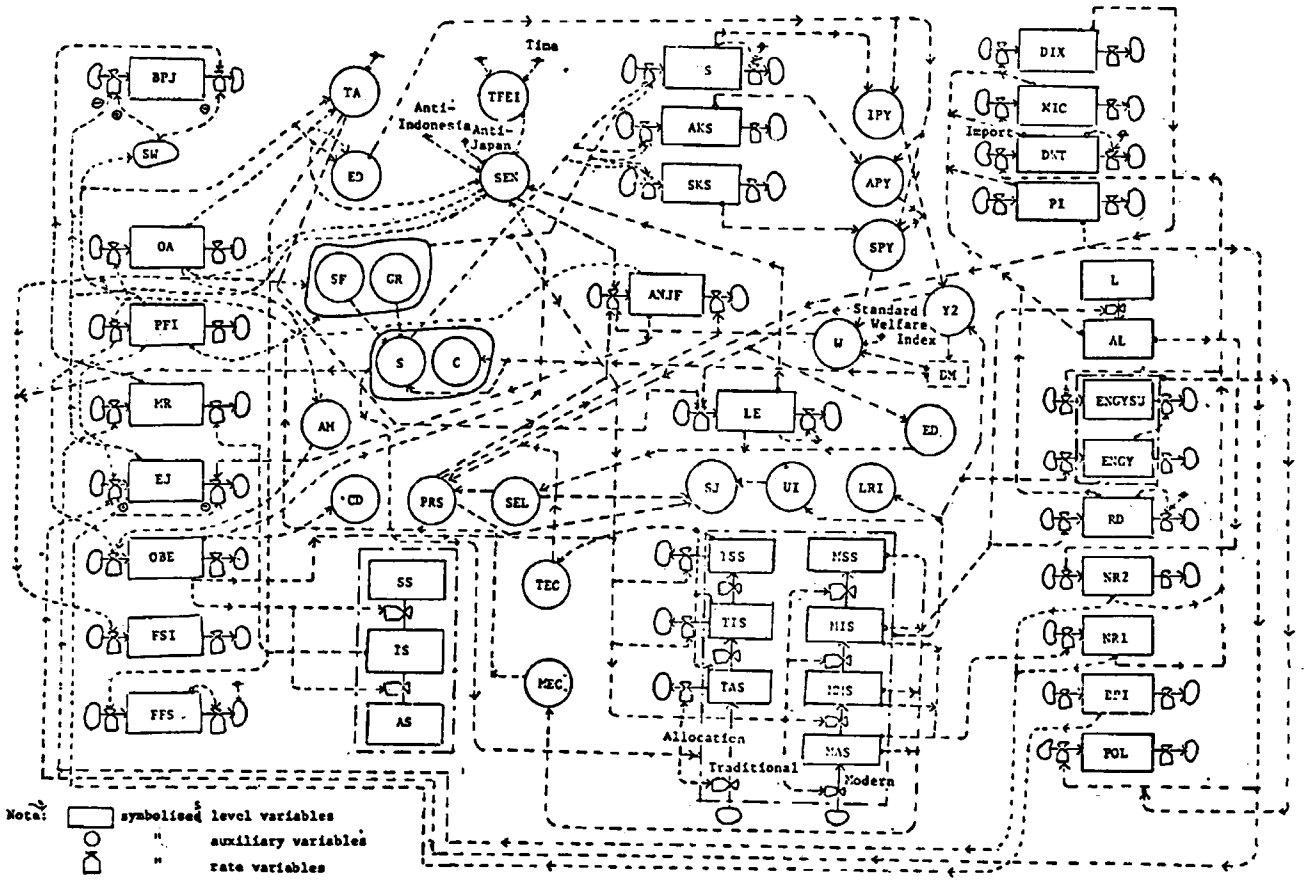


Diagram 3 Detailed Flow Chart

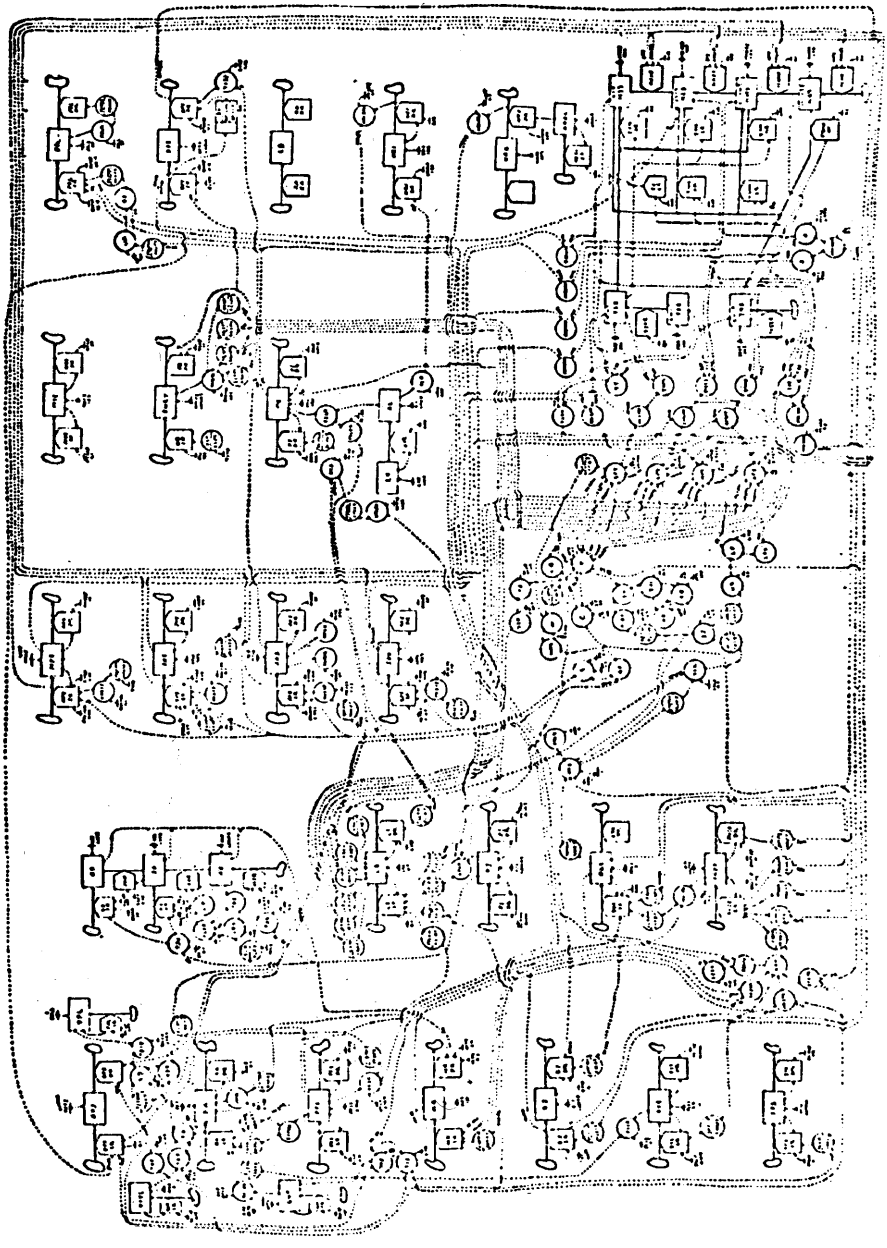
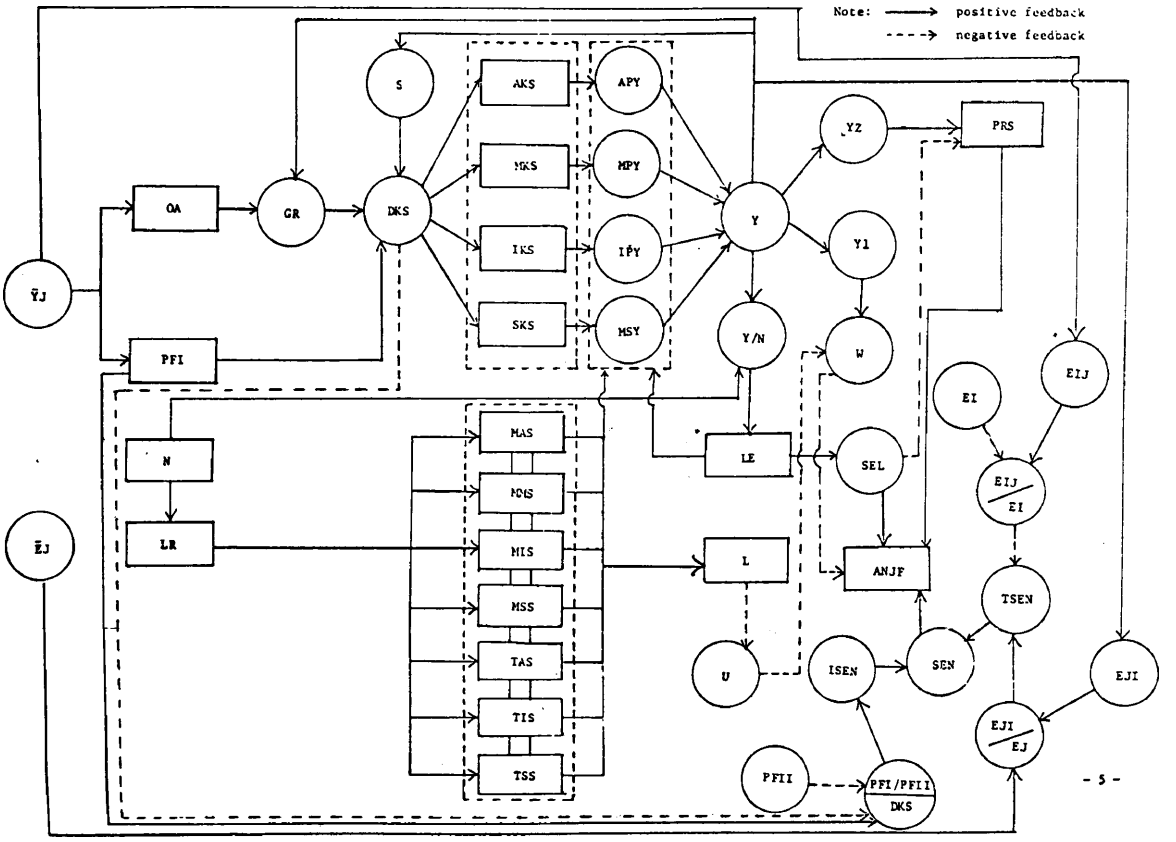
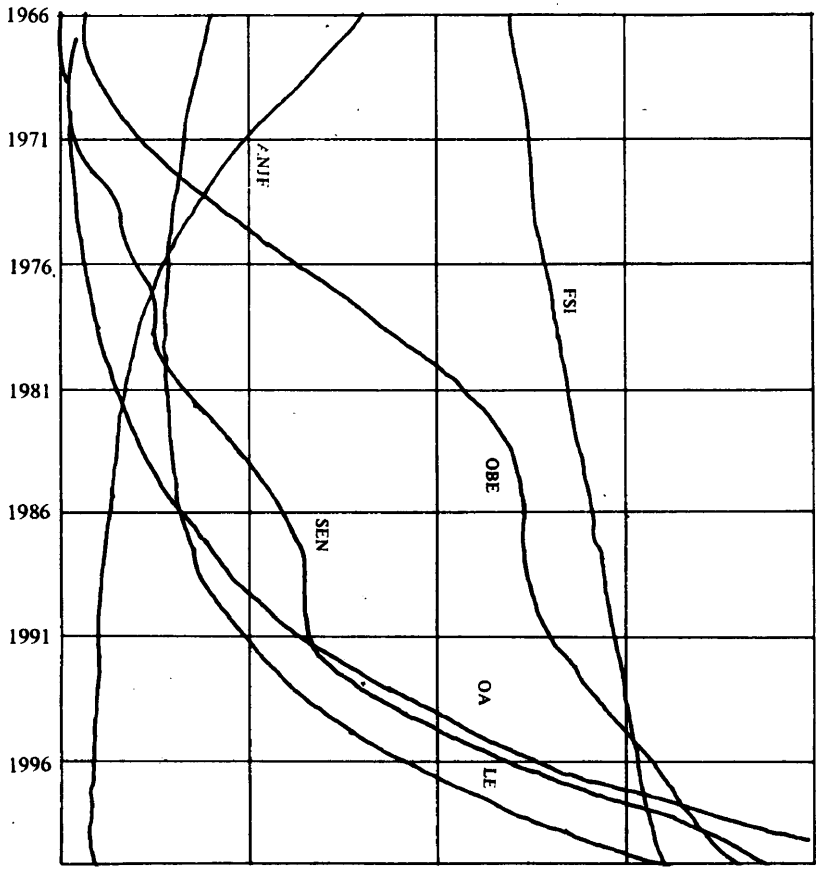


Diagram 4 Brief Explanation of the Structure of Model



An Example of Plotted Projections of Some Level Variables



OA: Japan's total official development aid

FSI: Japan's degree of friendly sentiment toward Indonesia

ANJF: Indonesia's dregree of friendly sentiment toward Japan

LE: Indonesia's educational level

OBE: Number of L

OBE: Number of Japanese busiesses operating, through joint venture enterprises, in Indonesia

SEN: Indonesia's "degree of sensitivity" toward Japan

Appendix I

Various Factors Related to Japan-Indonesia Economic Relations

1. Flow of materials and money from Japan.
2. Flow of technology and information.
3. What is a minus for Japan can be a plus for Indonesia.
4. Indonesia's gains in the area of capital formation.
5. Increase in tempo of Indonesian economic growth.
6. Expansion of Japan-Indonesia foreign trade.
7. Increase in number of Indonesians employed.
8. Increase in Indonesian wage levels.
9. Securing of natural resources in Japan.
10. Securing of export marketss for commercial goods. (J)
11. Securing of investment markets. (J)
12. Political stability of markets.
13. Japanese inflation is exported to Indonesia.
14. Improvement in Indonesia's population problems.
15. Solutions to food shortages. (I)
16. Temporary alleviation of famine. (I)
17. Increase in Indonesia's agricultural and industrial productivity.
18. Further concentration of urban population. (I)
19. Insufficiency of social capital. (I)
20. Collapse of small and middle-sized enterprises. (I)
21. Pressures applied to traditional modes of production. (I)
22. Imbalance in income distribution. (I)
23. Widening of gap between rich and poor. (I)
24. Growth of anti-Japan sentiment.
25. Corruption, among government bureaucrats. (I)
26. Growth of Indonesian environmental pollution problems.
27. Lessening of environmental pollution in Japan. (J)
28. Widening of regional differences. (I)
29. Elevation of people's education levels. (I)
30. Japanese cultural influences.
31. Furthering of Japan-Indonesia cultural interchange.
32. Gap in standards of living. (J,I)
33. Gap in levels of technology. (J,I)
34. Difference in value systems. (J,I)
35. Filling of communication gap. (J,I)
36. Gap in natural resources. (J,I)
37. Growth of relationships of mutual reliance. (J,I)
38. Growth in degree of Indonesian reliance (dependence) on Japan.
39. Tempo of increase in number of Japanese enterprises and degree of Japanese economic participation in overall production. (I)
40. Increased borrowings. (I)

41. Increased burden of interest on borrowings. (I)
42. Growth of external debt obligations. (I)
43. Imbalance in international payments. (I)
44. Increased influence on the international scene. (I)
45. Change in industrial and social structures.
46. Increased tendency toward centralization of authority.
47. Increased in close-knit relations with Japanese firms. (I)
48. Relative lack of concern for indigenous native capital.
49. Increase in social welfare.
50. Overcoming of "closed society" consciousness.
51. Patterns of land-holding.
52. Predominance of military cliquism.
53. Ties between oil capital and the military establishment.
54. Strengthening of anti-communist establishment. (J,I)
55. Specially privileged social classes.
56. Tendencies and reactions of aid-giving countries other than Japan.
57. "Awakening" of a middle class. (I)
58. Growth in unemployment.
59. Decrease in illiteracy.
60. Raising of low quality of manpower.
61. Poor distribution of fruits of aid efforts.
62. Communications systems.
63. Educational systems.
64. Land transport and shipping.
65. Expansion of transportation and communications facilities.
66. Ties between technocrats and military men.
67. Latent potential for revolution.
68. Acceleration in the tempo of turnover in political authority.
69. International relations.
70. Natural environment.
71. Pro-Japanese sentiment.
72. Increase in number of Japanese tourists.
73. Indonesian understanding of Japan.
74. Japanese understanding of Indonesia.
75. Excessive competition among Japanese enterprises.
76. Improvement of Japan's social environment and ethics.
77. Internationalization of the Japanese people.
78. Problem of imbalance in "degree of sensitivity" to one another. (J,I)
79. Demoralization of human conscience. (Brutalization of men's hearts and minds.)
80. Indonesia's dependence on exports of primary products (petroleum, rubber, timber, tin, palm oil, seafood, etc.)
81. Concern among privileged classes with money and material things.
82. Negative reaction to the above by Indonesia's populace at large.
83. Elevation in quality of students coming to Japan.

84. Improvements in educational system in Japan for foreign students.
85. Lack of consistency and overall planning in Japan's aid systems.
86. Lack of an overall aid philosophy. (J)
87. Lack of internationally-oriented concepts of purpose and behavior. (J)
88. Emphasis, in the defining of "national interest", on "tangible matters" (acquisition of oil, securing of markets, etc.). (J)
89. Fact that Japan's leadership class was largely brought up before the war and retain unchanged habits of thought.
90. Type of thinking which gave rise to "Greater East Asia Co-Prosperity Sphere" still lingers. (J)
91. Fractionalization of Japanese bureaucracy; jealously maintained attention to narrow jurisdictional boundaries.
92. Unification of aid-related agencies while permitting diversification in types and purposes of aid.
93. Clarification of basic aid philosophy, and measurement and evaluation of aid results.
94. Size of rebates.
95. Lack of leaders.
96. Training of Indonesia personnel and talent.
97. Secretiveness of Japanese enterprises.
98. Concentration of decision-making powers among top management of Japanese enterprises.
99. New patterns in international division of labor (industrialization and de-industrialization).
100. Trends in Japan toward economizing energy and use of natural resources.
101. Japanese control over Indonesia's natural resources.
102. 70% of Indonesia's population engaged in agriculture; 50% of Indonesia's product value accounted for by agriculture.
103. 12-13% of production base accounted for by manufacturing; approximately 20% accounted for by mining and extraction of other raw materials; approximately 20% accounted for by service occupations.
104. Internal readjustments within Japan's domestic industries.
105. Relocation of declining industries. (J)
106. Relocation in Indonesia of Japanese industrial facilities requiring the consumption of large amounts of energy and natural resources. (J)
107. Relocation of pollution-causing industries.
108. Relocation of labor-intensive industries.
109. Maintenance of Japanese investments at a level less than 60% of total foreign investments in Indonesia.
110. Reinvestment in Indonesia of profits from Japanese firms.
111. Indonesia's negative balance of international payments.
112. Setting up of special areas for the processing of materials for export.
113. Export of Japanese productive technology.
114. Completion of electric transmission facilities.

115. Indonesia's total number of automobiles: 200,000 (100,000 owned by the military).
116. 2,000 kilometers of railways. (I)
117. Inadequate number of harbors and inadequate harbor facilities.
118. Japan-Indonesia exchanges of specialists.
119. Participation of joint development projects.
120. Capabilities to be self-sufficient in rice production
121. Inadequate experience of policy-makers.
122. Export of management techniques.
123. Incomplete legal framework.
124. Low executive abilities.
125. Dispatch of consultants.
126. Need for an Indonesian "data bank".

(I) = Indonesia (J) = Japan

Appendix II

The Model's Principal Variables

Variable	Symbol	Unit
Japan's		
Total foreign reserves	BPJ	dollars
Official development assistance	OA	dollars
Private foreign investment in Indonesia	PFI	dollars
Number of Japanese businesses operating, through joint venture enterprises in Indonesia	OBE	no. of firms
Population	PJ	persons
Gross national product	YJ	dollars/year
Total exports	EJ	dollars/year
Export to Indonesia	EJI	dollars/year
Total imports	MJ	dollars/year
Imports of raw materials from Indonesia	MR	natural resources units
Degree of friendly sentiment toward Indonesia	FSI	intensity index
Labor force	LR	persons
Number of persons engaged in primary industries (farming, fishing & forestry)	AS	persons
Number of persons engaged in mining and manufacturing	IS	persons
Number of persons engaged in the service sector	SS	persons
Overseas technical assistance	TA	dollars
Number of Japanese specialists dispatched abroad	ED	persons

Facilities and scholarships for foreign students in Japan	FFS	dollars
Environmental pollution	POLJ	pollution index
Energy consumption	ENGJ	energy units
Indonesia's		
Total foreign reserves	BPI	dollars
Population	PI	persons
Gross national product	Y	dollars/year
Total exports	EI	dollars/year
Export to Japan	EIJ	dollars/year
Total imports	MI	dollars/year
Reproducible natural resources	NRI	natural resources
Non-reproducible natural resources	NRZ	natural resources
Degree of anti-Japanese sentiment	ANJF	intensity index
"Degree of sensitivity" toward Japan	SEN	dimensionless
Labor force	LR	persons
Number of persons engaged in the traditional primary sector (farming, fishing & forestry)	TAS	persons
Number of persons in the traditional manufacturing sector	TIS	persons
Number of persons in the traditional service sector	TSS	persons
Number of persons engaged in the modern agricultural sector	MAS	persons
Number of persons engaged in the modern mining and extractive sector	MMS	persons
Number of persons engaged in the modern manufacturing sector	MIS	persons
Number of persons engaged in the modern service sector	MSS	persons
Agricultural productivity	APY	dollars/year
Mining productivity	MPY	dollars/year
Manufacturing productivity	IPY	dollars/year
Service productivity	MSS	dollars/year
Educational level	LE	adult literacy (%)
Welfare index	W	dimensionless
Government revenue	GR	dollars/year
Savings	S	dollars/year
Private consumption	PC	dollars/year
Income attributable to Indonesian specially privileged classes	YZ	dollars/year
Income attributable to Indonesian non-specially	YI	dollars/year

privileged classes		
Degree of privilege enjoyed by privileged classes	PRS	dimensionless
Index of "social justice" in Indonesian society	SEL	dimensionless
Index of Indonesia's regional population distribution	DI	percent of urban population
Environmental pollution	POL	pollution index
Energy consumption	ENGY	energy units
Agricultural capital stock	AKS	dollars
Mining and extractive capital stock	MKS	dollars
Manufacturing capital stock	IKS	dollars
Service capital stock	SKS	dollars

Appendix III

Model's Dynamo Equations

```
Page 1        YK418,DYN,TEST,1,1,0.0     3/27/74

              *        YK413,CYN,TEST,1,1,0.0
              RUN      YK
              L  BPJ.K=BPJ.J+(DT)(BPJIR.JK-BPJDR.JK)                    1.0
  100         N  BPJ=BPJI                                               1.1
              A  PFBPM.X=TABLE(PF8PT,PFI8.K,C,20,10)                    4.0
  200         C  BPJI=2.07810                                           1.2
              R  BPJIR.KL=(BPIIR.JX)(PFBPM.X)(0.01)+(TEJ.K)             3.0
  100         T  PFBPT=C.95/1.1/1.2                                     4.1
              R  BPJCR.KL=(FFIIR.JK)+(TIJ.K)                            5.0
              L  OA.K=CA.J+(DT)(OAIR.JK-OAOR.JK)                        6.0
              N  CA=CAI                                                 7.0
  100         A  OAR.K=CA.K/OAS                                         7.1
              C  CAS=4.4EB                                              8.0
  100         C  OAI=587                                                8.1
  200         R  CAIR.KL=(OAIRN.K)(FSOAM.K)(CAPFC.K)(ANOAM.K)           8.2
  300         A  OAPFC.K=TABLE(OAPFCT,OAPFR.K,O,2E4,1E4)                8.3
  400         T  CAPFCT=1/0.5/0.4                                       8.4
  500         A  CAPFR.K=OA.K/PFI.K                                     8.5
              A  CAIRN.K=(GNP.K)(BGAF)(CAIF)                            9.0
  100         C  BGAF=O.25                                              9.1
  200         O  CAIF=O.28                                              9.2
 1100         L  GNP.K=GNP.J+(DT)(GNPR.JK+O)                            10.0
 1110         N  GNP=GNPI                                               10.1
```

```
1120    C  GNPI = 1.42E11                                              10.2
1100    R  GNPS.KL = (GNP.K)(GNPRF)                                    11.0
1110    C  GNPRF = 0.15                                                11.1
1100    R  OADR.KL = (OA.K)(OADF)                                      12.0
1110    C  OAOF = 0.1                                                  12.1
1100    L  PFI.K = PFI.J + (DT)(PFIIR.JK - PFIDR.JK)                   13.0
1110    N  PFI = PFII                                                  13.1
1120    C  PFII = 5.786                                                13.2
1100    R  PFIIR.KL = (PFIF)(PFI.K)                                    14.0
1110    C  PFIF = 0.2                                                  14.1
1100    R  PFIDR.KL = (FFDF)(PFI.K)(PFBPM.K)                           15.0
1110    C  PFDF = 0.1                                                  15.1
1100    A  PFIR.K = PFI.K/PFIS                                         16.0
1110    C  PFIS = 2.787                                                16.1
1100    A  TA.K = (OAIR.JK)(TAF.K)                                     17.0
1100    A  TAF.K = (TAFS)(TAFL.K)                                      18.0
1110    C  TAFS = 0.05                                                 18.1
1100    L  TAFL.K = TAFL.J + (DT)(TAFIR.JK + O)                        19.0
1110    N  TAFL = TAFLI                                                19.1
1120    C  TAFLI = 1                                                   19.2
1100    R  TAFIR.KL = (TAFL.K)(TAFIF)                                  20.0
1110    C  TAFIF = 0.25                                                20.1
1100    A  TAP.K = TA.K/TASO                                           21.0
1110    C  TASO = 2.189                                                21.1
1100    A  ED.K = (TA.K/TECF.K)(TIEDM.K)                               23.0
1100    A  TAFFM.K = TABLE(TAFFT,TAP.K,0,1E5,2E4)                      22.0
1110    T  TAFFT = 1/1.5/2/2.5/3/3.5                                   22.1
1100    A  TECF.K = (TECFS)(EDL.K)                                     24.0
1110    C  TECFS = 3.983                                               24.1
```

```
1100    L  EDL.K = EDL.J + (DT)(EDLIR.JK + O)                          25.0
1110    N  EDL = EDLI                                                  25.1
1120    C  EDLI - 1                                                    25.2
1100    R  EDLIR.KL - (EDLIF)(EDL.K)                                   26.0
1110    C  EDLIF = 0.07                                                26.1
1100    A  EDR.K = 8D.K/EDS                                            27.0
1110    C  EDS = 8E2                                                   27.1
1100    L  AS.K = AS.J + (DT)(ASIR.JK - AIR.JK)                        28.0
1110    N  AS = ASI                                                    28.1
1120    C  ASI = 1.072E7                                               28.2
1100    R  ASIP.XL = (PJR.K)(ASIRF)(1/PJATF)                           29.0
1110    C  PJATF = 15                                                  29.1
1120    C  ASIRF = 0.04                                                29.2
1110    C  AIRF = 0.09                                                 30.1
1120    R  AIR.KL = (AS.K)(AIRF)(CP.K)                                 30.2
1130    A  CP.K = CLIP(1.0,DES.K,0)                                    30.3
1140    A  DES.K = LRA.K - AS.K                                        30.4
1150    A  LRA.K = (TLR.K)(0.05)                                       30.5
1160    A  TLR.K = TABLE(TLRT,TIME.K,1966,1996,10)                     30.6
1170    T  TLRT = 1E8/2E8/3E8/4E8                                      30.7
1100    L  IS.K = IS.J + (DT)(AIR.JK - ISR.JK + ISIR.JK)               31.0
1110    N  IS = ISI                                                    31.1
1120    C  ISI = 1.2E7                                                 31.2
1100    R  ISR.KL = (IS.K)(ISRF)                                       32.0
1110    C  ISRF = 0.03                                                 32.1
1100    L  SS.K = SS.J + (ISR.JK + SSIR.JK)                            33.0
1110    N  SS = SSI                                                    33.1
1120    C  SSI = 2.5E7                                                 33.2
1100    R  SSIR.KL = (PJU.K)(SSIRF)(1/SSIRD)                           34.0
```

```
1110    C  SSIRF=0.05                                                                    34.1
1120    C  SSIRD=15                                                                      34.2
1100    A  SEESM.K=TABLE(SEEST,SEN.K,0,0.5,0.1)                                          35.0
1110    T  SEST=1/1/1.05/1.08/1.095/1.2                                                  35.1
1100    L  FSI.K=FSI.J+(DT)(FSIIR.JK-FSIDR.JX)                                           36.0
1110    N  FSI=FSII                                                                      36.1
1120    C  FSII=C.6                                                                      36.2
1100    R  FSIIR.KL=(FSI.K)(ESIF)(SEESM.K)                                               37.0
1110    C  ESIF=0.007                                                                    37.1
1100    R  FSIDR.KL=(FSI.K)(FSIDF)                                                       38.0
1110    C  FSIDF=0.0001                                                                  38.1
1100    A  FSIR.K=FSI.K/FSIS                                                             39.0
1100    C  FSIS=0.7                                                                      40.0
1100    A  FSOAM.K=TABLE(FSCAT,FSIR.K,C,1.5,0.5)                                         41.0
1110    T  FSCAT=0/0:45/1/1.1                                                            41.1
1100    L  ANFJ.K=(DT)(ANJFIR.JK-ANJFDR.JK)                                              45.0
1110    N  ANJF=ANJFI                                                                    45.1
1120    C  ANJFI=0.4                                                                     45.2
1100    R  ANJFIF.KL=(ANJF.K)(ANJFIF)(SEANM.K)(WANM.K)(PRANM.K)(DBANM.K)                 46.0
1110    C  ANJFIF=0.04                                                                   46.1
1101    A  CBANM.K=TABLE(OBANT,OBER.K,C,8,1)                                             46.01
1102    T  OBANT=8/1/0.8/0.7/0.6/0.5/0.4/0.3/0.2                                         46.02
1103    A  CBER.K=CBE.K/CBES                                                             46.03
1104    C  OBFS=20                                                                       46.04
1105    A  PRANM.K=TABLE(PRANT,PRS.K,0,10,2)                                             46.05
1106    T  PRANT=1.5/1/0.9/0.8/0.7/0.6                                                   46.06
1100    A  SEANM.K=TABLE(SEANT,SEN.K,0,0.5,0.1)                                          47.0
1110    T  SEANT=1/1.01/1.1/1.25/1.36/1.4                                                47.1
1100    A  WANM.K=TABLE(WANT,WRS.K,0,8,4)                                                48.0
```

```
1110      T  WANT=0/1.8/2                                                                  48.1
1100      R  ANJFDR.KL=(ANJF.K)(ANJFDF)(WAJM.K)                                            49.0
1110      C  ANJFDF=0.1                                                                    49.1
1100      A  WAJM.K=TABLE(WAJT,WRS.K,0,8,1)                                                50.0
1100      T  WAJT=2/1/0.8/0.6/0.5/0.45/0.4/0.35/0.3                                        50.0
1100      A  SEN.K=(BPTIR.K+DBFCR.K)/(TEJPR.K+MRITR.K)                                     51.0
1100      A  ISIP.KL=(PJU.K)(ISIRF)(1/ISIRD)                                               52.0
1100      C  ISIRF=0.5                                                                     53.0
1110      C  ISIRD=15                                                                      53.1
1100      A  PJU.K=(PJUF)(PJ.K)                                                            54.0
1100      A  PJR.K=(PJRF)(PJ.K)                                                            55.0
1110      C  PJUF=0.7                                                                      54.1
1110      C  PJPF=0.3                                                                      55.1
1100      L  MR.K=MR.J+(DT)(MRIR.JK-MRCR.JK)                                               56.0
1110      N  MR=MRI                                                                        56.1
1120      C  MRI=1CO                                                                       56.2
1100      R  MRIR.KL=(ANMRM.K)((NRIDRJ.K)+(NR2DRJ.K))(MRIRC.K)                             58.0
1100      A  ANMRM.K=TABLE(ANMPT,ANJFR.K,0,3.5,0.5)                                        59.0
1110      T  ANMRT=0/0.05/1/1.03/1.05/1.09/1.1/1.25                                        59.1
1100      R  MRUR.KL=(SSRF)(ASRG)(SS.K+IS.K+AS.K)                                          60.0
1110      C  SSRF=2.5                                                                      60.1
1130      C  ASAG=0.2                                                                      60.3
1100      A  MRIRC.K=UDCF.K                                                                61.0
1100      A  UDCF.K=(UDCFS)(PINDX.K)                                                       62.0
1110      C  UDCFS=1                                                                       62.1
1100      L  PINDX.K=PINDX .J+(DT)(PINDIR.JK+0)                                            63.0
1110      N  PINDX=PINDXI                                                                  63.1
1120      C  PINDXI=1                                                                      63.2
1100      R  PINDIR.KL=(PINDIF)(PINDX.K)                                                   64.0
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1110    C  PINDIF=0.001                                                    64.1
1100    L  CBE.K=OBE.J+(DT)(OBEIR.JK-CBEDR.JK)                             65.0
1110    N  CBE=OBEI                                                        65.1
1120    C  CBEI=5                                                          65.2
1100    R  CBEIR.KL=(0.04)(CBE.K)(OACBM.K)(ANCBM.K)(MIOBM.K)               66.0
1100    A  CAOBM.K=TABLE(OACBT,OAB.K,0,40,10)                              67.0
1110    T  CACBT=0/5/6.5/7/9.5                                             67.1
1100    A  ANCBM.K=TABLE(ANCBT,ANJFR.K,0,3.5,0.5)                          68.0
1110    T  ANOBT=0/1/2/2.5/3.25/3.5/4.75/10                                68.1
1100    R  CBECR.KL=(0.01)(CBE.K)                                          69.0
1100    A  ANOAM.K=TABLE(ANCAT,ANJFR.K,0,3.5,0.5)                          70.0
1110    T  ANCAT=2/1.4/1/0.8/0.7/0.6/0.55/0.5                              70.1
1100    A  ANEDM.K=TABLE(ANBDT,ANJFP.K,0,3.5,0.5)                          71.0
1110    T  ANEDT=2/1.4/1/0.8/0.7/0.6/0.55/0.5                              71.1
1100    L  EJ.K=EJ.J+(DT)(FJIR.JK-EJDR.JK)                                 72.0
1110    N  EJ=EJI                                                          72.1
1120    C  EJI=1.186E8                                                     72.2
1100    R  EJIR.KL=(YF)(MIEIM.K)(Y.K)                                      73.0
1110    C  YF=0.069                                                        73.1
1100    R  EJDR.XL=((EJ.K)(EDRF)(ANEDM.K))+(BPIIR.JK)                      74.0
1110    C  EDRF=0.1                                                        74.1
1100    L  FFS.K=FFS.J+(DT)(FFSIR.JK-FFSDR.JK)                             77.0
1110    N  FFS=FFSI                                                        77.1
1120    C  FFSI=2.177E3                                                    77.2
1100    R  FFSIR.KL=(FFS.K)(FFSIF)(TAFFM.K)                                78.0
1110    C  FFSIF=0.1                                                       78.1
1100    R  FFSDR.KL=(FFS.K)(FFSDF)                                         79.0
1110    C  FFSDF=0.05                                                      79.1
        A  CR.K=CAIR.JK
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1100    A  S.K=(GR.K)(SF)(SSYF.K)                                                    82.0
1110    C  SF=0.7                                                                    82.1
1120    C  SYFS=0.1                                                                  82.2
1130    L  SYF.K=SYF.J+(DT)(SYFIR.JK+0)                                              82.3
1140    N  SYF=SYFN                                                                  82.4
1150    C  SYFN=1                                                                    82.5
1160    R  SYFIR.KL=(SYF.K)(SYFIF)(CSY.K)                                            82.6
1170    C  SYFIF=0.005                                                               82.7
1180    A  SSYF.K=(SYF.K)(SYFS)                                                      82.8
1190    C  SYFM=0.3                                                                  82.9
1191    A  CESS.K=SYFM-SSYF.K                                                        82.91
1192    A  CSY.K=CLIP(1.0,DESS.K,0)                                                  82.92
1100    A  TEJ.K=(GNP.K)(0.115)                                                      83.0
1100    A  TEJRR.K=EJIR.JK/TEJ.K                                                     84.0
1100    A  TIJ.K=(GNP.K)(0.105)                                                      85.0
1100    A  MRITR.K=MRIP.JK/TIF.K                                                     86.0
1100    L  IKS.K=IKS.J+(DT)(IKSIR.JK-IKSDR.JK)                                       87.0
1110    N  IKS=IKSI                                                                  87.1
1120    C  IKSI=5E9                                                                  87.2
1100    R  IKSIR.KL=(S.K.)(PFIIKF)(FIIKF)(IKSIF.K)+(FIVPY.K)(FIIKF)                  88.0
1110    C  PFIIKF=0.9                                                                88.1
1120    C  FIIKF=0.29                                                                88.2
1100    A  IKSIF.K=(IKSIFS)(IKSIFM.K)                                                89.0
1110    C  IKSIFS=0.1                                                                89.1
1100    A  IKSIFM.K=TABLE(IKSIFT,TIME.K,1966,2000,2)                                 90.0
1110    T  IKSIFT=1/1.2/1.4/1.6/1.8/2/2.2/2.4/2.6/2.8/3/3.2/3.3/3.4/3.5/3.6/3.8/4    90.1
1100    R  IKSUR.KL=IKS.K/IKSDY                                                      91.0
1110    C  IKSDY=20                                                                  91.1
1100    L  MKS.K=MKS.J+(DT)(MKSIR.JK-MKSDR.JK)                                       94.0
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1110      N  MKS = MKSI                                                                    94.1
1120      C  MKSI = 1.64E9                                                                94.2
1100      R  MKSIR.KL = (S.K)(PFIMKF)(FIMKF)(MKSIF.K) + (FIVPY.K)(FIMKF)                  95.0
1110      C  PFIMKF = 0.48                                                                95.1
1120      C  FIMKF = 0.38                                                                 95.2
1100      A  MKSIF.K = (MKSIFS)(MKSIFM.K)                                                 96.0
1110      C  MKSIFS = 0.1                                                                 96.1
1100      A  MKSIFM,K = TABLE(MKSIFT,TIME.K,1966,2000,2)                                  97.0
1110      T  MKSIFT = 1/1.2/1.4/1.6/1.8/2/2.2/2.4/2.6/2.8/3/3.2/3.3/3.4/3.5/3.6/3.8/4     97.1
1100      R  MKSOP.KL = MKS.K/MKSDY                                                       98.0
1110      C  MKSDY = 25                                                                   98.1
 210      L  AKS.K = AKS.J + (DT)(AKSIR.JK - AKSDR.JK)                                   101.1
 211      N  AKS = AKSI                                                                  101.1
 212      C  AKSI = 2.48E10                                                              101.2
 310      R  AKSIR.KL = (S.K)(PFIAKF)(FIAKF)(AKSIF.K) + (FIVPY.K)(FIAKF)                 102.0
 311      C  PFIAKF = 0.072                                                              102.1
 312      C  FIAKF = 0.242                                                               102.2
 410      A  AKSIF.K = (AKSIFS)(AKSIFM.K)                                                103.0
 411      C  AKSIFS = 0.55                                                               103.1
 510      A  AKSIFM.K = TABLE(AKSIFT,TIME.K,1966,2000,2)                                 104.0
 511      T  AKSIFT = 1/0.97/0.94/0.91/0.88/0.85/0.82/0.78/0.75/0.72/0.69/0.66/0.63/0.   104.1
          X  6/0.67/0.64/0.61/0.58                                                       104.2
 610      R  AKSDR.KL = AKS.K/AKSDY                                                      105.0
 611      C  AKSDY = 30                                                                  105.1
 910      L  SKS.K = SKS.J + (DT)(SKSIR.JK - SKSDR.JK)                                   108.0
 911      N  SKS = SKSI                                                                  108.1
 912      C  SKSI = 1.67E10                                                              108.2
 913      R  SKSDR.KL = (1/SKSDY)(SKS.K)                                                 108.3
 914      C  SKSDY = 20                                                                  108.4
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1010    R  SKSIR.KL=(S.K)(PFISKF)(FISKF)(SKSIF.K)+(FIVPY.K)(FISKF)                109.0
1011    C  PFISKF=0.128                                                          109.1
1012    C  FISKF=0.09                                                            109.2
 110    A  SKSIF.K=(SKSIFS)(SKSIFM.K)                                            110.0
 111    C  SKSIFS=0.35                                                           110.1
 100    A  SKSIFM.K=TABLE(SKSIFT,TIME.K,1966,2000,2)                             111
 211    T  SKSIFT=1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1/1                      111.1
 310    L  PJ.K=PJ.J+(DT)(PJBR.JK-PJDR.JK)                                       112.0
 311    N  PJ=PJI                                                                112.1
 312    C  PJI=9.8E6E7                                                           112.2
 410    R  PJBR.KL=(PJ.K)(PJBRN)                                                 113.0
 411    C  PJBFN=0.041                                                           113.1
 510    R  PJDR.KL=(PJ.K)(PJDRN)                                                 114.0
 511    C  PJDRN=0.019                                                           114.1
 610    A  ANJFR.K=ANJF.K/ANJFS                                                  115.0
 611    C  ANJFS=0.4                                                             115.1
 710    L  MIC.K=MIC.J+(DT)(MICIR.JK-MICDR.JK)                                   116.0
 711    N  MIC=MICI                                                              116.1
 712    C  MICI=183                                                              116.2
 810    R  MICIR.KL=(MICIF)(MIC.K)                                               117.0
 811    C  MICIF=0.1                                                             117.1
 910    R  MICDR.KL=(1/MICD)(MIC.K)                                              118.0
 911    C  MICD=30                                                               118.1
 110    A  YI.K=(Y.K)(YIDF.K)                                                    120.0
 112    A  YIDF.K=(YIDFS)(SJYIM.K)                                               120.2
 113    C  YIDFS=0.6                                                             120.3
 210    A  Y2.K=(Y.K)(Y2DF.K)                                                    121.0
 211    A  Y2DF.K=1-Y1DF.K                                                       121.1
 310    A  Y11.K=(Y1.K)(0.7)                                                     122.0
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410     A  CD.K=(1/PPC)(Y11.K)(0.01)                                                    123.0
411     C  PPC=6E3                                                                      123.1
510     A  HD.K=(1/PPH)(Y11.K)(0.5)                                                     124.0
511     C  PPH=3E4                                                                      124.1
610     A  PRS.K=((CD.K)(CDW)+(HD.K)(HCW))(CBPRM.K)(SEPRM.X)(1E-5)                      125.0
610.1   A  CBPRM.K=TABLE(OBPRT,CBER.K,0,8,1)                                           125.01
610.2   T  OBPRT=0.8/1/1.1/1.2/1.3/1.4/1.5/1.6/1.8                                     125.02
611     C  CDW=1                                                                        125.1
612     C  HDW=0.2                                                                      125.2
710     L  ENGY.K=ENGY.J+(DT)(ENGIR.JK-EGDR.JK)                                         126.0
711     N  ENGY=ENGYI                                                                   126.1
712     C  ENGYI=1.871E9                                                                126.2
810     R  ENFIR.KL=(PPU)(EGP.K)                                                        127.0
811     C  PPU=755                                                                      127.1
910     A  EGP.K=TABLE(EGPT,TIME.K,1966,2006,10)                                        128.0
911     T  EGPT=53/83/113/142/173                                                       128.1
1010    R  EGDR.KL=(Y.K)(YECF)                                                          129.0
1011    C  YECF=1.1                                                                     129.1
110     L  PI.K=PI.J+(DT)(PIBR.JK-PIDR.JK)                                              130.0
111     N  PI=PII                                                                       130.1
112     C  PII=IE8                                                                      130.2
210     R  PIH6.KL=(PI.K)(BPN)(BCPIM.K)                                                 131.0
211     C  BRN=0.047                                                                    131.1
310     A  BCE.K=(BCBS)(YPBEM.K)(LEBEM.K)                                               132.0
311     C  BCES=0.15                                                                    132.1
410     A  YPBEM.K=TABLE(YPBET,YPIBB.K,0,2,1)                                           133.0
411     T  YPBET=0/1/1.2                                                                133.1
411     A  YPIPR.K=YPIS.N/YPIRS                                                         133.1
412     C  YPIRS=1.5E6                                                                  133.2
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510     A  LEBEM.K=TABLE(LEBET,LE.K,C,C.8,0.2)                                  134.0
511     T  LEBET=0/1/1.1/1.16/1.4                                               134.1
610     A  BCPIM.K=TABLE(BCPIT,BCE.K,0,1.05,0.15)                               135.0
611     T  BCPIT=1.1/1/0.9/0.75/0.7/0.65/0.6/0.5                                135.1
710     R  PICR.KL=(PI.K)(DRN)                                                  136.0
711     C  DRN=0.019                                                            136.1
810     A  ENGYS.K=ENGY.K/ENGYSS                                                137.0
811     C  ENGYSS=2E9                                                           137.1
310     A  C.K=((CF)(Y.K)(CYF))+(GR.K)                                          142.0
311     C  CF=0.3                                                               142.1
312     C  CYF=0.9                                                              142.2
410     A  Y.K=((APY.K)(TMAS.K))+((MPY.K)(MMS.K))+((IPY.K)(TMIS.K))+((SPY.K)(TMSS 143.0
        X  .K))                                                                 143.1
510     A  APY.K=(AKSPP.K)(0.5)(EDPYM.K)(APYF)(LEAPM.K)(EGAPM.K)(EXF3)          144.0
511     C  FXF3=1                                                               144.1
610     A  AKSPP.K=AKS.K/TMAS.K                                                 145.0
710     A  EDPYM.K=TABLE(EDPYT,EDR.K,0,4E4,1E4)                                 146.0
711     T  EDPYT=1/1.5/1.8/2/2.5                                                146.1
712     C  APYF=0.9274                                                          146.2
810     A  LEAPM.K=TABLE(LEAPT,LE.K,0,C.8,0.2)                                  147.0
811     T  LEAPT=0/1/1.01/1.02/1.03                                             147.1
910     A  EGAPM.K=TABLE(EGAPT,ENGYS.K,0,2,1)                                   148.0
911     T  EGAPT=1.3/1/0.3                                                      148.1
1010    A  MPY.K=(MKSFP.K)(0.25)(EDPYM.K)MFYF)(LEMPM.K)(EGMPM.K)(EXF4)          149.0
1011    C  EXF4=1                                                               149.1
110     A  MKSPP.K=MKS.K/MMS.K                                                  150.0
111     C  MPYF=0.9274                                                          150.1
210     A  LEMPM.K=TABLE(LEMPT,LE.K,0,C.8,0.2)                                  151.0
211     T  LEMPT=0/1/1.05/1.15/1.3                                              151.1
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310   A  EGMPM.K=TABLE(EGMPT,ENGYS.K,0,2,1)                                  152.0
311   T  EGMPT=0.9/1/1.2                                                     152.1
410   A  IPY.K=IKSPP.K)(EDPYM.K)(IFYF)(LEIPM.K)(EGIPM.K)(EXF1)               153.0
411   C  IPYF=0.9274                                                         153.1
411   C  EXFI=1                                                              153.1
510   A  IKSPP.K=IKS.K/TMIS.K                                                154.0
610   A  LEIPM.K=TABLE(LEIPT,LE.K,0,C.8,0.2)                                 155.0
611   T  LEIPT=0/1/1.01/1.02/1.03                                            155.1
710   A  EGIPM.K=TABLE(EGIPT,ENGYS.K,0,2,1)                                  156.0
711   T  EGIPT=1/1.01/1.015                                                  156.1
810   A  SPY.K=(SKSPP.K)(EDPYM.K)(SFIF)(LESPM.K)(EGSPM.K)(EXF2)              157.0
811   C  EXF2=1                                                              157.1
910   A  SKSPP.K=SKS.K/TMSS.K                                                158.0
911   C  SPIF=0.9274                                                         158.1
1010  A  LESPM.K=TABLE(LESPT,LE.K,0,C.8,0.2)                                 159.0
1011  T  LESPT=0/1/1.01/1.02/1.03                                            159.1
110   A  EGSPM.K=TABLE(EGSPT,ENGYS.K,0,2,1)                                  160.0
111   T  EGSPT=1.3/1/0.7                                                     160.1
210   A  CI.K=LP.K/FI.K                                                      161.0
310   A  UP.K=(UFS)(PRUPM.K)                                                 162.0
311   C  UPS=7E7                                                             162.1
312   A  PRUPM.K=TABLE(PRUPT,PRSR.K,C,5,1)                                   162.2
313   T  PRUPT=1.2/1/0.8/0.6/0.4/0.3                                         162.3
314   A  PRSE.K=PRS.K/PRSS                                                   162.4
315   C  PRSS=1.296E6                                                        162.5
410   A  MICBM.K=TABLE(MICBT,MIMSR.K,0,4,1)                                  163.0
411   T  MIOBT=0/1/1.1/1.2/1.3                                               163.1
510   A  MIMSR.K=(1/2)(A.K+B.K)                                              164.0
610   A  A.K=MIS.K/MISI                                                      165.0
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611   C  MIS1=3E6                                                                  165.1
710   A  B.K=MYS.K/MMSI                                                            166.0
711   C  MMS1=3.8E5                                                                166.1
810   L  TAS.K=TAS.J+(DT)(TASIR.JK-TAIR.JK)                                        167.0
811   N  TAS=TASI                                                                  167.1
812   C  TASI=2E7                                                                  167.2
910   R  TASIR.KL=(LTD.K)(0.5)                                                     168.0
1010  R  TAIR.KL=(TAS.K)(0.25)                                                     169.0
110   L  TIS.K=TIS.J+(DT)(0-TISR.JK)                                               170.1
111   N  TIS=TISI                                                                  170.1
112   C  TISI=2E6                                                                  170.2
210   R  TISR.KL=(1/60)(TIS.K)                                                     171.0
310   L  TSS.K=TSS.J+(DT)(TISR.JK-TSMSR.JK-TSMIR.JK-TSMMR.JK)                      172.0
311   N  TSS=TSSI                                                                  172.1
312   C  TSSI=8E6                                                                  172.2
313   R  TSMSR.KL=(TSS.K)(0.1)                                                     172.3
314   R  TSMIR.KL=(TSS.K)(0.05)                                                    172.4
315   R  TSMMR.KL=(TSS.K)(0.02)                                                    172.5
410   L  MAS.K=MAS.J+(DT)(MAR.JK-MAMB.JK+TAMAIR.JK)                                173.0
411   N  MAS=MASI                                                                  173.1
412   C  MASI=5E6                                                                  173.2
510   R  MAR.KL=(AKSIR.JK/MPY.K)(0.1)                                              174.0
610   R  MAMR.KL=(MKSIR.JK/MPY.K)(0.1)                                             175.0
710   R  TAMAIR.KL=(TAS.K)(0.1)                                                    176.0
910   L  MMS.K=MMS.J+(DT)(MAMR.JK-MMIR.JK+TAMMIR.JK)                               178.0
911   N  MMS.MMSII                                                                 178.1
912   C  MMSII=186                                                                 178.2
1010  R  TAMMIR.KL=(TAS.K)(0.05)                                                   179.0
110   L  MISK=MIS.J+(DT)(MMIR.JK-MISR.JK+TAMIR.JK)                                 180#
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111     N  MIS = MISII                                                                  180.1
112     C  MISII = 7E5                                                                  180.2
210     R  MMIR.KL = (IKSIR.JK/IPY.K)(0.25)                                             181.0
110.1   R  TAMIR.KL = (TAS.K)(0.05)                                                     180.01
310     R  MISR.KL = (SKSIR.JK/SPY.K)(0.15)                                             182.0
410     L  MSS.K = MSS.J + (DT)(TAIR.JK + MISR.JK)                                      183.0
411     N  MSS = MSSI                                                                   183.1
412     C  MSSI = 2E6                                                                   183.2
510     A  TM.K = SS.K + MIS.K + MMS.K + MAS.K                                          184.0
610     A  TT.K = TSS.K + TIS.K + TAS.K                                                 185.0
710     A  TMSS.K = TSS.K + MSS.K                                                       186.0
810     A  TMIS.K = TIS.K + MIS.K + MMS.K                                               187.0
910     A  TMAS.K = TAS.K + MAS.K                                                       188.0
1010    A  SEL.K = (SELS)(LESEM.N)                                                      189.0
1011    C  SELS = 0.2                                                                   189.1
110     A  LESEM,K = TABLE(LESET,LE.K,0,2,0.2)                                          190.0
111     T  LESET = 0.1/1/1.2/1.3/1.4/1.52/1.56/1.66/1.82/2.0/2.5                        190.1
210     A  TISH.K = TIS.K/TT.K                                                          191.0
310     A  YPIR.K = Y.K/PI.K                                                            192.0
410     A  TIFDM.K = TABLE(TIEDT,TISH.K,0,12,1)                                         193.0
411     T  TIEDT = 0/1/1.01/1.02/1.03/1.04/1.07/1.09/1.1/1.14/1.15/1.17/1.18            183.1
510     A  W.K = (WS)(CWM.K)(SPWM.K)(Y2WM.K)                                            194.0
511     C  WS = 100                                                                     194.1
512     A  WRS.K = W.K/WSS                                                              194.2
513     A  Y2WM.K = TABLE(Y2WT,Y2R.K,0,3,1)                                             194.3
514     T  Y2WT = 0/1/1.2/1.5                                                           194.4
515     A  Y2R.K = Y2.K/Y2S                                                             194.5
516     C  Y2S = 1,6E10                                                                 194.6
517     C  WSS = 8                                                                      194.7
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610     A  CWM.K=TABLE(CWT,CP.k,0,3E5,1E5)                                  195.0
611     T  CWT=1/1.5/2/2.5                                                  195.1
710     A  CR.K=C.K/CSS                                                     196.0
711     C  CSS=1.588                                                        196.1
810     A  FFLIM.K=TABLE(PFLET,PFIR.K,0,5,1)                                197.0
811     T  PFLIT=0/1/1.1/1.2/1.3/1.4                                        197.1
910     A  TALEM.K=TABLE(TALET,TAP.K,0,5,1)                                 198.0
911     T  TALET=0/1/1.1/1.2/1.3/1.4                                        198.1
1010    A  SPWM.K=TABLE(SPWT,SPY.K,0,2E4,1E4)                               199.0
1011    T  SPWT=0/1/2                                                       199.1
110     L  LE.K=LE.J+(DT)(LEIB.JK-LEDP.JK)                                  200.0
111     N  LE=LEI                                                           200.1
112     C  LEI=0.2                                                          200.2
113     R  LEOP.KL=(0.095)(LE.K)(PLLEM.K)                                   200.3
210     R  LEIR.KL=(0.1)(LE.K)(YPLEM.K)(PFLEM.K)(TALEM.K)                   201.0
211     A  Y2LEM.K=TABLE(Y2LET,Y2B.K;0,2,1)                                 201.1
212     T  Y2LET=0/1/1.01                                                   201.2
310     A  YPLEM.K=TABLE(YPLET,YPIR.K,0,5E3,2.5E3)                          202.0
311     T  YPLET=0/1/1.01                                                   202.1
410     L  LN.K=LN.J+(DT)(o-LIP.JK)                                         203.0
411     N  LN=LNI                                                           203.1
412     C  LNI=4E8                                                          203.2
510     R  LIR.KL=(0.05)(LN.K)                                              204.0
610     L  AL.K=AL.J+(DT)(LIB.JK+0)                                         205.0
611     N  AL=ALI                                                           205.1
612     C  ALI=1.658                                                        205.2
710     A  ALA.K=(0.44)(AL.K)                                               206.0
810     A  PILR.K=PI.K/AL.K                                                 207.0
910     A  PLLEM.K=TABLE(PLLET,PILRR.K,0,2,1)                               208.0
```

```
910.1   A  PILPR.K=PILP.K/PILPS                                  208.01
910.2   C  PILPS=1                                               208.02
911     T  PLL5T=0/1/1.6                                        208.1
110     L  BPI.K=BPI.J+(DT)(BPIIR.JK-BPIDR.JK)                  210.0
111     N  BPI=BPII                                             210.1
112     C  BPII=1.5E10                                          210.2
113     A  FYVPY.K=1                                            210.3
210     R  BPIIP.KL=(Y.K)(YBPCF)(FYVPY.K)                       211.0
211     C  YBPCF=0.15                                           211.1
310     R  BPIDP.KL=(BPIIRR.K)(BPIOCF)+(TIJJ.K)                 212.0
311     C  BPIDCF=0.1                                           212.1
410     A  BPIIPP.K=KLINF3(BPIIR.JK,BCIID)                      213.0
411     C  BDIID=5.0                                            213.1
510     A  TIJJ.K=(S.K)(SIIF)                                   214.0
610     C  SIIF=1.13                                            215.0
710     A  BPTIR.K=BPIDR.JK/TIJ.K                               216.0
810     A  DIPOM.K=TABLE(DIPOT,DIR.K,0,2,1)                     217.0
811     T  DIPOT=0.5/1/1.5                                      217.1
812     A  DIP.K=DI.K/DIS                                       217.2
813     C  DIS=1                                                217.3
910     A  SEPRM.K=TABLE(SEPRT,SEL.K,0,2,0.2)                   218.0
911     T  SEPRT=5/1/0.82/0.66/0.56/0.52/0.4/0.3/0.2/0.18/0.15  218.1
1010    L  POL.K=POL.J+(DT)(PCLIR.JK-PCLDR.JK)                  219.0
1011    N  POL=POLI                                             219.1
1012    C  POLI=80                                              219.2
110     A  POLS.K=POL.K/POLS                                    220.0
111     C  POLS=100                                             220.1
210     R  POLIR.KL=((PI.K)(PCPIF)+(MIS.K)(PCMIF))(DIPCM.K)     221.0
211     C  POPIF=3E-8                                           221.1
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212   C  POMI=45-5                                                    221.2
310   R  POLDR.KL=(POL.K/PDRCS.K)(0.1)                               222.0
410   A  PDPCS.K=TABLE(POPCT,POLR.K,C,5,1)                           223.0
411   T  PCRCT=0.3/1.1/1.2/1.35/1.6/2                                223.1
510   L  NRI.K=NR1.J+(DT)(NR1IP.3K-NF1DR.JK)                         224.0
511   N  NRI=NR11                                                    224.1
512   C  NRII=IF4                                                    224.2
610   R  NRIIR.KL=(ALA.K)(NPALA)                                     225.0
611   C  NPALA=183                                                   225.1
710   R  NRIDR.KL=(0.25)(NRI.K)                                      226.0
810   A  NRIDRJ.K=(NRIDR.JK)(NRIDJF)                                 227.0
810.1 A  NR2DRJ.K=(NR2DR.JK)(NR2DJF)                                 227.01
810.2 C  NR2DJF=0.3                                                  227.02
811   C  NRIDJF=0.7                                                  227.1
810   A  UESJM.K=TABLE(UESJT,UE.K,0,3E7,1E7)                         237.0
811   T  UESJT=1.5/1/0.5/0.5                                         237.1
910   A  MISHR.K=MISH.K/MISHS                                        228.0
1010  L  NR2.K=NP2.J+(DT)(-NR2DR.JK+C)                               229.0
911   C  MISHS=0.5                                                   228.1
912   A  MISH.K=MIS.K/TM.K                                           228.2
110   N  NR2=NR2I                                                    230.0
111   C  NR2I=2E9                                                    230.1
210   R  NR2Dr.KL=(NR2DN)(NR2L.K)                                    231.0
211   C  NR2DN=5E7                                                   231.1
310   L  NR2L.K=NR2L.J+(DT)(Nr2LIR.JK+0)                             232.0
311   N  NR2L=NR2LI                                                  232.1
312   C  NR2LI=1                                                     232.2
410   R  NR2LIR.KL=(0.1)(NR2L.K)                                     233.0
510   A  LP.K=(PI.K)(0.336)                                          234.0
```

```
610   A  LTD.K=LR.K-TM.K                                                    235.0
710   A  UE.K=(LR.K)(0.4)                                                   236.0
910   A  SJY1M.K=TABLE(SJY1T,SJ.K,0,C.8,0.2)                                238.0
911   T  SJY1T=1.2/1/0.5/0.25/0.2                                           238.1
1010  A  SJ.K=(SJS)(UESJM.K)(SESJM.K)                                       239.0
1011  C  SJS=0.2                                                            239.1
110   A  SESJM.K=TABLE(SESJT,SEL.K,C,2,0.2)                                 240.0
111   T  SESJT=0.2/1/1.2/1.3/1.4/1.52/1.56/1.66/1.82/2.0/2.5                240.1
210   A  MISIM.K=TABLE(MIBIT,MISHR.K,0,4,1)                                 241.0
211   T  MIBIT=0.1/1/1.25/1.5/1.75                                          241.1
310   A  FIVPY.K=TABLE(FIVPT,TIME.K,1966,2006,10)                           242.0
410   A  FCAI.K=(Y.K)(ACF)                                                  243.0
311   T  FIVPT=2.37E10/2,65E10/3.15E10/3.65E10/4.3E10                       242.1
411   C  ACF=0.14                                                           243.1
510   A  CBFCP.K=CBE.K/FCAI.K                                               244.0
1010  N  TIME=1966                                                          209.0
      .  PRINT 1)PPJ,CA,PFI,AS,IS,SS,FSI,ANJF,MR,CBE
         PRINT 2)EJ,FFS,IKS,MKS,AKS,SKS,PJ,MIC,ENGY,PI
         PRINT 3)TAS,TIS,TSS,MAS,MMS,MIS,MSS,LE,LN,AL
         PRINT 4)BPI,POL,NR1,NR2,PRS,TIJ,SEN,SEL,DI
         PRINT 6)BPTIR,OBFCR,TBJRP,MRITR
         PRINT 7)Y,LM,W,S,APY,MPY,IPY,SPY
         PLCT BPJ=1(0,8E11)/OA=2(0,4E12)/PFI=3(0,1.288)/AS=4(0,2E7)/IS=5,SS=6(0,8
         X E7)/FSI=7,ANJF=8(0,1)/MR=9(0,1.5E11)/OBE=0(0,200)
         PLCT EJ=1(-6E11,2E11)/FFS=2(0,1.2E4)/IKS=3,MKS=4,AKS=5(0,4E11)/SKS=6(0,
         X 8E10)/PJ=7,PI=0(0,4E8)/MIC=8(0,8E3)/ENGY=9
         PLCT TAS=1(-1E7,3E7)/TIS=2(0,2E6)/TSS=3(0,8E6)/MAS=4(0,2E7)/MMS=5(-2E6,
         X 6E6)/MIS=6(0,2E7)/MSS=7(0,8E7)/LE=8(0,1)/LN=9(0,4E8)/AL=0(0,8E3)
         PLOT BPI=1(0,8E11)/POL=2(0,683)/NR1=3(0,1.2E12)/NR2=4(-6E9,2E9)/PRS=5(0
```

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X ,1E3)/TIJ = 6(0,1.2E12)/SEN = 7(0,8)/SEL = 8,DI = 9(0,2)
PLOT BPTIB = 1(0,0.2)/DBFCR = 2(C,8E − 9)/TEJRR = 3(0,8E − 2)/MRITR = 4(C,1)
PLOT Y = 1(0,1.2E12)/LR = 2(0,1.2E6)/W = 3(0,40)/S = 4(0,1.2E11)/APY = 5(0,2E4)/M
X PY = 6( − 2E6,6E6)/IPY = 7(0,4E4)/SEY = 8(0,4E3)
PLOT OA = 1(0,4E12)/FSI = 2,ANJF = 3,LE = 4(C,1)/OBE = 5(C,200)/PRS = 6(0,183)/SEN =
X 7(0,8)/SEL = 6(0,2)/Y = 9(0,1.2E12)/W = 0(0,40)
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The Role of Private Foreign Investment in the Economic Development of Malaysia

Mohamed Ariff

Introduction

Malaysia's is an open economy where exports now form 47% of the GNP and imports supply 48% of domestic requirements.[1] Four main primary commodities, namely rubber, tin, timber and palm oil, account for more than 60 percent of total exports, while about 21 percent of Malaysia's exports consists of manufactures. Malaysia's outward-looking approach has apparently led the economy to rapid growth and development.

Since its independence, Malaysia's GNP has grown three-and-a-half times, the per capita income has doubled, external trade has multiplied four-and-a-half times and external reserves have risen to M$4 billion. It is indeed significant that Malaysia's GDP has grown in real terms at an annual rate of 7.4% during 1971-1975.[2] The rate of growth of capital formation has been rapid, at 22% per annum in nominal terms and at 11% per annum in real terms. Malaysia's exports, the structure of which has been transformed increasingly in favour of manufactures, have also grown at 12% per annum during the same period. The economy has also achieved an annual rate of 3.3% in employment growth.

In all these, the private sector has played a dominant role. Between 1970 and 1975, private investment grew at the rate of 18% per annum in nominal terms and at 7.2% per annum in real terms.[3] The private sector

[1] Third Malaysia Plan, Government Printers, Kuala Lumpur, p. 109.

[2] *Ibid.*, Table 2-1, p. 12.

[3] *Ibid.*, p. 270.

presently contributes about 70% of GDP.[4] Malaysia's political, economic and social stability have been the major factors influencing the steady growth of private investment in the country. The investment climate has been so favourable that net capital inflows from abroad during 1971-1975 amounted to about M$5.3 billion, one-half of which was in the form of private long-term capital.[5]

Incentives

Malaysia has pursued a liberal policy towards private foreign investment with the objective of acquiring the needed capital and the necessary expertise and technology especially in the field of industry. The Investment Act of 1968 constituted a major effort in this direction. Tax holidays, investment tax credits, accelerated depreciation and tariff protection represent outstanding examples of high-powered incentive measures. Industrial activities which are Malaysian raw material based, which are located in "development areas" and which manufacture "priority" products have been given special concessions. Measures designed to stimulate production for the export market include export allowance, double deduction for export promotion expenses from taxable income, accelerated depreciation, exemption from payroll tax and free trade zone facilities. Labour utilization relief is given in order to encourage labour-intensive operations.

The promotional efforts to attract foreign investment have been fortified with the establishment of several overseas centres of the Federal Industrial Development Authority (FIDA). In addition, Malaysia has concluded agreements with 11 countries for the avoidance of double taxation, and has given guarantees against expropriation, currency inconvertibility and discrimination of foreign firms. Free flow of capital in and out of the country together with unrestricted profit remittances overseas have lent additional support.

There is no doubt that these measures have played important roles in attracting a large inflow of foreign investment from various sources. Nevertheless, Malaysia's political stability and economic viability represent the most decisive factors influencing the direction and the magnitude of foreign investment.

[4] *Ibid.*, p. 280.

[5] *Ibid.*, p. 22.

Pattern of Foreign Private Investment

Table 1 gives a rough idea of the extent of foreign involvement in the ownership and control of the Malaysian economy in key sectors. It is clear that the foreigners' stake is substantial, especially in the plantation, mining and manufacturing sectors.

Table 1

Peninsular Malaysia: Ownership and Participation in Key Sectors 1972/73
(Percentage share in each sector)

	Bumiputra	Other Malaysian	Foreign
Modern Agriculture (planted acreage, 1973)			
Rubber and oil palm	21.0	36.8	42.2
Coconut and tea	—	31.1	68.9
Industry (value of fixed assets, 1972)			
Mining	0.7	44.8	54.5
Manufacturing	6.9	47.3	45.8
Construction	2.4	90.8	6.8
Trade (turnover value, 1972)			
Wholesale	0.8	58.3	40.9
Retail	3.6	82.3	14.1

Source: Third Malaysia Plan, Table 9-8 p. 183

Within the corporate sector which accounts for about 30% of GDP, foreign interests constituted as much as 55% of investment in 1975. Although the foreign share has fallen substantially from 63% in 1970 to 55% in 1975, it has grown steadily at the rate of 10% per annum, as shown in Table 2.

The pattern of foreign investment in Peninsular Malaysia is characterised by a heavy concentration in the sense that five countries, namely Singapore, United Kingdom, Japan, United States and Hong Kong form about 86% of the total foreign capital invested in the pioneer industries in 1975, as can be seen in Table 3. The degree of dependence on foreign

Table 2

Peninsular Malaysia: Ownership of Share Capital in Limited Companies, 1970-1975

	1970		1975		Average annual growth rate (%) 1970-1975
	M$Million	%	M$Million	%	
Bumiputras	125.6	2.4	768.1	7.8	43.6
Other Malaysians	1,826.5	34.3	3,687.3	37.3	15.1
Foreign	3,377.1	63.3	5,434.7	54.9	10.0
Total private sector	5,329.2	100.0	9,890.1	100.0	13.2

Source: Third Malaysia Plan. Table 9-9 p. 184

capital varies considerably between industries, as shown in Table 4. Technically advanced industries such as petroleum and coal, basic metal products and chemicals account for a sizeable proportion of foreign investment in the pioneer category. Foreign participation is particularly strong in food, beverages and tobacco, furniture and fixtures, chemicals, petroleum and coal, rubber products, basic metal products, electrical machinery, and transport equipment in the sense that the ratios of foreign to total investment exceed 50%.

The private foreign companies have contributed 51% of the total capital, 53% of value added, 33% of employment and 43% of wages paid in the manufacturing sector.[6] It may be inferred from all this that the foreign companies are relatively (a) more productive since they account for a larger share of value added than output, (b) more capital-intensive, since they account for a smaller proportion of employment than value added, and (c) more rewarding to the labour force, since their share of wages paid exceeds that of employment in the sector.

[6] K.A.M. Ariff, "Malaysia", *Asian Economy in Perspective*, Chapter 3, Institute of Developing Economies, Tokyo, 1975, p. 121.

Table 3

Foreign Investment in Pioneer Companies as at 31st December, 1975		
Country of Origin	**M$Million**	**%**
Singapore	191.6	27.1
Japan	150.7	21.3
United Kingdom	104.3	14.8
United States	83.8	11.9
Hong Kong	76.2	10.8
Australia	18.5	2.6
Bahamas	17.0	2.4
Canada	13.6	1.9
Norway	6.9	1.0
India	6.3	0.9
Switzerland	6.0	0.8
Denmark	5.8	0.8
West Germany	3.8	0.6
Holland	3.7	0.5
Taiwan	3.6	0.5
Liberia	1.8	0.3
Thailand	1.9	0.3
Italy	1.0	0.1
France	0.8	0.1
Philippines	0.7	0.1
Belgium	0.5	0.1
New Zealand	0.3	—
Indonesia	0.3	—
Brunei	0.1	—
International Financial Institutions	4.9	0.7
Others	2.5	0.4
TOTAL:	706.6	100.0

Source: FIDA, Malaysia Industrial Digest, Vol. 9 No. 1, First Quarter 1976, p. 7

Table 4

Peninsular Malaysia:
Foreign and Local Investment in Pioneer Industries by Industry 1973

Industry Group	Number of Establish-ments	Local Capital M$Million	%	Foreign Capital M$Million	%	Ratio of Foreign to Total Invest-ment (%)
Food	31	57.0	11.2	71.8	14.7	55.8
Beverages & Tobacco	2	2.2	0.4	19.8	4.1	90.0
Textiles	23	44.4	8.7	41.5	8.5	48.3
Wood Products	28	107.1	21.1	18.2	3.7	14.5
Furniture & Fixtures	1	0.8	0.2	2.3	0.5	74.2
Paper, Printing & Publishing	4	5.1	1.0	1.4	0.3	21.5
Chemicals	42	46.1	9.1	60.9	12.5	56.9
Petroleum & Coal	5	24.2	4.8	88.6	18.2	78.6
Rubber Products	4	14.3	2.8	23.9	4.9	62.6
Plastic Products	11	42.5	8.4	8.7	1.8	17.0
Non-metallic Products	12	24.3	4.8	22.4	4.6	48.0
Basic Metal Products	10	46.3	9.1	70.5	14.4	60.4
Fabricated Metal Products	26	25.5	5.0	18.3	3.7	41.8
Non-electrical Machinery	5	4.3	0.8	2.7	0.5	38.6
Electrical Machinery	24	18.2	3.6	28.1	5.8	60.7
Transport Equipment	3	2.3	0.4	2.8	0.6	54.9
Scientific Equipment	3	3.5	0.7	2.0	0.4	36.4
Other	13	40.2	7.9	3.9	0.8	8.8
TOTAL:	247	508.3	100.0	487.8	100.0	49.0

Source: Computed from FIDA, *Annual Report*, 1973.

Prospects:

It is inconceivable that Malaysia's industrial programme could have got off the ground in the absence of foreign investment. Given that industrialization is necessary for generating employment, accelerating economic growth and diversifying the economy, the importance of foreign investment in the manufacturing sector can hardly be exaggerated. For, foreign investment has contributed greatly to the growth and modernization of the economy by providing the necessary capital, foreign exchange and technical know-how.

It is the timely recognition of the vigour and dynamism of the private sector in general and foreign participation in particular which underpins the government's efforts to activate this buoyant sector under the Third Malaysia Plan for the period 1976-1980. The share of the private sector in total investment is expected to increase from 57% in 1975 to 62% in 1980, at the rate of 17% per annum, thus providing the major source of capital formation. This means that the private sector will continue to contribute about 70% of GDP.

Total private investment for the Third Malaysia Plan period is projected to reach M$26.8 billion. Balance of payment forecasts show that there will be a need to attract M$9.5 billion of foreign capital, about 39% of which would come from private sources[7]. Private long term capital inflow of M$3.7 billion will meet 14% of the domestic financing needs. The capital from external sources which is required to supplement national savings can be attracted without undue strain on the economy.

The role of foreign investment will be especially crucial for growth of the manufacturing sector, output of which is expected to grow at 12% per annum and the share of which in the GDP is also expected to increase from 14% in 1975 to 17% in 1980.[8] The bulk of the foreign investment in the manufacturing sector will be in export-oriented industries. It has been projected that exports will account for 52% of the growth in the manufacturing sector.

[7] Third Malaysia Plan, pp. 122-3.

[8] *Ibid.*, Table 4-4, p. 58.

Problems:

The significant contributions of foreign investment to the economic growth notwithstanding, there have been some public apprehensions with regard to the growing foreign corporate sector. Several important considerations which rightly or wrongly question the overwhelming presence of foreign capital deserve careful scrutiny.

First, foreign investors have been often accused of too much profit repatriation or, which amounts to the same thing, too little reinvestment. Using the ratio of net capital expenditure to operating surplus as a measure of the reinvestment rate, it has been found that foreign firms show a slower rate of reinvestment than the Malaysian firms. The disparities in rates of reinvestment between local and foreign companies are substantial as shown by the finding that Malaysian firms in 1968 had a reinvestment rate of 26% and the corresponding rates for British, American and Japanese establishments were considerably lower at 13%, 11% and 10% respectively.[9]

Second, there is an apprehension that a liberal policy towards foreign capital will ultimately lead to the foreign domination of the most buoyant sector of the economy. This consideration would obviously call for a reduced role for foreign capital if possible, or greater diversification of foreign capital so that no single country will enjoy a commanding position, or increased dilution of foreign capital through joint ventures with a Malaysian majority share. The predicament of the foreign investors is pretty obvious: high rate of reinvestment will invite criticism that it leads to greater concentration and consolidation of foreign enterprises while low rate of reinvestment calls for criticism of too much profit repatriation. It is, nevertheless, important to note that there is evidence of some dilution of foreign ownership, despite absolute increases in foreign investment in recent years. At the same time, the reinvestment rate of foreign firms had fallen significantly with the notable exception of Japanese establishments whose reinvestment rate has risen from 10% in 1968 to 22% in 1970.[10]

[9] C. Hirschman, "Ownership and Control of the Manufacturing Sector of West Malaysia, *UMBC Economic Review*, Vol. VII No. 1, 1971, p. 26.

[10] International Development Centre of Japan: *Industrialization in five South-east Asian countries*, Tokyo, 1979, p. 49.

Third, foreign investment is said to bring in production techniques which are unsuitable for local conditions and set up plants which are obsolete. In analysing this criticism, we must not only take into account technological constraints but also guard against logical pitfalls. Technology may not be flexible enough to permit major modifications, and even if it is technically possible, such modifications may be too costly and hence uneconomical. Thus, the high capital-intensiveness of foreign establishments is not at all surprising. Moreover, the need for the labour-intensive technology does not necessarily call for the out-moded plants requiring large labour input which is likely to render products uncompetitive in terms of cost per unit. Efficiency considerations warrant a plant of a certain size and a combination of factor inputs of a certain nature for the production of a given item. The choice of technology in the final analysis does appear to be really a choice of product — a choice based on the principle of comparative advantage which is determined by the natural as well as acquired endowments of the economy. In other words, a labour-abundant economy should choose a product that is relatively labour-intensive, and apply a technology that is most efficient regardless of factor intensity.

New Economic Policy and Foreign Investment

The New Economic Policy (NEP) attempts to restructure capital ownership, among other things, in such a way that Bumiputras (Malays and other indigenous people) will own 30% of all capital in every sector of the economy, without adversely affecting the non-Bumiputra Malaysian interests. Bumiputras, who form about 53% of the population of Peninsular Malaysia, accounted for only 2.4% of ownership of capital in the corporate sector, while the other Malaysian share amounted to 34.3% and the foreign share, 63.3% in 1970. By 1975, the ownership pattern had improved slightly in favour of the Bumiputra community whose share has risen to 7.8%, while the foreign share has fallen to 55%, as shown in Table 2.

The ownership structure is thus conspicuously incongruous and the NEP strategy is to correct this lopsided pattern not through disruptive redistribution of the existing cake, but through continuous expansion of the cake itself with active Bumiputra participation. The Perspective Plan 1970-1990 sets 30% target share for Bumiputras, 40% for non-Bumiputra Malaysians, leaving only 30% share for foreign interests. However, the tasks of restructuring capital ownership and promoting foreign investment at the same time are not necessarily conflicting objectives.

In other words, the fact that foreign share of the corporate stock is projected to fall from the present 55% to 30% by 1990, is not inconsistent with the projected 10% annual growth rate for foreign investment. But, the implications are that investment by foreigners must grow at a much slower rate than that by the Bumiputras and other Malaysians.

Policy Issues:

Compelling arguments for promoting foreign investment are based on the significant contributions it can make to income generation, employment creation and the transfer of skills and technology. What is frequently not understood well is that Malaysia needs foreign technology more than foreign capital per se. Since the growth of foreign investment has to be relatively less rapid, there is certainly a need to search for other alternatives whereby foreign technology can be availed of. To put it differently, the demand for foreign technology is likely to grow much faster than the demand for foreign capital, in view of the rapid economic growth and the balanced equity participation envisaged. The present 'package deal' arrangement, whereby foreign technology is tied to foreign equity participation, needs to be reviewed. There is thus a need to unbundle this package so that technology can be acquired without the foreign capital component, wherever feasible and desirable.

Although promoting foreign investment is not inconsistent with the implementation of the NEP, it is nevertheless fairly obvious that the latter calls for increased domestic share in investments. The time has thus come for Malaysia to be more selective in attracting and channelling foreign capital.

The Industrial Coordination Act 1975 provides ample scope for regulating foreign ownership and control in the Malaysian economy. The new emphasis is unambiguously upon local ownership wherever practicable. Malaysia plans to restrict those projects which cater largely for the domestic market to 100% Malaysian ownership, especially where similar projects and the necessary expertise are readily available in Malaysia. However, where the necessary technology is not sufficiently developed or available locally, foreign equity participation of up to 30% will be allowed even for domestic-market-oriented projects. Foreign equity participation ranging from 51% to 70% will be possible for export-oriented industries (i.e. those exporting more than 80% of output) which substantially require imported components and parts. However, 100% foreign equity ownership is possible for projects which are 100% export-oriented. For export-oriented projects which use local raw materials, 30%-55% foreign interest will be possible. But, in the case of export-

oriented industries which use depleting local raw materials, foreign equity participation cannot exceed 30%.[11]

These measures will no doubt 'restrain' foreign investment activities in consonance with the NEP goals and allocate foreign capital in such a way as to maximise national welfare. However, extreme care should be taken in the implementation of the Industrial Coordination Act 1975 so as not to frighten foreign capital away.

Conclusion:

There is no denying that foreign investment has played a crucial role in the development of the Malaysian economy in general and that of the industrial sector in particular. The future prospects for foreign investment in Malaysia appear to be bright in the light of the ambitious development plans. It is, however, important that the foreign corporate sector operates in ways which take into account the national needs and aspirations. While the significance of its contributions to the host country should be appreciated, the costs of their operation to the nation should not be lost sight of either. There is certainly scope for the foreign corporate sector to play an active part in the industrial development process so as to achieve a high rate of employment creation, export promotion, industrial dispersal and increased use of local raw materials in manufacturing.

[11] *New Straits Times*, 29.10.1975, p. 1.

Accumulation of Past Labor in Rural Asia[1]

Hisashi Nakamura

The characteristic of economic development in Asia is examined from the viewpoint of the past, objectified, dead labor. Cases are taken from the rural area where the penetration of commodity economy under Westernization has been relatively limited.

I. Three forms of accumulation

1) Extension of hand (areas of labor)
2) Extension of earth (object of labor)
3) Extension of ability (human labor)

These three forms of accumulation have developed the following types of social production relations.

1) Commodity exchange (impersonal evaluation)
2) Hierarchical integration (centralized redistribution)
3) Reciprocal interchange (non-market agreement)

II. Comparing area in Indian, Thai and Japanese villages

Agricultural production has of course been the center of rural life, and when increased production yields more than enough for maintaining all villages, this surplus is not only taken out of the village in the forms of wealth and commodities, but also accumulated within the village community. Various aspects of both endosomatic and exosomatic accumulation in rural society are studied and cases from India, Thailand and Japan are compared with each other.

III. Conclusion

The industrialization on the European model that Japan tried to follow in the Meiji period is not the sole way to economic development, but

[1] This paper is based on the joint study with Prof. T. Tomosug: (Rikkyo University in Tokyo).

other diversified ways can be found through the historical experience of rural communities in Asia.

The concept of labor is equivocal and susceptible to diverse aspects of human activity. Just as one is forced by terror of death to work for subsistence at a most wretched commodity level, one also feels content and free in work when it is the realization of spontaneous life-activity. Therefore, labor in the broadest sense is, as Marx says,

> A process in which both man and nature participate, and in which man of his own accord starts, regulates, and controls the material re-actions between himself and nature. He opposes himself to nature as one of her own forces, setting in motion arms and legs, head and hands, the natural forces of his body, in order to appropriate nature's productions in a form adapted to his own wants. By thus acting on the external world and changing it, he at the same time changes his own nature.[2]

But this definition does not distinguish labor from non-labor in human activity. For example, playing a piano is an objectifying activity and changes the outer world in the form of agitated layers of air. In this field, labor is a purposeful act of changing form in material when it is fused into life-activity. But the performance of a professional pianist, as far as he makes a living by it, becomes labor separated from playing a piano for his own pleasure. Likewise, the preparation of food by a mother for her children is similar to that of a cook in a restaurant preparing food for customers since both have to deal with raw materials like vegetables, grains, etc. There are many similar cases. Orchid-growing as a hobby compared to that of growing them for a living, the foreign mountaineer climbing a Himalayan mountain vs. that of the local porter paid by him, and so on. What is the point in dividing the categories into labor and non-labor in the above cases?

The first part of the example is a spontaneous development of human ability through voluntary effort, the latter is labor promoted and coerced by an external purpose alien to the person working. The former is an enjoyment of life and the latter is given through being burdened by private property. Thus, the latter is labor in the strict sense and can be clearly distinguished from labor in the former. Labor in the strict sense is a kind of compulsory act born from the parents of labor in the broad sense during the history of mankind. Though the labor of an independent commodity

[2] K. Marx, *Capital*, English Translation by S. Moore, vol. I, p. 177, (Moscow, undated).

producer is not sold as a labor-power commodity in the labor market, it is also labor in the strict sense because the commodity produced is ruled by the law of value in the market. Labor in an economy controlled by the central government as in Japan during World War II is also labor in the strict sense since the nature of the job is decided by the order of alien administrators or a ruling party. The economic rationality known as *homo economicus* is confined to the realm of labor in the strict sense and does not influence other human activities covered by labor in the broad sense. However, human labor in the broad sense has been the sole source of economic development in any society in the world.

The most primitive method of accumulation of past objectified and dead labor *(vergangus, vergegenständlichte, tote Arbeit)*[3] is, no doubt, the preservation of labor products for consumption. But this is an accidental and short-lived accumulation as such labor products for consumption rot and decay soon without proper equipment for preservation, and any kind of facility for storage means proper accumulation in the political economy. The concept of accumulation in the political economy is that the result of economic activities in the previous period raises the level of economic activities in the following period. A shift from a life of catching fish cast up on the shore to a life of fishing in a boat or by fish culture in a pond needs specific forms of accumulation of past labor, and only this accumulation is the ultimate difference between human beings and other animals.

Since the accumulation of consumer goods is accidental and has little power in forming human history, the more fundamental accumulation of past labor is found in the improvement of labor conditions for production such as raw materials, land for production, domestic animals, crop varieties, tools, water and energy supply, skill and knowledge, organization for cooperation, transportation, and storage. These forms of accumulation are classified into three elementary factors in the labor-process[4] which cannot be reduced further: (1) purposeful activity or labor itself *(zweckmässige Tätigkeit order die Arbeit selbst)*, (2) the object of labor *(Gegenstand der Arbeit)*, (3) the means of labor *(Mittel der Arbeit)*.

Without any one of these factors, production activity would not take place. Those three are not improved independently but the improvement of one factor interacts with the others. Therefore, in any study of the accumulated forms of the past, objectified labor should be analyzed by

[3] K. Marx, *Das Kapital,*, vol. I, p. 203, (Berlin: Dietz Verlag, 1961).

[4] *Ibid.*, p. 186.

the interaction between the three factors and the level of accumulation understood as a whole.

However, economic history in European countries has been written with a chief emphasis on progress in the third factor, that is, the means of labor (for instance, the so-called industrial revolution). A man's own limbs are a means of labor and tools are later used as an extension of his natural power. Therefore the means of labor is an "extension of the hand." Use and fabrication of the means of labor is specifically characteristic of the human labor-process in earliest human history, and man is often defined as the tool-making animal. Due to the character of instruments of labor spreading ubiquitously beyond geographical boundaries through exchange, it is said that the means of labor not only supply a standard of the degree of development to which human labor attains, but are also indicators of social relations. Marx argues that it is not articles, but how they are made, and by what instruments that enables us to distinguish different economic epochs.[5]

Accumulation in the object of labor, particularly the improvement of the earth (including water utilization) plays a chief part in the progress of irrigated agriculture such as paddy cultivation in Japan. The expenditure of past labor to convert marsh into paddy field, removal of stones and stumps, leveling, construction of bunds for the field, facilities for irrigation and drainage support the present level of agricultural production. The continuous input of past labor results in the direct merger of man's natural force with objective nature, and it appears as if fertility in land increased by itself. The character of accumulation in this form is different from the "extension of the hand" and is called an "extension of the earth." Accumulation through the object of labor which mostly emerges as an "extension of the earth" does not spread universally through exchange because it cannot be reproduced due to the difficulty of separating it from nature (the earth). This inseparability from the environment prevents the social scientist from recognizing to what extent the standard of production is the fruit of objectified labor in past generations. These circumstances do not change whether they are in daily agricultural works like the repair of holes made by snakes and crayfish or in a project to dam up a huge river to irrigate several hundred thousand acres. While the accumulation form as the "extension of the hand" gives the basis to develop capital through an exchange of commodities and competition of private independent producers, the accumulation form

[5] *Ibid.*, p. 187.

as an "extension of the earth" has not been perfectly embraced by the movement of capital, but transformed into the opposition of capital, and becomes a basis for the landed property which needs a part of the surplus-profit of capital.[6]

Objectified labor in the past as both the means and object of labor has been accumulated and incorporated in the objective nature outside the body of the laborer. Apart from an alteration of external nature undergone through previous dead labor, the other form of accumulation is the "extension of labor ability," namely the alteration of the internal nature of the laboring subject.

In this form, accumulated labor does not alter in the material except for human organization.

First, the gradual division of function between hands and legs and the transformation of the other bodily organs from animal to *homo erectus* were beginning steps in the expansion of human activity. However, the accumulation of dead labor incorporated into the internal nature of living labor occurs not merely in the change of muscles and bones but also in the improvement of labor ability which is not recognized by anatomical knowledge. Let us examine this in paddy transplantation. Introduction of transplanting tremendously increased paddy production in Asian countries. Agricultural implements used did not significantly change either before or after its introduction. Given minimum land conditions to allow transplantation, implementation does not necessarily change the means of labor. In other words, increased production is not completely reduced to an "extension of the hand or the earth," but is chiefly the result of an "extension of labor ability." Yet the body organs of the individual laboring subject do not seem to have changed. Thus, the spot where the new "extension of labor ability" is embodied is not in the human body but between men who work together (namely social production relations). Therefore, an analysis of a specific cultural practice shows that the "extension of labor ability" often expressed in the concepts of information, knowledge, skill, or cooperation is made endogenous to activity of the laboring subject (or inter-subject) the quantity of which is not measurable by any external method. "Extension of labor ability" in this form is observed explicitly in the field where dead labor in the past has not been accumulated in both "extension of the hand and the earth." A typical mode of production is the plantation economy in colonial territory, and perhaps the slave farms of the classical Mediter-

[6] K. Marx, *Capital*, vol. 3 part 6. (Moscow).

ranean world where forms of accumulation other than labor organization were insignificant.

The three vectors of accumulation are found in more or less any human society, and their composition is the base of the economy of the manufacturer, who is therefore compelled to ply his trade in the open air, where it is interrupted by every vicissitude of the weather. It is only the special skill accumulated from generation to generation, and transmitted from father to son, that gives to the Hindu, as it does to the spider, this proficiency. And yet the work of such a Hindu weaver is very complicated, compared with that of a manufacturing labourer.[7]

This endosomatic accumulation is apt to constrain the development of the "extension of the hand and the earth." However, when the labor ability of an individual worker is combined with either the exosomatic form of accumulated hands or the earth, mutual encouragement instead of constraint will result. As one easily understands that cars and bicycles are an extension of man's legs, buildings and clothes are an extension of his skin, telephones of the ear, libraries and computers of the brain, etc. These exosomatic extensions alone are of no use without parallel extensions in labor ability to manipulate them. This is also true for "the extension of the earth." Such labor ability combined with exosomatic extensions is called technological progress.

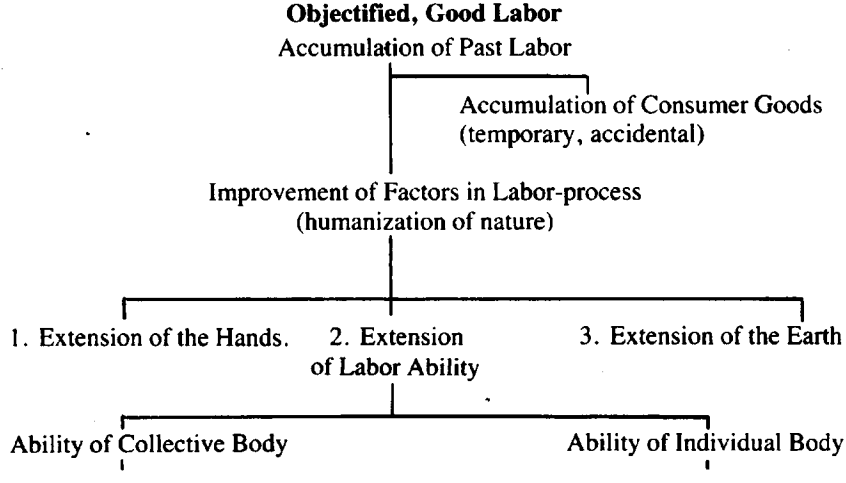
The other form of extended labor ability which cannot be attributed to any individual is the collective labor of social organizations where the level of production attained is something more than the simple arithmetical aggregate of respective members in a particular organization. The "extension of labor ability" in the collective form depends upon the degree of cooperation by the members working together. Just as technology combines both exosomatic and endosomatic accumulation, language and other means of communication integrated working people into the collective body. There are two sets of principles for the collective form of extended labor ability in human history.

In the first place intensified labor based on organizational integration has been realized in various types of labor organization which are means of exploitation. Every type of labor organization is oriented to produce surplus goods by an external purpose such as slave farms, plantation enterprises, capitalist factories, and so on. The surplus goods produced are distributed as the wealth of the ruling class or sold as commodities in markets outside the labor organization. In capitalist factories, knowledge, judgment, and will used by the independent peasant or craftsman

Ibid., p. 340.

consisting of the excercise of personal ability are required only for the workshop as a whole. Intelligence in production expands in one direction, and what is lost by the detail of laborers is concentrated in the capital that employs them. In order to make labor collective and through it to make capital rich in social productive power, each laborer must be made poor for his individual productive power. Adam Smith says, "The understandings of the greater part of men are necessarily formed by their ordinary employments. The man whose whole life is spent in performing a few simple operations . . . has no occasion to exert his understanding. . . He generally becomes as stupid and ignorant as it is possible for a human creature to become."[8]

In the second place, collective labor through cooperation has been developed in production activities by community cohesion quite different from the labor organization though they resemble each other to some degree in outward appearance. Production by community is not oriented by the external demand in the market but by the internal needs of the community. In conditions where there is less developed private property, the adjustment of shortage and surplus is made through reciprocal interchange while it is regulated by the commodity exchange in the market economy or the order-implementation relation in the labor organization. Method of management is also different. That cooperation in labor organization is managed by the centralized command is as indispensable



[8] A. Smith, *Wealth of Nations*, Cannan edition, pp. 734-735. (New York: Random House).

as a general commanding on the battlefield. On the other hand, management in the community is decentralized and shared by the members as the joint will of people living in it. Of course, all combined labor requires, more or less, a directing authority in order to secure harmonious functioning of individual activities, and to perform general functions that have their origin in the action of the combined organism as distinguished from its separate organs. But the role of a conductor in a community is just like in an orchestra; he need not oppress and exploit the members.

Reciprocal interchange as a social production relation is illustrated in Figure I comparing commodity exchange and hierarchical integration. In the case of commodity exchange, "the relations connecting the labor of one individual with that of the rest appear, not as direct social relations with individuals at work, but as what they really are, material relations between persons and social relations between things. It is only by being exchanged that the products of labor acquire, as values, one uniform social status distinct from their varied forms of existence as objects of utility."[9] However, a community of free individuals carrying on their work with common means of production need not have impersonal material relations between persons for the interchange of the labor products, but personal relations with other individuals and with other communities. Similarly, human activity in hierarchical integration also looks like labor in the broad sense and appears as if social relations were directly personal. In reality, however, when a society based on hierarchical integration is large enough to make the whole social product imperceptible by the direct human senses of an individual member, the relationship between those who rule and those who are ruled is not interchangeable and the controlling authority becomes a transcendental material force in appearance.

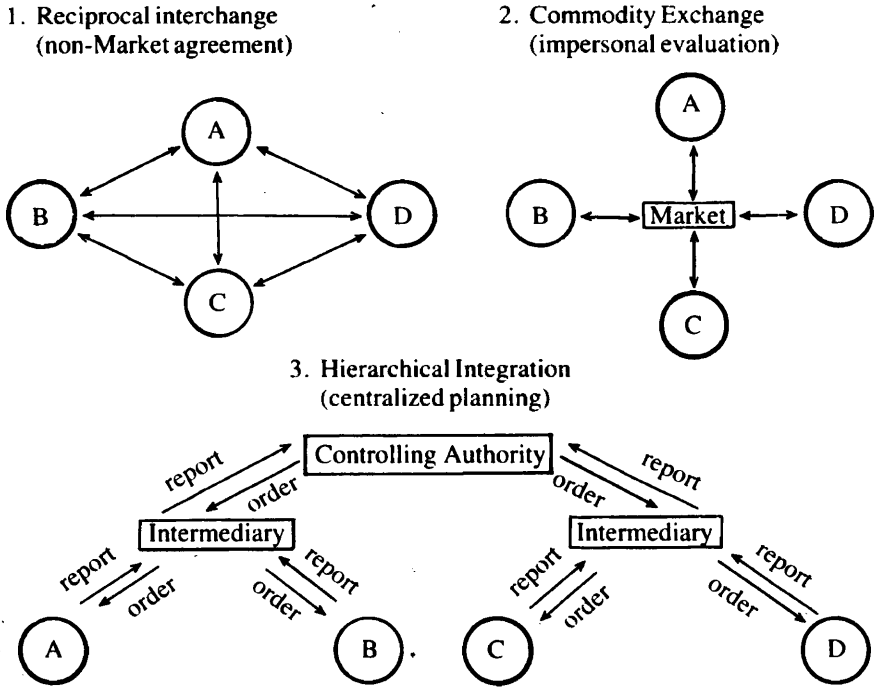
In any society these three dimensions of social production relations exist, more or less, with variations of productive organization and degree of historical development attained by producers. It seems to me that rural society in Asia has attained full efflorescence through long historical accumulation of extended labor ability.

In 1963 and 1969, I conducted socio-economic surveys along with several colleagues of the Institute of Developing Economics in a small village called Tsukigata in Niigata Prefecture, northern Japan. There, features of transition in rural society were observed in the period of rapid economic growth. It was the final stage of an industrialization and mod-

[9] K. Marx, *Capital*, vol. I, p. 73.

Figure I

Three Types of Social Production Relations



Note: Each circle stands for a unit of production.

ernization that had as its purpose catching up with economic standards in European countries. Though the details of the survey are not within the scope of this study, it is useful to note that the impact of the economic growth was fully felt in the rice growing village and that the material force of the market mechanism had atomized farmers individually and made them become part-time factory laborers. It was this full efflorescence of the commodity economy that the leaders of Japan were aiming for in their 100 year drive to achieve Westernization.

In 1885, Yukichi Fukuzawa (1834-1901), a leading figure of the development movement and a man who had great influence on imperial government policy wrote an article called "Datsu-A-ron" [The way to get rid of Asia]. He advocated Westernizing society as follows:

> This country does not have the time to wait for the enlightenment of our neighbors and strengthen Asian power with them but has to move with the civilized nations of the West. We need not extend special gestures of solidarity to China and Korea even though they are in the neighborhood. What we must do is to treat them as the Western people do. Those who are on intimate terms with bad people cannot avoid a bad reputation. From the bottom of our heart we decline to keep company with bad friends of the East.[10]

This policy by which Japan was determined to join the industrialized Western power was not well understood in South Asia. In 1905 when the Japanese victory over Russia was acclaimed as a triumph of a Buddhist country over a Christian power by the nationalists in South Asia, a Ceylon journal comment on its significance, "Japan has been the inspirer of the nations of Asia. It was her victories in the war more than anything else that gave courage and confidence to the aspirations of the people outside Europe."[11] And one active Buddhist and temperance leader started a fund to help Japan.[12] In the same year, the Anglo-Japanese Alliance of 1902 was renewed with fresh stipulations on Great Britain's Indian possessions. The new agreement had the object of maintaining "the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said regions." Article IV of the agreement stated that "Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions." Thus, the Ceylonese who might feel in those days that Japan had subdued the most powerful of European nations by superior morality would have been thought to be having hallucinations.

Ten years later when there was a rebellion of Asian soldiers in Singapore, two Japanese cruisers, the Otawa and Tsushima, came to oppress mutineers along with the Russian cruiser, Orel. Moreover, special European constables were recruited by the Japanese consul and detailed to various police stations.[13] In imitation of the Pax Britannica, the expan-

[10] Y. Fukuzawa, *Datsu-a-ron*, Tokyo, Jiji-shimpō, 1885.

[11] Cited by V.K. Jayawardena in *The Rise of Labor Movement in Ceylon* p. 118 (Durham: 1972).

[12] *Ibid.*, p. 119.

[13] D.J. Moore, The First 150 Years of Singapore, pp. 552-554. (Singapore: 196).

sionism of the Japanese Empire culminated in the formation of the so-called Greater Eastern Co-prosperity Sphere by Japan.

The defeat in World War II completely changed the relationship of Japan and the United States but this was not so with Asian countries. Though most people in Sri Lanka remember or know about Japanese air raids on Colombo and Trincomalee in 1942, very few Japanese do. The leaders of the postwar rebuilding movement talked highly of peace-loving nations such as Switzerland and Sweden. Asian nations have been regarded only as an object of technical aid or simply a market for industrial goods and raw materials just as in the prewar period. Intellectuals in Japan readily see Asian countries through Western glasses and criticize the hierarchical social order. In short, the goal of the "Datsun-A-ron" is unchanged and the extraordinarily rapid economic growth has accelerated the process of industrialization and Westernization of Japanese society both rural and urban.

However, continued growth in terms of capacity (stock) and income (flow) in such a narrow archipelago is impossible. In fact, biophysical constraints on economic growth loom ominously along with resource depletion and environmental pollution. These limits to growth lay a heavy burden on the market economy as well as the transcendental political power. At the same time, most human activity is under the control of alien forces and voluntary activity is confined to the narrow realm of consumption in the nuclear family. To solve these difficulties, people have to expand their cooperative relations through a nonmarket interchange of human activity not provided by the external purpose of production. Here is where we have to learn from neighboring Asian society.

The hierarchical society order through caste system and some other defects of the traditional institutions in rural Asia are easily susceptible to criticism as seen in examples described earlier and of course that of numerous social scientists. Nevertheless, we need not bother about these shortcomings which will be overcome by the indigenous people themselves. The urgent necessity for us is to establish social production relations in which people can associate with each other not through commodity exchange nor by alien political power but through direct agreement with others. This is why every effort has to be made to learn lessons from the advantageous aspects of the village community in rural Asia as horizontal cooperation by villages rather than an intrusion of economic development and modernization.

Aspects of the Tourist Industry in Indonesia

W. Donald McTaggart

Tourism has become a significant industry in a number of Southeast Asian countries in the last decade. It has perhaps been slower to develop in Indonesia than elsewhere, a reflection no doubt of the fact that until recently the facilities for international tourism in Indonesia were less developed and less publicised than in some other countries of the region. The Suharto government, however, has considerable hopes for the development of tourism, and the prospects are clearly for accelerating expansion in years to come.

Since tourism is believed to be capable of playing a signficant role in furthering economic growth in Indonesia, it has attracted a certain amount of research and study, both by governmental agencies, and by outside researchers and consultants. Given the undeveloped state of tourist facilities at the start of the Suharto period in 1965, the success or failure of efforts to promote tourism will hinge to a large extent on the perceptiveness of those called on to develop these facilities, and research is urgently needed to evaluate the potential of different regions for tourism, and to suggest the appropriate forms of development. For these purposes it is vital that careful distinctions are maintained between the different kinds of tourist clientele, distinguishing between levels of expenditure, length of stay, purpose of visit, and orientation towards cultural and recreational facilities. The objective of this paper is to review some of the differences which appear between different kinds of tourist, to show how these differences imply different forms of development, and to suggest that these differences are inadequately reflected in official planning for tourist development.

Types of Tourism in Indonesia

Indonesia reflects in fact a tripartite divisions of tourists scarcely recognized by theory. These are:

1) high-cost international tourists

2) budget or low-cost international tourists
3) domestic tourists

High-cost international tourists provide the prototype and image in most studies of tourism, particularly in under-developed countries. They come from the more developed countries, including USA, Australia, New Zealand, Japan, and Western Europe, and as far as Indonesia is concerned they invariably arrive by air. Their stay is relatively short, usually not more than a couple of weeks. During this time they will be accommodated in hotels of a fairly high standard. Travel within Indonesia will be by air, taxi, tourist bus, and occasionally rail.

Low-cost international tourists also come, for the most part, from the more developed countries, but reflect a different social and economic stratum. Frequently they are students, or are of student age. They regularly are extended-period travellers, taking a year or two out to "see the world". Their stay in Indonesia may be considerable, often running to several months. For accommodation they seek out cheap lodgings, about which information is disseminated by contact and word of mouth. They travel by bus, third class rail, inter-island shipping service, and generally make use of services geared to the needs of the indigenous population rather than those designed specially to cater to the needs of foreign tourists. They are generally referred to disparagingly in official literature as "hippies", and their influence is feared by the authorities.

Domestic tourists are still few in number in Indonesia. Very large numbers of Indonesians travel, and rail and bus facilities are heavily patronised. Few, however, can afford to live in hotels, and most travel is to visit friends or relatives. Nonetheless, since in a developing country there tends to be a high marginal propensity to spend on recreation, it can be expected that this category of tourism will become more and more important as time goes on.

Growth of Tourism in Indonesia

Despite its apparently recent appearance as a major component of Indonesia's economy, tourism has a long history in the region. During the colonial era a considerable number of centers were developed for recreational purposes, many of them in elevated parts of the country where relief could be sought from the heat and humidity of the lowlands.[1] During the late 1950's and the early 1960's many of these centers declined as

[1] For a review of Indonesian hill stations see W.A. Withington, "Upland resorts and tourism in Indonesia; some recent trends", *Geographical Review*, 1961, pp 418-423.

Indonesia. Hotel chains and airlines were given permission to provide facilities and services in Indonesia, and as a consequence they began recreational stations, although many also began to develop other economic, social or cultural functions. Sukabumi, for example, a station in the mountains of West Java, has become an industrial center; Malang now has important educational functions; Brastegi, North Sumatra, became the focus of an important food producing and processing region. A fresh period of tourist expansion is likely to revive the recreational functions of some at least of these former hill stations, even though contemporary tourism is assuming a form quite different from that of the former colonial era.

Contemporary tourism arose from the "new order" economic policies of the Suharto regime. In the latter part of the 1960's foreign business interests were encouraged to participate in the development of tourism in

Table 1

Arrivals of foreign tourists in Indonesia 1967 through 1972, and estimates of expected arrivals 1973 through 1978 [2]

Year	Arrivals '000	Expected arrivals '000
1967	26.4	
1968	52.4	
1969	86.1	
1970	129.3	
1971	181.1	
1972	221.2	
1973		256.6
1974		297.6
1975		345.3
1976		400.5
1977		464.6
1978		538.9

[2] Government of Indonesia, *Rencana Pembangunan Lima Tahun Kedua 1974/5-1978/9*, Jakarta, Departmen Penerangan, 1974, v 2, p 383-7.

to carry publicity in advertising campaigns overseas.[3] Tourists were already flowing through Southeast Asia in considerable numbers, and the objective of the Indonesian authorities was to divert some of this flow into Indonesia. Table 1 shows the number of tourists entering Indonesia during the years 1967 through 1972, and the estimates for the years 1973 through 1978.

By 1972 the average stay in Indonesia of a foreign tourist was believed to be five days, and the average daily per capita expenditure about US$25. Total tourist outlay in Indonesia in 1972 was estimated to be $27.6 million.

Tourism in Indonesia is strongly localised in certain areas of primary attraction. Jakarta itself has been the port of entry for a large proportion of the foreign tourists;[4] other important areas of attraction are Bali (one in ten of all foreign tourists to Indonesia visited Bali in 1968, one in six in 1971), Yogyakarta, and North Sumatra.

Plans for Development of Tourism

Since tourism figures in national programs for development it finds a place in the administrative hierarchy of the country. There is a central body in Jakarta (Direktorat Jendral Pariwisata) which has counterpart bodies in provincial administration (usually referred to as BAPPARDA). There are, however, overlapping responsibilities, and several departments have functions important for the development of the industry. We will refer here to three documents dealing with various aspects of tourism, believing that in this way a review of these documents will exemplify the common approaches and attitudes adopted in conjunction with tourist development.

The first document is the Second Five Year Plan,[5] published by the Department of Information. This document sets out national planning goals for the period 1974/5 to 1978/9. It deals with developments in tourism at some length, though in a somewhat generalised manner.[6]

[3] For an outline of these developments, especially as they apply to Bali, see Wolfgang Senftleben, "Touristenboom auf Bali", *Zeitschrift fur Wirtschaftsgeographie*, 16(2) 1972, pp 57-59.

[4] It has become a thorny issue whether or not to permit direct entry and exit of foreign tourists at Denpaser, Bali. Long opposed by Jakarta hotel interests and by domestic airlines, such facilities were re-opened in 1975.

[5] Government of Indonesia, op cit.

[6] Government of Indonesia, op cit, v 2, pp 381-393.

Development plans under the Second Five Year Plan will continue to stress the already established key tourist zones in the country, although it is recognized that the popularity of key areas should be used to attract tourists who then could and should be encouraged to visit elsewhere as well. Public sector responsibility is considered to comprise developments of infrastructure (transport), rehabilitation of sites and monuments, and development of training programs to ensure the provision of adequate trained and skilled manpower to meet the needs of tourism in the future. Private sector capital is expected to provide needed commercial services, primarily hotel accommodation, but including some organizational services as well, in the form of travel agencies and tour operators.[7] Specific projects are not, however, suggested, since most of them are considered to be the prerogative of provincial planning departments rather than the national body.

The second document is the report of a workshop held at Bogor under the auspices of the West Java Chamber of Commerce and Industry in 1972.[8] The purpose of this workshop was to bring together different persons and points of view which could contribute to the formulation of a master plan for tourism in the province of West Java. Several aspects of tourist development were discussed. It was realized that tourism depends on maintaining an attractive environment, natural, scenic, social and cultural, and that much of the economic development currently going on in Indonesia threatened precisely these resources. Another section of the workshop reviewed the structure and performance of government departments dealing with tourism, and criticised the fragmentation, and the overlap of functions. Recommendations were also made about the development of commercial aspects of tourism; hotel and restaurant accommodation was considered inadequate, and what already existed needed upgrading; there was a lack of supplementary facilities, such as swimming pools, tennis courts, and night clubs. Plans should also be made to improve publicity and marketing in general, distinguishing between the requirements of the domestic as opposed to the foreign tourist trade.

[7] See Government of Indonesia, Direktorat Djendral Pariwisata *Investment Opportunities in Tourism*, Jakarta, 1971.

[8] Kamar Degang dan Industri Jawa Barat, *Lokakarya usaha penyempurnaan garis besar rancangan induk pengambangan kepariwisataan Jawa Barat*, Bandung, 1972.

The third document represents the outcome of a rather similar meeting held in 1971 in Bali. As indicated above, Bali holds a unique position in Indonesian tourism, and exhibits some of the problems and pitfalls in their sharpest form.[9] The 1971 seminar was designed to examine the problems of "cultural tourism" in Bali,[10] as part of a process of establishing a master plan for this industry at a provincial level. The main question to be faced was how to resolve the inherent contradiction between tourism as a profit-oriented industry, and the conservation of Bali's Hindu religious and cultural system. Concerted action was recommended by both government and private agencies to preserve Balinese culture; institutions and organizations devoted to this purpose should be sustained and encouraged, and means should be explored to offer adequate and proper information to visitors about Balinese culture so that they do not unwittingly become active agents in its destruction. The seminar tended to favor the proposal presented by SCETO, an overseas consultant firm, which, if implemented, will have the affect of segregating tourists from the Balinese population at large. This scheme calls for the concentration of new hotel construction in the southern part of the island, at Nusa Dus, presently a part of the island not heavily populated by Balinese. Another problem reviewed by the seminar was that of the attitudes of the population of Bali towards tourists. Unless there was some degree of contentment it was feared that resentment could easily appear in the face of tourist affluence; even those persons not directly involved with the tourist industry would have to be educated to appreciate its objectives. Careful planning would also be needed to ensure that the economic impact of tourism was felt primarily by the local population and not interests from the outside; local taxi operators should be encouraged, local purchase of foodstuffs recommended, and hiring of Balinese for training and employment should be insisted upon. The emergence of "hippie tourism", located mainly at Kuta, was strongly deplored; government agencies were asked to take measures to prevent such a development, and it was also suggested that propaganda and educational campaigns be mounted to counter the noxious influence of hippies.

[9] Universitas Udayana, *Report on the Impact of Tourism on the Socio-Economic Development of Bali*, Denpasar, 1974.

[10] *Seminar pariwisata budaja; hasil keputusan*, Denpasar, 1971. See also Direktorat Tata Kota den Daesah. *Bali: hasil survey sementara obiek-obiek pariwisata*. Jakarta. 1969.

Review of plans for development

There has been little work published on the specific economic assumptions underlying proposed tourist development plans. Consequently they have to be inferred. From the lack of analysis of the needs of domestic tourism it can be inferred that the government considers foreign tourism, with its expected flow of foreign exchange, to be the major component to be encouraged. Likewise it can be inferred that low-cost tourism is not favored.

In the prevailing circumstances the priorities inferred above are perhaps not well chosen. It may be argued that from a developmental policy standpoint there are good economic reasons for favoring domestic tourism and low-cost tourism, and placing less reliance on high-cost international tourism. And as far as cultural and social impact is concerned, all forms of tourism have this kind of effect; the "hippie" influence may be different from that of the high-cost international tourist, but it may not necessarily be more vicious. Some of the *pro* and *con* arguments will be briefly reviewed here.

The arguments in favor of encouraging development of the high-cost international tourist sector are well-known.[11] Such tourists bring in substantial amounts of purchasing power which may be expected to have a positive effect on the balance of payments nationally, and on regional economies at a local scale; employment opportunities are expanded, and a wide range of activities, from building and construction to food production, may feel the impact of added demand. Conventionally the impact of tourism on a local economy is measured by its "tourist multiplier" — the factor by which total tourist expenditure should be multiplied in order to gauge its total or global effect on the economy. One attempt to measure the multiplier made by a consultant came up with figure of 2.3, but some areas and some countries were reported to have much higher values.[12]

As against this there is a growing sense of skepticism in many quar-

[11] Michael Peters, *International Tourism*, Hutchison, London, 1969.

[12] Zinder Corporation, *Essential Elements of a Tourist Development Programme*, World Bank. See also UNCTAD, *Elements of Tourism in Developing Countries*, New York, 1973.

ters,[13] especially as regards the application of "conventional wisdom" to the development of tourism in underdeveloped countries. These *con* arguments may be summarized as follows:

1) The multiplier is a poor analytical tool for dealing with the economics of tourism. Tourism does suffer in terms of its analysis from the nature of the activity — the profitability of particular enterprises in tourism is not a good guide to the benefits it may bring. But the multiplier has to be constructed from data which are usually inadequate, and frequently this provides an exaggerated estimate of the economic impact of tourism.

2) The impact on balance of payments is also greatly exaggerated. Development of international tourism usually implies participation by multi-national corporations, as well as an increase in the imports of items designed to service tourism; both of these may sharply reduce the net gain to balance of payments.

3) Since international high-cost tourists are demanding in terms of the facilities they must use, public-sector expenditures on infrastructure are usually implied. Tourism may, in fact, be quite heavily subsidized by the rest of society.

4. The environmental impact, especially is an area of concentrated development, may be considerable. Beaches may be lined by high rise hotels; plant and animal communities may be disrupted; social forms may be altered.

Although domestic tourism and low-cost international tourism do not altogether avoid some of the problems associated with conventional international tourism, they do enjoy certain important advantages.

1) Domestic and low-cost tourists make use of facilities designed for the indigenous population. They travel in cheaper forms of transport, use cheaper forms of lodging, and eat in cheaper restaurants than do their more affluent counterparts. In general no special forms of investment are

[13] K. Levitt and Igbal Gulati, "Income Effect of Tourist Spending; Mystification Multiplied; a Critical Comment on the Zinder Report", *Journal of Social and Economic Research*, 19(3) 3, 1970, pp 325-343: J.M. Bryden, *Tourism and Development; a Case Study of the Commonwealth Caribbean*, Cambridge University Press, 1973; J. Bryden and Mike Paber, "Multiplying the Tourist Multiplier", *Social and Economic Studies* 20(1) 1971, pp 61-82; G. Cazes, D. Dumas, M. Pere "Tourisme et acus-developpament; reflexions a propos des conceptes at des methodes", *Bulletin Societe Languedocienne de Geographie*, 7(3-4) 1973, pp 405-414. H.W.T. Pepper, "Tourism in Developing Countries; some Economic and Fiscal Considerations", *Bulletin for International Fiscal Documentation* (Amsterdam) 4, 1972; Patrick Rivers, "Tourist Troubles" *New Society*, 23(539) 1973, p. 250; Louis A Perez, *Underdevelopment and Dependency; Tourism in the West Indies*, Center for Inter-American Studies, University of Texas at El Paso, 1975.

needed to cater for them, other than those which could be expected to serve Indonesian needs. Attenuation of balance of payments advantages and the multiplier effect is therefore reduced to a minimum, and dollar for dollar, the low-cost and domestic tourist probably have a stronger impact on the economy than does the high-cost tourist.

2) In view of the above the economic impact of the low-cost and domestic tourist is probably more widely and even more immediately felt. There are fewer large-scale corporations to filter away some of the spending done by tourists, and the encouragement to small-scale entrepreneurship is probably stronger.

These tendencies can be observed in almost any of the areas in Indonesia regularly visited by low-cost tourists. Indonesia is traversed by many of these tourists, passing through on their way from one end of the archipelago to the other. In Pulau Samosir (Laka Toba, North Sumatra) such tourists are accommodated by the Batak people in their own homes for a small sum, all of which is retained by the Batak (who, in view of the lack of other opportunities, certainly need it). The more enterprising among the Batak quickly return their takings to the enterprise in the form of additional building, which provides work locally. Catering is done on the basis of locally available foodstuffs, mainly vegetarian. Transport depends on boat services already operating to link the island to the mainland.

Conclusions

It appears that the authorities in Indonesia are most concerned to develop a particular type of tourism, rather than to develop tourism in general. However, that type which they have chosen to develop is not without its disadvantages. Some of the economic expectations from tourism might be more readily achieved if the emphasis was given to other forms of tourism, domestic and low-cost international. There is at present some reluctance to devote money and effort to the development of domestic and low-cost international tourism, the latter being regarded with particular hostility. However, the effect of low-cost tourism on the morals of Indonesians may be less profound than is sometimes feared, and economically it must be advantageous. Indonesia is short of capital, and prudent development strategy would seem to suggest a course which economized as much as possible on the scarcer resources. Perhaps the strategy to be followed should be to develop whatever facilities are needed for domestic tourism, and thereafter to welcome the arrival of whosoever wished to visit Indonesia on these terms. It might make for a better tourist industry.

Multi-national Corporations and the Economic Self-reliance of Thailand: A Case Study of the Japanese Influence on the Thai Economy*

Warin Wonghanchao

1. Background

Since the end of the Second World War Japan has aligned itself with U.S. policy in Southeast Asia. In order to maintain the capitalist system, Japanese multinational companies under the aegis of the U.S. military and political presence, have extended themselves into the various countries of Southeast Asia. The intent of this move has been to ensure the markets and supplies which Japanese capitalism needs for its very survival. The ASEAN states have been turned into economic dependencies of Japan, in return the capitalists have thrown their support behind the counter-revolutionary regimes in these countries.

Thailand is a vital part of the Japanese design for the new model co-prosperity sphere which is being rebuilt in the ASEAN zone. Being strategically located in the center of Southeast Asia, Thailand provides the most convenient base for expansion into other parts of the region. The Isthmus of Kra provides the best available alternative route for Japan's vital oil lifeline to the Middle East through the Malacca Straits. Finally, because of a number of unique historical conditions, Thailand has been an excellent proving ground for Japanese initiatives in the region. It is in Thailand where the inroads of Japanese monopoly capitalism have first penetrated and are tested for effectiveness.

An important phase in Thai contacts with Japan began with the period following the First World War. At that time, the Siamese government

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began sending soldiers abroad to be trained in the methods of modern warfare. Japan had proven its parity with the West in military strength and had established a Western style unequal treaty with Siam in the nineteenth century, thus some Thai officers were trained in Japan as well as in England, France, Germany and the U.S. This had the effect of creating a pro-Japanese faction within the Thai military structure.

Following the overthrow of the absolute monarchy in 1932, the various factions within the Thai Coup Group tended to split along overseas training or education groups. The pro-Japanese and pro-German groups gained ascendancy during the 1930's under the Phibunsongkram regime. Thailand's fascist government found that it had a great deal in common with Japan. In particular, the Thai government had adopted a strong anti-Chinese policy. As the Second World War began to develop in Europe and China the Phibunsongkram Government began to see the benefits which could be gained from a Japanese alliance. Tojo testified in the War Criminal court that Phibunsongkram knew about the Japanese intention to invade Southeast Asia.[1] Most significant for the Thai was the opportunity to regain the border territories in Laos, Cambodia and Malaya which had been taken by the British and French during the era of Western imperial expansion.

The Japanese had already developed a substantial economic presence in Southeast Asia before the war. They saw Thailand as the strategic area from which to launch their attack on the rest of the region. Japanese professionals, such as doctors and dentists, as well as merchants, settled in Thailand, and acted as intelligence agents for the Japanese government. Their reports assured the military leaders that Thailand would prove a willing partner once Western supply lines were cut. Following Pearl Harbor, the Japanese quickly established military bases in Thailand and moved into Malaya and British Burma.

During the war, the Japanese resident in Thailand established firm links with the members of the ruling elite. Many Japanese learned Thai and some officials even brought their families over and their children were educated with Thai students. While the Thai were by no means sorry to be free of the Japanese in 1945, the Thai experience with the Japanese during the war had been relatively painless compared to other parts of the region. These factors ensured that Thailand would be the point of entry for the resumption of Japanese relations in Southeast Asia in the post-war era.

[1] Aran Promchomphu, *Thailand, the Semi-colony*, (Bangkok: Chromrom Nangsue Udomtham, n.d.), in Thai, p. 180.

2. The Pattern of Japanese Penetration

The Japanese return to Southeast Asia in the post-war years began in Thailand. As early as 1953, the first major Japanese companies opened offices in Bangkok. Among them were C. Ito & Toya-Menka, two of the top ten *zaibatsu*. The economic recession which followed the Korean War and political instability in Thailand in the mid-fifties stalled further expansion of these first links. However, with the Sarit takeover in 1958 and the establishment of a staunchly anti-communist, American-backed regime in Bangkok, a number of other Japanese companies began doing business in Thailand (see Appendix). By 1960, the Japanese presence in the country was well established.

The Japanese move into Thailand displayed a unique pattern of economic penetration which has come to characterize Japanese inroads in other countries. The first step has been to initiate trading links to secure markets for Japanese manufacturers and to obtain locally available natural resources. The second step, once markets have been established, is the development of import substitution industries through joint ventures in such areas as auto parts, car assembly, electrical appliance assembly, etc. This leads to export production and ultimately to direct exploitation of local resources and the overall development of monopoly control over the entire means of production within the country. Concurrently, control is also established, through local partners, over the political life of the country. As of 1976, this process had been all but completed in Thailand. The national economy has become dominated by an extensive Japanese monopoly and Japanese capitalists have established substantial leverage within the Thai government.

The means by which this penetration has been achieved are uniquely Japanese. Unlike European and American Capitalists, the Japanese began by establishing contacts with local merchants. The Japanese were very familiar with the structure of the Thai economy and understood the position which the overseas Chinese merchant capitalists held locally. Thus, rather than beginning on a government level, the Japanese multinational companies formed their first links with the Chinese merchants. Since the Chinese already controlled distribution networks throughout the country, it was relatively easy to gain access to markets by servicing Chinese-controlled trade outlets in the country. By riding piggy-back on the Chinese, the Japanese were also able to rely on their partners to grease the wheels of the Thai bureaucracy. Additional leverage was gained through military officers who had experience in Thailand during the war. A number of such individuals were employed as advisors by the Japanese multinational companies.

A number of factors which developed in the late 1950's and early 1960's facilitated the Japanese build-up in Thailand. Japanese industry was rapidly expanding and in search of new markets. They were able to provide large quantities of cheap manufactures at a time when prices for European goods were on the increase. Rather than attempting to compete with the Chinese merchants in Thailand, they were made partners. This move was facilitated by the political situation in the country. The Sarit government, relying on American military and propaganda backing, had launched an anti-communist campaign throughout the country.

The speed with which Japanese companies established trading links with Thailand in this period must be viewed as evidence of firm American encouragement. The U.S. was interested in providing economic backing for the Sarit regime, but was unable to entice substantial American investment in Thailand. Thus, the job was farmed out to the Japanese who provided the capital for Thai economic development under Sarit. Japanese expansion was seen as a necessary move in order to scuttle Chinese attempts to open markets in this period. Sarit, at one point, charged that profits made from the sale of Chinese manufacturers in Thailand were being used to support the insurgents. Chinese merchants who had established trade links with People's China were among those who fell prey to the Sarit purges. This established a favorable climate for the newly returning Japanese.

It is worth noting that most Japanese multinationals have close links with American companies.[2] Thus Mitsubishi is closely tied to General Electric and Westinghouse, Mitsui to American Can, Sumitomo to Owens-Libby and Nisshi-Iwai and C. Ito & Co. to Gulf Oil. Thus the interests of the American multinationals were served while at the same time a blow was delivered against the People's Republic of China.

In addition to the opening of branches and investments by all of the top ten *zaibatsu*, many smaller Japanese companies also began doing business in Thailand in the early 1960's. With the establishment of a large Japanese presence in the country, Japanese capitalists were in a position to develop a substantial body of economic intelligence on the local markets, the infrastructure and available raw materials. This laid the foundation for the second stage, the establishment of joint industrial ventures. This process began in the late 1960's at the height of the American involvement in the Indochina War, and should be viewed as a necessary

[2] Jon Halliday and Gavan McCormack, *Japanese Imperialism Today* (Middlesex, England: Penguin Books, 1973), pp. 5-16.

antecendent to the establishment of a permanent capitalist enclave in the region.

Again, prior contacts determined the direction which this move took. The large Japanese trading companies began to branch into the industrial sector together with their Chinese partners, bringing in Thai political figures as board members and share holders. The major areas for expansion were those which made possible import substitution together with a certain amount of exploitation of local raw materials. Of greatest importance were the areas of car assembly, electrical appliances, and textiles (see Table 1).

Table 1

Effective Rate of Protection

	Thailand	**The Philippines**	**Malaysia**
Consumer goods			
Non-durable	94.23	82.60	65.49
Durable	108.50	85.46	5.30
Intermediate goods	93.35	53.23	10.95
Capital goods	52.16	26.82	10.95

Source: Trairong Suwankiri, "The Structure of Protection and Import Substitution in Thailand," (MA Thesis, University of the Philippines, 1970); John H. Power, "The Structure of Protection in the Philippines," (Discussion paper No. 89-9) (University of the Philippines, Institute of Economic Development and Research, 1969); and John H. Power, "The Structure of Protection in West Malaysia;" (Discussion Paper) (University of the Philippines, Institute of Economic Development and Research, 1969) in Warin Wonghanchao, "Japan and the Economy of Thailand," *Journal of Economics and Business Administration*, Vol. 4 No. 1, (February 1973), in Thai.

In the mid-1960's, Thailand had the highest tariffs in Southeast Asia, thus it was the most attractive place to receive the first exports of Japanese industrial technology.

By bringing strong influence to bear on the Thai government, the Japanese companies were able to establish a series of incentives. These included tax holidays, exemptions on the import of machinery and raw materials, the establishment of quotas for competing imports and tariff walls. These incentives have set the pattern by which Japanese industry has expanded into the other countries of the region.

Since 1960, the Japanese have moved into almost every area of Thai economic life. Bangkok has been characterized as a "little Tokyo"

From the minute one steps off a plane at the airport he is confronted with huge billboards and electrical signs advertising Japanese products. The roads teem with Japanese automobiles and the shops are full of Japanese goods. The visitor from Tokyo is hardly aware that he has left home.[3]

3. Structure of the Japanese Monopoly

In less than two decades, the Japanese have expanded their presence in Thailand from a few companies engaged in the import-export business to a massive monopolization of vast portions of the Thai economy. Not only do they have the greatest amount of foreign capital invested in the country, but this capital is placed so as to guarantee Japanese control over Thailand's entire industrial sector.[4] Japanese bargaining practices have resulted in the creation of subsidiary local monopolies which are in turn under their control. Thailand's largest trade deficit is with Japan and the Japanese control a major portion of Thai imports and exports. (see Table 2)

. Table 2

Thailand's Trade Deficit, 1965-1974
(Million Baht)

	Total Trade Deficit	Trade Deficit with Japan
1965	2,779	2,492
1966	4,405	3,642
1967	8,022	5,046
1968	10,422	5,400
1969	11,244	6,323
1970	12,237	6,337
1971	9,513	5,816
1972	8,834	6,741
1973	9,958	6,668
1974	13,719	7,249

Source: Bangkok, Bank of Thailand, 1975

The Thai national economy has been remolded into a subsidiary of Japan Incorporated.

3.1 *Capital:* Of the capital invested in Thailand's industrial sector,

[3] Boonsanong Punyodyana and Amphon Namatr "Japan's Role and Power in Southeast Asia: The Case of Thailand" (Seoul: Asiatic Research Center, 1972) pp.4-5.

[4] Warin Wonghanchao, "Multi-national Corporations and the Economic Self-reliance of Thailand," *Journal of Social Sciences*, Vol. 12, No. 4, (October 1975), in Thai.

70% are local funds and 30% are foreign. The Japanese are the largest contributors of foreign capital with a share of 42% of the total foreign capital invested. (see Table 3)

Table 3

Registered Capital of Promoted Firms, October 1960 - April 1974

	Registered Capital Owned by one Nationality (Million Baht)	Registered Capital of Joint Ventures (Million Baht)	Total Registered Capital (Million Baht)
Thailand	3,174	4,178	7,352
Japan	194	1,114	1,308
U.S.A.	27	452	479
Taiwan	3	452	455
U.K.	11	124	135
Others	37	732	769
Total	3,446	7,052	10,498

Source: Bangkok, The Board of Investment, 1974.

While this is less than the total amount of local capital, the placement of Japanese capital is significant. If it is not spread evenly throughout the industrial sector, but concentrated so as to give the Japanese monopoly control of a number of key industries. These include food canning, car assembly, textiles, household electrical appliances, flourite mining and chemical production, especially plastics and fertilizers. (see Table 4)

Table 4

Concentration of Japanese Investment, 1972

	% of Total Investment
Food Canning	88
Car Assembly	70
Textile	68
Electrical Appliances	66
Mining	50
Chemical Products	49
Steel	33

Source: Bangkok, Bank of Tokyo, 1973

These industries fall into two groups determined by their significance to the Japanese. Such industries as food processing and mining are important because they supply vital necessities and raw materials for Japanese consumers and industry. The others serve as appendages of Japanese industry. There is, in fact, no over-riding necessity for car assembly plants, textile mills or even household appliance factories to be located in Thailand. They could be any place where sufficient land and labor are available. They are thus artificial imports and in fact, cannot survive without regular imports of technology and vital supplies from Japan.

Even if the Thai government, in a burst of economic nationalism, should decide to take over these factories, they would be completely useless. Where would the Toyota and Datsun assembly plants get their components? The electrical industry is likewise dependent. Thai industry has simply been incorporated into the Japanese division of labor and cannot survive on its own.

3.2 *Foreign Trade:* With their control over the Thai industrial sector and the development of monopoly power in the area of agricultural produce, the Japanese multinationals have gained an extremely large share of Thailand's foreign trade. (see Table 5)

Table 5

Control of Japanese Trading Companies
on Thailand's Foreign Trade, 1973

Export	**% Control**
1972	38.3
1973	56.4
Import	
1972	49.4
1973	65.0

Source: Hikoji Katano and Phitaya Smutrakalin, *The Role of Japanese Trading Companies in the External Trade of Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976), p. 34.

In 1973, Japanese trading companies accounted for 56.4% of Thai export and 65% of all imports. It is significant that not all of the exports are destined for Japanese consumers, 33.7% of them go to third countries

while only 22.7% go to Japan.[5] Thus, the Japanese multinationals are able to use their share of Thailand's exports to increase their own bargaining power in the world market and thus compete with Thai exporters. Ironically, the Japanese themselves see this as one of the benefits that Thailand has gained from Japanese aid.

3.3 *Agricultural Exports:* Japan is one of the major purchasers of Thailand's agricultural exports. Most significant are maize, sugar and tapioca. Here Japanese multinationals have introduced their monopoly control over the marketing sector. In negotiations with the Thai government, the Japanese have raised frequent complaints regarding quality control and the stability of supplies. These problems arise, according to the Japanese rationale, from the necessity of dealing with a large number of small operators. The Japanese have thus encouraged the Thai marketing agents to group together in associations so that the Japanese can deal with a single organization rather than each firm individually.

This policy has resulted in the creation of local monopolies which are under the influence of the Japanese multinationals. The maize exports, for instance are controlled by only eight Thai companies which together account for 74% of Thailand's export. In the case of tapioca, ten companies control 68% of the export.[6] Since the Japanese are the biggest buyers of these products, they also supply advisors to these marketing organizations so as to insure a suitable product, an adequate supply and attractive prices.

The role of Mitsubishi in Thailand's maize trade is an interesting example of the way in which the Japanese monopoly works. Mitsubishi is a major purchaser of Thai maize. Since maize must be dried and stored before export, there must also be storage facilities. One of the largest maize storage facilities in Thailand is Bangkok Drying & Silo Co., which is 40% Japanese owned. Investors include Mitsubishi, Mitsui, Sumitomo and UNICOOP.[7] In effect this group of Japanese companies controls most of the silos in Thailand, and is thus in an excellent position to dictate stockpile size, prices and export policy.

[5] Hikoji Katano and Phitaya Smutrakalin, *The Role of Japanese Trading Companies in the External Trade of Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976), p. 34.

[6] Narong Phetprasert, *The Monopolist Groups in Thailand* (Bangkok: Puthuchon, n.d.), in Thai,. pp. 128 and 131.

[7] Tsuneo Nakauchi, *Japanese Investment and Financing through Banking Institutions in Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976), p. 37.

Since about 1970 the sugar refining and planting industry has undergone rapid expansion. Plantations and refineries, many built with Japanese capital and with Japanese machinery, have sprung up in the provinces in South-central Thailand which border the gulf, especially Rayong, Chonburi, Ratburi, Patchaburi, Kanchanaburi, and Prajuab-Kirikahn. One of the oldest sugar mills is the Pranburi Sugar Industry Co. Ltd., located in Prajuab. It was established in 1962 and its current registered capital in 21 million baht. The major Japanese investors are Mitsui Sugar Co., and Marubeni Corp who control 95.2% of the company.[8]

Here again, Japanese influence has been instrumental in centralizing the export of Thai sugar. The totality of sugar exports from Thailand are controlled by two state licensed trading companies; the Thailand Sugar Corp. Ltd. and the Thai Sugar Trading Corp. Ltd. As the figures show, Japan was the biggest buyer, accounting for 63% of total sales during the first six months of 1976. In particular, the Thai Sugar Trading Corporation deals almost exclusively with Japan.[9]

Last year the government moved to protect the sugar planters by fixing the price of cane at 300 baht per ton. However, the vast expansion in production has over-supplied the market. Last year's production of 1,603,593 metric tons represented an increase of 54.7% over the previous year, but the export price fell by 52%. Next year, production is expected to rise to about 184 million tons and planters fear that declining prices will give the mills an excuse to refuse paying the official price.

The oversupply was largely created by aggressive Japanese promotion. The fact that Japan now absorbs the bulk of the Thai export, means that the Japanese corporations are in an extremely favorable position to control prices at all levels of production. With this goes contol of land use, quality control, government agricultural policy and export policy. This fits the classic pattern of a dependent commodity production relationship.

3.4 *Textiles:* The largest single Japanese industrial venture in Thailand is that of textile production. Although a few companies began operations as early as 1962, the main thrust of expansion came in the early 1970's. As of the first quarter of 1974, there were 32 Japanese textile mills in Thailand. The share of the Japanese investment here ranged between 10% to 99.3% of registered capital and averaged in the neighborhood of 50%.[10] Of the nine major textile producers in Thailand, in

[8] *Ibid.* p. 36.

[9] *Business Review* (Bangkok: The Nation Co., August 1976), pp. 333-4.

[10] Hikaji Katano, Masaru Saito, and Fuji Ogawa, *Technology Transfer in Japanese Joint Ventures in Thailand: A Case Study of Textile Industry* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976), p. 63.

1972 only 3 concerns showed no apparent evidence of Japanese backing. Among these was Thailand's largest producer, the Sukree Group, which went bankrupt last year.

After Sukree, the largest single group is the Teijin-Praman Group which includes Thai Teijin Textile Ltd., Teijin Polyester (Thailand)

Table 6

Production Capacity of Textile Industry, 1972

	Total	Teijin Pramarn	Sukree	Toray	Others
Total Assets (Million baht)	6032	1404	1594	1089	1945
MMF Production					
Capacity (Tons/yr)	14400	9180	—	5220	—
Expansion (Tons/yr)	55980	15300	17500	4350	18830
Spinning					
Capacity (Spindles)	513604	77136	198400	34860	203208
Expansion (Spindles)	461364	27360	160000	24480	249524
Weaving					
Capacity (Looms)	9296	1088	1921	722	5556
Expansion (Looms)	10916	1002	2700	500	6714
Knitting					
Capacity (Machines)	196	—	11	140	45
Expansion (Machines)	150	—	—	—	150
Finishing					
Capacity (1000 Yards/yr)	323400	48600	90000	10200	174600
Expansion (1000 Yards/yr)	85453	15120	—	—	70333
Garment					
Capacity (Sewing Machines)	1422	210	—	—	1212
Expansion (Dozens/yr)	800000	—	—	—	800000

Source: TISCO Textile Study, Part II, Textile Industry in Thailand, (Bangkok: Thailand Investment and Security Company, 1973).

Ltd. and Thai Filament Textiles Co. Ltd. Their combined registered capital in 1974 was 307 million baht, the Japanese share was 154 million baht, or just under 50%. In 1972, the group's total assets stood at 1,404 million baht. (see Table 6).

The textile industry is the one which easily lends itself to almost complete Japanese control. Even the wholly Thai-owned concerns are almost completely dependent on the Japanese for technology and raw materials. For instance, two firms owned by the Suriyaprapadilok family formerly imported 300,000 to 400,000 yards of canvas from Japan annually. In 1973, the family decided to set up a canvas-producing factory in Thailand, ostensibly to save foreign exchange. With a loan from the International Finance Corp. the company purchased all of its machinery from Japan as well as most of the raw materials including synthetic fabrics, resin and PVC.[11] Factory output is also supervised by Japanese experts. This sort of partial transfer of technology is typical of Japanese-backed industrial expansion in Thailand. Now the company is no longer spending 10 million baht a year to buy canvas from Japan, rather it is spending even more since 70% of their raw material come from Japan, not to mention the costs of machinery, expertise and patent royalties, all of which accrue to Japan. Since Thailand possesses neither the technological nor the resource base to support such industries itself, they remain in a permanent dependency relationship with the Japanese multinationals.

4. Japanese Profits and Banking

On the surface, profit figures published by the Japanese on their industrial ventures in Thailand appear relatively low to moderately high. The highest are in the area of textiles, paper and pulp, where the rate of profit on direct investment is 12.3%. The investment in these areas is more than twice that of any of the others accounting for 93,300 million baht. For the electrical machinery industry the rate of profit is 13.3% on an investment of 45,320 million baht. It is in the same range (13.8%) for chemicals, but the total investment is relatively small at 3,550 million baht. (see Table 7)

In Japanese data comparing their own profits with those of American and local industries, the Japanese margin is generally shown to be lower. Thus in the textile industry, the rate of gross profit to total sales for the Japanese companies is 18% while for the local firms it is 24%. In the automobile industry, the Japanese profit is smaller than that of the Amer-

[11] *Business Review* (Bangkok: The Nation Co., August 1976), pp. 340-341.

icans e.g. 14% opposed to 25%. It is thus necessary to point out that the volume of Japanese automobile sales in Thailand is many times greater than any other.[12]

The figures showing profits based on sales alone however, do not give the full picture. It is also necessary to look closely at outward remittances.

Table 7
Profitability of Japanese Companies
(As of Mid-1975)

	No. of Companies Studied	Direct Investment (Million Yen)	Investment Profit as % of Direct Investment %
Automobiles	5	41,000	2.9
Machinery	4	12,300	0.6
Steel, Non-ferrous metal	8	49,849	6.6
Textile, paper pulp	11	94,300	12.3
Chemicals	8	3,550	13.8
Electric Machinery	7	45,320	13.3
Food	2	1,170	1.7
Total (Including Others)	47	250,870	9.1

Source: Problems Associated with Overseas Activities of Japanese Corporations (Tokyo: National Institute for Research Advancement and the Nikko Research Center, Ltd., 1976), p. 32.

(Tables 9-13). In 1972, 25% of total outward remittances went to Japan, which was only second to the U.S. share of 32%. It is also important to note the trends apparent in the Japanese and American percentages. Since 1968, the American share has been shrinking while the Japanese portion has been growing at almost the same rate. Thus the U.S. is gradually yielding to Japan. (see Table 8).

In the case of remittances of profits and dividends, Japan ranks third after the U.S. and the U.K. with 22% in 1972. However, here too, the inverse trend between American and Japanese profits is also apparent. Should this trend continue, Japan will be the major profit-taker by 1977. (see Table 9)

[12] *Problems Associated with Overseas Activities of Japanese Corporations* (Tokyo: National Institute for Research Advancement and the Nikko Research Center, Ltd., 1976), p. 33.

Table 8

Total Outward Remittances 1968-1972
(Million Baht)

	1968	1969	1970	1971	1972
U.S.	177.9	143.8	244.2	273.2	234.1
Japan	71.2	103.0	133.3	148.9	184.1
U.K.	39.0	228.3	198.7	206.4	173.3
Germany	2.0	3.5	3.3	3.4	3.0
Hong Kong	18.8	26.7	17.7	9.3	12.7
Others	98.7	107.7	97.6	88.3	132.8
Total	407.6	613.0	694.8	729.5	740.0

Source: Tsuneo Nakauchi, *Japanese Investment and Financing through Banking Institution in Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976) p. 27.

Table 9

Outward Remittances of Profits and Dividends, 1968-1972
(Million Baht)

	1968	1969	1970	1971	1972
U.S.	157.1	121.3	210.4	221.4	181.6
Japan	49.7	69.4	94.4	102.2	124.2
U.K.	27.6	219.5	175.4	187.7	153.3
Germany	1.6	3.1	2.9	0.7	1.2
Hong Kong	10.6	5.8	7.2	6.5	10.1
Others	86.6	97.4	85.5	66.1	95.1
Total	333.2	516.5	575.8	584.6	565.5

Source: Bangkok Bank of Thailand, 1974.

Japan is also exacting heavy charges for its transfer of technology, partial though it may be. In remittances for copyrights and patent royalties, Japan was the number one recipient, taking 45% of the total. (see Table 10).

Table 10

Outward Remittances of Copyrights And Patent Royalties, 1968-1972
(Million Baht)

	1968	1969	1970	1971	1972
U.S.	19.6	16.3	22.2	31.7	34.6
Japan	21.5	32.9	35.6	45.4	58.6
U.K.	4.3	5.8	5.3	8.6	9.9
Germany	0.4	0.4	0.4	2.2	1.8
Hong Kong	0.4	2.2	0.8	0.1	0.5
Others	3.4	3.2	1.9	11.9	25.5
Total	49.6	60.8	66.2	99.9	103.9

Source: Bangkok, Bank of Thailand, 1974.

An important antecedent to the Japanese profit picture is the role of the Japanese banks in Thailand. There are only two Japanese banks in Thailand, the Mitsui Bank and the Bank of Tokyo. On the surface it would appear that their role in the Thai economy is relatively limited. In 1973, the capital funds of these two banks totalled 220 million baht which at that time represented only 4.3% of the total capital funds of all commercial banks in the country. In the five-year period between 1969 and 1973 the Japanese share of this total was never more than 5.9%. Although the total amount of capital in Japanese banks increased over this period from 155 million baht in 1969, the Japanese share of the total steadily declined, indicating slower growth than other commercial banks. (see Table 11)

Table 11

Capital Funds of Japanese Banks, 1969-1973
(Million Baht)

	1969	1970	1971	1972	1973
Japanese Banks	155	170	190	190	220
% of all Commercial banks	5.9	5.5	5.2	4.6	4.3

Note: Capital funds = paid up capital ÷ undivided profit + reserves for legal requirement.

Source: Bangkok, Bank of Thailand, 1974.

In general the Japanese banks have not been notably active in the banking business of the country. Deposits in Japanese banks in 1973 stood at only 972 million baht, or 1.7% of the total of all commercial banks. This share too, has declined from 3% in 1969. Also in terms of local investments the banks have been less active than most. (see Table 12)

Table 12

Deposits of Japanese Banks, 1969-1973
(Million Baht)

	1969	1970	1971	1972	1973
Demand Deposit					
Japanese Banks	394	502	707	435	518
% of all Commercial banks	4.9	5.9	7.3	3.9	4.0
Savings Deposit					
Japanese Banks	174	177	131	203	183
% of all Commercial banks	6.2	6.0	4.1	5.0	3.6
Time Deposit					
Japanese Banks	269	265	247	246	272
% of all Commercial banks	1.5	1.3	0.9	0.7	0.6
Total Deposits					
Japanese Banks	837	943	1085	885	972
% of all Commercial banks	3.0	2.9	2.8	1.8	1.7

Source: Bangkok, Bank of Thailand, 1974.

In overall loans (including bills, loans and overdrafts) the Japanese share represented only 4.2% of the total loans of all commercial banks. The figures on borrowings made by the Japanese banks indicate somewhat more activity here than in deposits and loans, but certainly not to a remarkable extent. (see Table 13-14)

Table 13

Bills, Loans and Overdrafts of Japanese Banks, 1969-1973
(Million Baht)

	1969	1970	1971	1972	1973
Manufacturing	443.	427	482	289	673
Construction	0.3	0.2	3.5	3.2	14.2
Imports	289	462	598	790	606
Exports	141	181	160	168	357
Wholesale and retail trade	96	152	158	186	344
Banking and financial business	—	—	—	3.0	127.0
Total lending of Japanese banks	969.2	1222.2	1401.5	1439.2	2123.2
% of all banks lending	4.2	4.4	4.5	4.1	4.2

Source: Bangkok, Bank of Thailand, 1974

Table 14

Borrowings by Japanese Banks, 1969-1973
(Million Baht)

	1969	1970	1971	1972	1973
Borrow from Bank of Thailand	19	40	56	53	103
Other Thailand banks	169	218	230	255	280
Banks abroad	57	128	120	339	886
Total borrowings of Japanese banks	245	386	406	647	1269
% of all banks' borrowings	7.0	8.2	7.7	12.4	11.8

Source: Bangkok, Bank of Thailand, 1974.

The figures on outward remittances, however, show a radically different picture. In 1973, these two relatively quiescent banks remitted a total of 35 million baht abroad. This figure represented 41.2% of the total remittances made by all other commercial banks including American banks (see Table 15).

Table 15

Outward Remittances of Profit by Commercial Banks, 1968-1973
(Million Baht)

	1968	1969	1970	1971	1972	1973
Japanese banks	28	31	31	41	37	35
U.S. Banks	33	12	44	35	30	24
All Commercial banks	86	70	100	109	94	85

Source: Tsuneo Nakauchi, *Japanese Investment and Financing Through Banking Institution in Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1976) p. 30.

Thus, it would appear that the bank's borrowing and lending activities in Thailand are in fact little more than a front. The real role of the banks is to act as a conduit to siphon Japanese profits and other returns out of the country. In 1972, remittances to Japan totaled 184.1 million baht or 25% of the total remittances for that year and 6.5% of Thailand's total deficit. (see Table 16)

Table 16

Outward Remittances to Japan, 1968-1972
(Million Baht)

	1968	1969	1970	1971	1972
Profits	41.8	30.8	52.5	50.9	57.0
Dividends	7.9	38.6	41.9	51.3	67.2
Management Fees	—	0.7	3.3	1.3	1.3
Copyrights & Patent Royalties	21.5	32.9	35.6	45.5	58.6
Total outward remittance to Japan	71.2	103.0	133.3	148.9	184.1
Total outward remittance to all countries	407.6	613.0	694.8	729.5	740.0
Deficit in Golds and Saving account	4501.5	5343.3	6221.9	4661.3	2835.3

Source: Bangkok, Bank of Thailand, 1974.

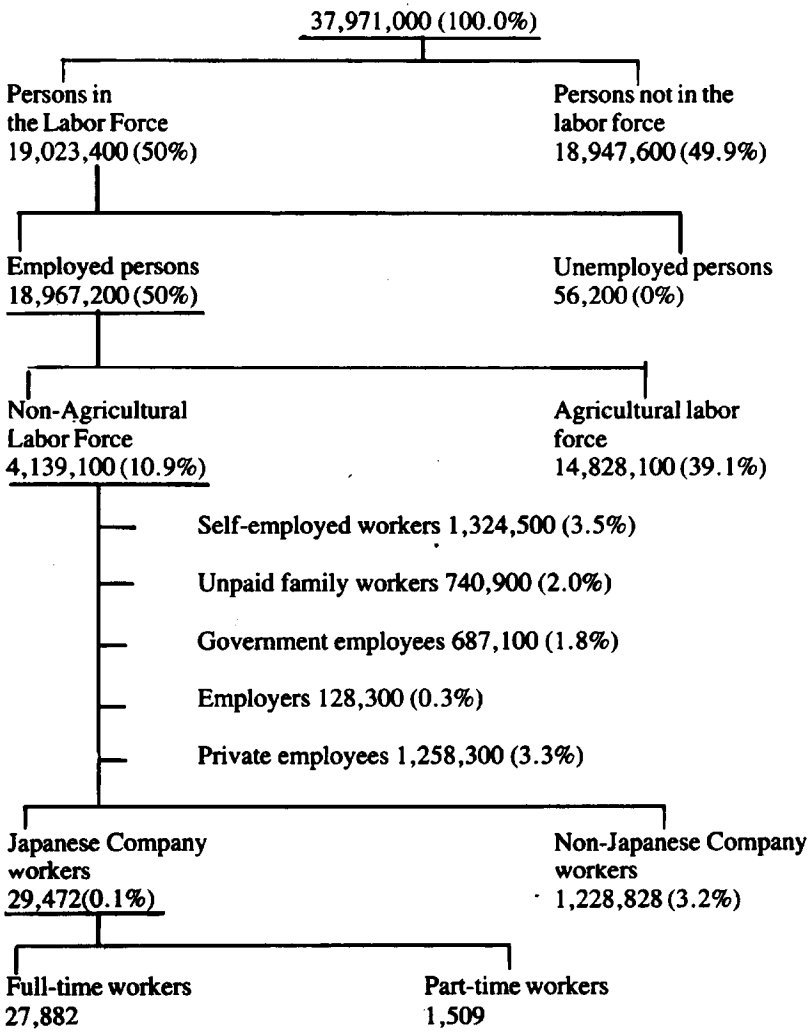
5. *Employment*

Despite the relatively high rate of profit-taking which characterizes the role of Japanese multinationals in Thailand, it is generally argued both by the Japanese and the Thai government that industry brings jobs.

Thus, it is necessary to look also at the employment picture. As the figures in Table 18 show, the number of jobs provided by Japanese industry was only 30,000 or 0.7% of the non-agricultural workforce and only 6.1% of the total workforce. (see Table 17)

Table 17

Population and Labor Force, 1972



Source: Hideki Yoshihara, *Personnel Practices of Japanese Companies in Thailand* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1973) pp. 18-19.

Thus, the Japanese contribution to the Thai economy in terms of jobs is almost beneath consideration. To make matters even worse, the wage structure, particularly in the years before 1973, was kept at a very low level. See Table 18 for wages of Thai employees in Japanese companies.

Table 18

Average Monthly Wages of Thai Employees in Japanese Companies, 1968-1972 (Baht)

	1968	1969	1970	1971	1972
Textiles	540	613	644	673	690
Transportation Equipment	960	1040	1131	1279	1309
Iron, Steel, non-ferrous metals	377	1363	1187	1231	1294
Food stuffs	858	721	827	931	1195
Other industries	1007	812	795	841	903

Source: Hideki Yoshihara, *Personnel Practices and Japanese Companies in Thailand*, (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region, 1975), p. 21.

As part of the Thai government's policy to encourage foreign investment, wages were kept at a rock-bottom level by the Thanom-Prapas dictatorship. The picture has been changed somewhat since October 14, 1973. In the past three years, Thai labor has found supporters among the students, and the government policy prohibiting labor organization has been reversed. The rash of strikes which followed the overthrow of the dictatorship has helped to raise wages considerably. However, the success of Thai labor has come at a time of economic crisis and general retrenchment. Whatever gains are made in terms of wages are usually offset by cutbacks and layoffs. Naturally, the first workers to be laid off are the most progressive ones.

6. Environment

Japanese monopoly capitalism is coming under increasing pressure from environmental groups in Japan. Japan's reputation as the world's most heavily polluted country in the world is already well-established.

In order to ease the pressure arising on the domestic scene, the Japanese industrialists have found that it is worth their while to remove the heaviest pollution-producing industries out of Japan altogether. This partly explains the Japanese interest in the pre-1973 period, of building a petrochemical plant in Thailand. The proliferation of numerous Japanese chemical companies in Thailand in the past five years has forced Thailand to take a share of Japanese industrial pollution.

Given the low level of environmental consciousness in Thailand and the disinterest of the ruling elite for such matters, this has been a relatively successful safety valve for the Japanese. The Japanese companies are able to operate without any environmental restrictions whatever. In Thailand, it is almost impossible for local groups to bring affective pressure to bear on the government to control the pollution produced by such companies as Asahi Glass.

In addition they already exert significant political clout through such organizations as the Chart Thai party. A few years ago it was almost impossible for local environmentalists to have any influence on stopping the pollution of local water supplies by the Thai Asahi Caustic Soda Co., Ltd., which is partly owned by Maj. Gen. Pramarn Adireksan and his family.[13] The only manner in which the company was forced to respond was through pressures from Japan itself. It was the Japanese environmental groups who, on learning of this case, staged demonstrations in Japan to protest Japanese destruction of the Thai environment. Thais themselves were powerless to bring about any action on their own.[14]

7. Impact of Japanese Imperialism

The Japanese multinationals' presence in Thailand is characterized by almost total monopoly. The Japanese investment is focused in textiles, metals, transport equipment, chemicals, electrical machinery and appliances, foodstuffs, mining and fisheries. Domination is exercised through outright control of companies, control of technology and expertise, as well as of production, market and exports. Investment has been determined by the interests of Japanese capital only. It has only been available in areas where Thailand can supply some vital natural resource to Japan, or else in fields where it is possible to make partial transfers of technology, thus enslaving the local industrial plant, and where it has

[13] *Social Science Review* (Bangkok: August-December, 1975), p. 184.

[14] Khien Theeravit, *The Japanese-Thai Economic Interaction* (Bangkok: Chulalongkorn University Social Research Institute, 1974), in Thai, pp. 320-326.

given Japanese products an edge on the domestic market. In general, the needs and potentialities of Thailand have been ignored.

The care of Thai interests should be the government's concern. However, Japanese capital was able to avoid this obstacle initially by dealing directly with Chinese capitalists rather than the government. As the Japanese presence has grown, controls over the government have been put into effect. Halliday and McCormack have demonstrated the manner in which the U.S. has fostered the resurgence of repression and reactionary forces in Japan. How, with the withdrawal of the U.S. presence in Southeast Asia, Japanese monopoly capitalists have taken up the job of propping up reactionary forces in Thailand.

In their struggle to establish prior control over the productive forces in Thailand and to secure domestic markets, and supply lines, the Japanese have created numerous imbalances and contradictions within the political economy of Thailand. One immediately obvious result of this has been the creation of a group of Thai collaborators who, through their privileged access to Japanese capital resources, have gained excessive wealth and power within Thai society.

Japanese financial support is channeled into the right-wing of Thai politics where the entrenched bureaucratic-military cliques maintain control. And it is generally employed to suppress the rise or consolidation of progressive political forces.

The mobilization of Japanese capital to bolster reactionary politicians has become all too apparent with the parliamentary democracy of 1973-1976 in Thailand. This support is shown in the extremely close links between Teijin and the Chart Thai Party (Thai National Party), which is led by Major General Pramarn Adireksan. The largest Japanese investment in Thailand is in textiles and the largest Thai-Japanese joint venture in this industry is the Teijin-Pramarn group.

This concentration of financial power would perhaps be less significant were it not so strategically placed. Pramarn is, in fact, the leader of one of Thailand's major reactionary cliques, known to students of Thai polities as the Soi Ratchakru group. The "grandfather" of the group was General Pin Choonhavan who was one of the major figures in Phibulsongkram government from the 1930's until the early 1950's. At that time he was succeeded by his son-in-law, Police General Pao Sriyanon. Pao as well as Phibulsongkram himself were forced to leave the country when Field Marshall Sarit Thânnarat seized power in 1955. The American military had thrown their support to Sarit. From this time, until October 14, 1973, the remnants of the Pin-Pao clique were out of power.

In the 1930's and 40's, members of the Pin group had maintained

close connections with the Japanese. In the post-war era, Pao himself found support in the American CIA, and the group had developed an unsavory reputation for political skullduggery. As private citizens, the major figures of the clique who remained in the country went into business, but with no great measure of success until the resurgence of Japanese involvement in Thailand in the 1960's. It was at this time that Teijin began doing business with Pramarn, who was one of Pin's sons-in-law. Thus, by the time the students overthrew Thanom and Prapas (Sarit's successors), Pramarn was one of the wealthiest men in the country.

In his term as Defense Minister under Kukrit last year, Pramarn is alleged to have attempted two coups, both of which fizzled. He is also famous for having gone on television early 1976 during the election campaign and coining the slogan "Right-Kill-Left." This began a wave of assassinations that took the lives of almost 100 progressive activists, including the former secretary-general of the Socialist Party of Thailand, Dr. Boonsanong Punyodyana.

Pramarn and Chart Thai are known to have almost unlimited access to funds, largely from Japanese sources. During the 1976 election Chart Thai staged the most expensive campaign and enjoyed privileged access to the nation's broadcasting media. It is well known that every textile manufacturer in the country made substantial contributions to the party.

The Japanese multinationals have thus acquired a powerful hold on Thai political life. Given the past history of Pramarn and his clique and the well-known reactionary bent of Japanese capitalists, their association can hardly be viewed as a fortuitous accident. It is part of the well-orchestrated substitution act which characterizes imperialist policy in Southeast Asia today. As the American presence declines, it is replaced by the Japanese.

Capitalist Japan is an artificial creature. It is like a head thinking that since it has no body, it must take over someone else's. We can picture industrial Japan as a giant factory on an island in the middle of the sea. It has one vast gate that scoops up a vast share of the globe's most valuable resources. It has another opening that excretes a vast number of plastic objects, cameras, wrist watches, motorcycles etc.

Who controls it? The case made by Halliday and McCormack is that the U.S. does. Japan is the American proxy in South and East Asia.[15] It is the embodiment of the domino theory. Japan is America's last card in Asia. If America "loses" Southeast Asia, it may just turn the Japa-

[15] Jon Halliday and Gavan McCormack, *op. cit.*, pp. 5-16, 31-56.

nese loose on the region. In fact, we get the impression that they already have. Capitalist Japan is one of the globe's major petroleum junkies. It must secure its supply.

Ultimately, the world will have to figure out what to do about Japan. The problem is particularly acute for Southeast Asia. These nations, in the current world situation, represent Japan's *lebensraum*. If restricted to this region for the next 100 years, Japan will turn it into a desert. If kept out Japan itself will perish. Either the superpowers must destroy it, or else share in the burden of supporting it. For its part, Japan must take a hard look at itself. It owes a vast debt to humanity.

The only problem with our criticism of Japan is that it appears that the same situation would also obtain in a socialist Japan. After all, even socialists have to eat. If a creature by its very nature is a parasite, what can a change in ideology bring?

There are, of course, a certain number of Japanese who do seem to understand this. The ruling elite, however, and the people who keep them in power, do not. They are guided only by the capitalist ethic.[16] The nation is the corporation.

[16] Warin Wonghanchao, "Negotiations with the Japanese are useless," *Ronin-Phuen* (1974 Joint Issue), pp. 22-23.

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Appendix

Japanese Companies in Thailand

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
1. Trading Companies			
1.1 Major Trading Companies			
1. Ataka & Co. (Thailand) Ltd.	1960	1,000	100
2. C. Ito & Co., Ltd.	1953	Branch	100
3. Kanematsu-Gosho (Thailand) Ltd.	1967	1,740	100
4. Marubeni Corporation	1955	Branch	100
5. Mitsubishi Corp. (Thailand)	1959	34,000	100
6. Mitsui & Co. (Thailand) Ltd.	1959	30,000	100
7. Nichimen & Co., Ltd.	n.a.	Branch	100
8. Nissho-Ivai (Thailand) Ltd.	1960	4,000	100
9. Sumitomo-Shoji Co. (Thailand) Ltd.	1960	6,000	100
10. Toyo-Menka (Thailand) Ltd.	1953	n.a.	100
1.2 Other General Trading Companies			
1. Banwa Trading, Ltd.	1968	250	40
2. Benzai (Thailand) Ltd.	1970	1,800	55
3. Chori Co., Ltd.	1963	1,000	n.a.
4. Daiichi Bussho Kaisha	1961	70	83.3
5. Fuji Mercantile Co., Ltd.	1958	500	100
6. Hidaka & Co., Ltd.	1928	1,650	100
7. Kikuya Siam Corporation	1949	1,000	100
8. Kinsho-Mataichi Corporation	1955	Branch	100
9. Kowa Co. (Thailand) Ltd.	1968	n.a.	n.a.
10. Kyokuto Boeki Kaisha Ltd.	1965	n.a.	n.a.
11. Y. Makimura & Co., Ltd.	1960	n.a.	n.a.
12. Murakami Trading Co., Ltd.	n.a.	n.a.	n.a.
13. Nichiryo, Ltd.	1962	n.a.	n.a.
14. Nomura Trading Co. (Thailand) Ltd.	1960	2,000	100
15. Osaka Toyashima & Co., Ltd.	1955	n.a.	n.a.
16. Oyama Shokai, Ltd.	1969	220	49
17. Pacific & Orient Co., Ltd.	1947	250	100
18. Sakai Ltd.	1966	500	100
19. Shin Toa Koeki Co., Ltd.	n.a.	n.a.	n.a.

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
20. Shinko Sangyo Trading Co. (Thailand) Ltd.	1968	400	100
21. Takashima (Thailand) Ltd.	1956	200	100
22. Thai Daimaru Co., Ltd.	1964	10,000	100
23. Thai Japan Pharmaceutical Co., Ltd.	1955	500	20
24. Thai Koyo Co., Ltd.	1958	2,000	70
25. Thai Surely C., Ltd.	1958	1,000	100
26. Toho Sangyo (Thailand) Ltd.	1967	2,000	98
27. Toshoku, Ltd.	1955	Branch	100
28. UNICOOP Japan	n.a.	Branch	100
1.3 Special Trading Companies			
1. Asian Honda Motors Co., Ltd.	1974	10,000	100
2. Bangkok Teijin Shoji, Ltd.	1966	1,040	100
3. Fuji Xerox Co., Ltd.	1967	Branch	100
4. Hitachi Sales (Thailand) Ltd.	1968	1,000	100
5. Kawatetsu Trading Co., Ltd.	1970	n.a.	n.a.
6. Katsuura Co., Ltd.	1970	n.a.	n.a.
7. Lotte Shoji (Thailand) Ltd.	1970	3,000	100
8. Matsushita Electric Trading Co., Ltd.	n.a.	n.a.	n.a.
9. Noritake (Thailand) Ltd.	1968	1,000	100
10. Okaya & Co.	1967	n.a.	n.a.
11. Osaja Kozai Co. (Thailand) Ltd.	1964	2,300	100
12. Pota Cosmetics (Thailand) Ltd.	1960	2,300	100
13. Sanyo Co., (Thailand) Ltd.	1967	2,000	50
14. Siew National Sales & Service	1970	2,000	45
15. Shiseido Co. (Thailand) Ltd.	n.a.	n.a.	n.a.
16. Takeda (Thailand) Ltd.	1969	20,000	48
17. Thailand Hino Motor Sales, Ltd.	1962	10,000	50
18. Thai Momoi, Ltd.	1959	2,640	93
19. Ioshiba (Thailand) Ltd.	1969	3,500	100
20. Toyota (Thailand) Ltd.	1952	4,000	50
2. Commercial Banks and Financial Companies			
1. The Mitsui Bank	1952	Branch	100
2. The Bank of Tokyo	1962	Branch	100
3. Bangkok Nomura International Securities Co., Ltd.	1970	20,000,000	50

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
4. Thailand Investment and Security Company	n.a.	n.a.	10
5. Thanakit Sahakan	n.a.	n.a.	65
6. Bangkok-Tokyo Thanakit	n.a.	n.a.	99.9
7. Thai Mitsubishi Investment Corporation	n.a.	20,000,000	40
3. Manufacturing Companies			
3.1 Iron & Steel, & non-ferrous metals			
1. Thailand Iron Works Co. Ltd.	1960	15,000	40
2. The Sangkasi Thai Co., Ltd.	1960	7,500	40
3. Thai Yazaki Electric Wire Co., Ltd.	1963	35,000	94.29
4. Far East Iron Works Co., Ltd.	1964	20,000	22.5
5. Thai Steel Pipe Industry Co., Ltd.	1965	24,000	90
6. Sinthani Industry Co., Ltd.	1967	5,000	40
7. G.S. Steel Co., Ltd.	1968	60,000	40
8. Siam Electric Industry Co., Ltd.	1970	10,000	40
9. Crown Seal Co., Ltd.	1970	20,000	40
10. Sahaviriya Plate Steel Co., Ltd.	1970	3,000	37
11. Chonviriya Steel Co., Ltd.	1972	8,000	40
12. Sahaviriya Light Gauge Steel Industry Co., Ltd.	1970	7,000	37
13. Thai Kobe Welding Co., Ltd.	1968	3,500	53
14. Thai Tinplate Manufacturing Co., Ltd.	1973	70,000	45
15. Thai Special Steel Co., Ltd.	1973	8,000	49
16. Phelps Dodge Thailand Ltd.	1968	44,000	10.5
17. Yawata Electrode (Thailand) Co., Ltd.	1974	6,000	45
3.2 Textiles			
1. Thai Toray Textile Co. Ltd.	1964	60,000	48.4
2. Thai Teijin Textile Ltd.	1966	54,000	49
3. Toray Nylon Thai Co. Ltd.	1967	97,000	50
4. The Bangkok Nylon Co. Ltd.	1967	6,000	45
5. Thai Kurabo Co., Ltd.	1970	75,000	49
6. Teijin Polyester (Thailand) Ltd.	1970	218,000	50
7. Thai Filament Textile Co., Ltd.	1971	35,000	49
8. Thai Synthetic Textile Ind., Ltd.	1971	80,000	80
9. Thai Tricot Co., Ltd.	1970	62,500	40

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
10. Siam Synthetic Textile Ind., Ltd.	1971	24,500	49
11. Siam Synthetic Weaving Co., Ltd.	1971	18,000	49
12. Thai Suiting Mills Co., Ltd.	1972	22,500	49
13. Winner Textile Mills Co., Ltd.	1971	25,000	18
14. Capital Kanebo Textile Co., Ltd.	1971	15,000	49
15. Thai Nylon Co., Ltd.	1963	17,500	87.5
16. Thailand Jute Baling Co., Ltd.	1964	5,000	25
17. The Thai Cordage Mfg. Co., Ltd.	1966	6,250	90
18. Saraburi Jute Mill Co., Ltd.	1970	25,000	99.8
19. Peony Blanket Industry Co., Ltd.	1962	14,300	70
20. Thai Blanket Industry Co., Ltd.	1964	63,600	50
21. Thai Yazaki Mahaguna Textile Co., Ltd.	1963	25,000	90
22. Erawan Textile Co., Ltd.	1965	48,400	49
23. Thai Towel Co., Ltd.	1966	7,000	44.28
24. Thai Vacoal Co., Ltd.	1970	8,000	49
25. Tokai Eyeing Co. (Thailand) Ltd.	1964	12,000	85
26. Khonkaen Jute Mill Ltd.	1971	20,000	75
27. Union Kanebo Spinning Mills Co., Ltd.	1972	35,000	40
28. Thai Iryo CR., Ltd.	1972	14,000	49
29. Luckytex (Thailand) Co., Ltd.	1972	200,000	20
30. Bangkok Weaving Mill Ltd.	1973	8,375	30
31. Thai-American Textiles Co., Ltd.	1972	150,000	10
32. Union Onuki Sewing Thread Co., Ltd.	1973	10,000	40
3.3 Transportation Equipment			
1. Toyota Motor Thailand Co., Ltd.	1962	64,500	82
2. Prince Motor (Thailand) Ltd.	1966	6,940	20
3. United Development Motor Industry Co., Ltd.	1966	5,000	60
4. Thai Hino Industry Co., Ltd.	1966	10,000	70
5. Thai Honda Manufacturing Co., Ltd.	1967	20,000	60
6. Thai Suzuki Motor Co., Ltd.	1968	9,000	65
7. NHK Spring (Thailand) Co., Ltd.	1964	10,000	85
8. Aoyama Thai Co., Ltd.	1966	4,000	95
9. Thai Bridgestone Tire Co., Ltd.	1969	50,000	60
10. Inoue Rubber (Thailand) Co., Ltd.	1970	10,000	49

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
11. Siam Auto Parts Co., Ltd.	1971	10,000	10
12. Yuasa Battery (Thailand) Co., Ltd.	1964	6,000	40
13. Siam GS Battery Co., Ltd.	1971	7,000	49
14. Isuzu Motor Co. (Thailand) Ltd.	1966	34,664	96.54
15. Nippon Denso (Thailand) Co., Ltd.	1972	15,000	65
16. Izumi Piston Mfg. Co., (Thailand) Ltd.	1973	5,000	50
17. NHK Gasket (Thailand) Co., Ltd.	1973	1,000	66
18. Kallawis Autoparts Industry Co., Ltd.	1974	5,000	40
3.4 Chemicals			
1. Thai Asahi Glass Co., Ltd.	1965	24,000	49
2. Kao Industrial Co., (Thailand) Ltd.	1966	9,000	67.77
3. Thai Asahi Caustic Soda Co., Ltd.	1966	21,000	49
4. The Lion Dentifrice (Thailand) Co., Ltd.	1967	8,000	49
5. The Lion Fat & Oil (Thailand) Co., Ltd.	1969	8,000	49
6. Hoechst Chemical Ind., Co., Ltd.	1970	6,000	35
7. Takeda (Thailand) Ltd.	1970	20,000	48
8. Thai Mikasa Chemical Ind., Co., Ltd.	1970	5,000	49
9. Thai Polyplastic Industry Co., Ltd.	1971	9,000	20
10. G.S. Ceramic Co., Ltd.	1971	12,000	26
11. T.J.C. Chemical Co., Ltd.	1971	5,000	49
12. Bangkok Foam Co., Ltd.	1971	5,000	49
13. Thai Plastic & Chemical Co., Ltd.	1971	50,000	33.33
14. Dainippon Ink and Chemicals (Thailand) Co.	1962	6,000	100
15. Toyo Ink (Thailand) Co., Ltd.	1972	1,800	100
16. Nippon Paint (Thailand) Co., Ltd.	1968	4,000	40
17. Thai Kansai Paint Co., Ltd.	1970	10,000	40
18. Thai D.N.T. Paint Mfg Co., Ltd.	1971	3,600	45
19. Rock Paint (Thailand) Co., Ltd.	1971	3,000	80
20. Kurita Thailand Co., Ltd.	1972	2,000	44
21. Cocksec Chemical Industry Co., Ltd.	1973	5,000	49
22. Thai Chemical Corp., Ltd.	1974	12,000	40
23. Songkhla Coconut Charcoal Ind. Co., Ltd.	1973	200	30

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
24. Bara Chemical Co., Ltd.	1974	5,000	45
25. Thai Suiko Co., Ltd.	1973	2,800	88
26. Taiken Chemicals Co., Ltd.	1971	4,000	49
3.5 Electric machinery			
1. National Thai Co., Ltd.	1962	18,500	49
2. Kang Yong Electric Mfg. Co., Ltd.	1965	6,750	29.6
3. Sanyo Universal Electric Co., Ltd.	1970	12,000	49
4. Thai Twshiba Electric Ind. Co., Ltd.	1970	20,000	50
5. UEI-Hitachi Co., Ltd.	1971	10,000	35
3.6 Foodstuffs			
1. Ajinomoto Co. (Thailand) Ltd.	1961	31,250	70
2. The Kumphawapi Sugar Co., Ltd.	1963	22,500	100
3. Pranburi Sugar Industry Co., Ltd.	1964	21,000	95.2
4. Thai Blico Co., Ltd.	1971	1,800	48
5. Yakult (Thailand) Co., Ltd.	1971	15,000	75
6. Thailand Japan Food Industry Co., Ltd.	1972	15,000	53
7. Thai Pineapple Canning Industry Corp., Ltd.	1972	50,000	49
8. Thai Volcano Food Industry Co., Ltd.	1972	15,000	40
9. Ryutaisuisan Co., Ltd.	1971	1,200	66.6
10. Summit Food Industries Co., Ltd.	1974	5,000	48
3.7 Other industries			
1. Union Yoshida Industry Co., Ltd.	1962	10,000	49
2. Nikka Wood Co., Ltd.	1970	1,000	90
3. Thai Turbo Refrigerating Co., Ltd.	1969	1,000	93
4. Union Rubber Products Corp., Ltd.	1971	12,000	23.3
5. Siam Wood Co., Ltd.	1974	2,800	48.2
3.8 Mining, agriculture and fisheries			
1. Thai Resources Developments Co., Ltd.	1967	2,000	49
2. Thai Nippon Minerals Co., Ltd.	1967	500	49
3. Nittetsu Kogyo Thailand Co., Ltd.	1968	1,200	49
4. Bangkok Drying & Silo Co., Ltd.	1963	20,000	40
5. The Thai Marine Food Co., Ltd.	1966	1,000	49
6. Thai Wood Production Co., Ltd.	1970	2,000	48

	Date of Establishment	Registered Capital (1,000 Baht)	Japanese Share of Capital (%)
7. Thai Pineapple Plantation Corp., Ltd.	1972	40,000	49
8. Thai Tekkosha Co., Ltd.	1971	8,000	49
4. Communication and Transport Service			
1. Kawasaki Thailand Ltd.	n.a.	Branch	100
2. Japan Air Lines	1955	Branch	100
3. Nippon Express	n.a.	n.a.	n.a.
4. Nippon Telegraph and Telephone Corporation	n.a.	Branch	100
5. Hotel and Restaurants			
1. Amrin Hotel	n.a.	483,000,000	20
2. Hanaya	n.a.	n.a.	n.a.
3. Mitsuyo	n.a.	n.a.	n.a.
4. Mitsu Kitchen	n.a.	n.a.	n.a.
5. Daikoku	n.a.	n.a.	n.a.
6. Kiraku	n.a.	n.a.	n.a.
7. Kihusui	n.a.	n.a.	n.a.
8. Akamon	n.a.	n.a.	n.a.
9. Tahayu	n.a.	n.a.	n.a.
10. Art Coffee Shop	1972	Branch	100

Source: Bangkok, Japanese Chamber of Commerce: Khien Theeravit, *The Japanese-Thai Economic Interaction*. (Bangkok: Chulalongkorn University Social Research Institute, 1974), in Thai, PP. 289-306; and *Japan 76* (A Supplement of the Bangkok Post) (Bangkok: Bangkok Post, September 8, 1976).

Education, Communalism and Income Distribution in Southeast Asia

F.R. von der Mehden

This analysis is oriented primarily toward limitations to access of groups of citizens within developing states to opportunities to participate equally in the economic life of the polity. It is based upon the expectation that government programs may act to limit members of these groups from sharing equally in the distribution of gains and wealth of the society. The groups under consideration are communal in nature, i.e., distinctive in terms of race ethnicity, religion, language, region or other "primordial" characteristics.[1] Within our consideration is the rural-urban dichotomy as both a basis of separate analysis and given the frequent coincidence of rural-urban and communal patterns.

I. Educational Policies

A basic assumption of this paper is that formal education is one important road to higher paying occupations and that its absence or insufficient schooling necessary for functional literacy usually provide severe inhibitions to income producing capabilities. Studies in the United States and Western Europe have underlined the correlation between years of schooling and income and more recently similar analyses have been employed in the developing world. F. Harbison has commented with reference to LDCs that "Without any question, formal education is an avenue through which some members of low income groups gain access

[1] For discussions of the problems and definitions of ethnicity, see Cynthia Enloe, *Ethnic Conflict and Political Development* (Boston: Little, Brown, 1973); Anderson, von der Mehden, Young, *Issues of Political Development* (Englewood Cliffs: Prentice-Hall, 1974); W. Bell and W.E. Freeman, *Ethnicity and Nation-Building* (Beverly Hills: Sage, 1974); and Glazer and Moynihan, *Ethnicity* (Cambridge: Harvard University Press, 1975).

to the higher income occupations."[2] For example, Malaysia studies show important correlations between level of education and occupation and employment (see tables 1 and 2). Education may be the means of achieving a position in the prestigious civil service where status and perquisites often go hand in hand. However, the problem is not only one of education of the elite as the paucity of minimal schooling has limited upward mobility of large numbers of people in developing areas. This is particularly true of the approximately 80 percent of Afro-Asians who were illiterate at the time of independence and the majority of the populace of many LDCs today that have no formal education. This pattern has been perpetuated through family and geographic advantages. Suffice to say, access to more lucrative occupations for citizens of LDCs is at least in part based upon attainment of literacy and a formal education. The specific correlation will vary with the particular political, economic, and social system.

Table 1

Percentages of Heads of Households of Youths Born in 1956 and 1960 Who Are Employed By Educational Qualification in 1970*

Educational Qualification	Sample Number	Percent Employed (%)
No formal education	6,932	63.5
Some primary	8,757	81.0
Completed primary	4,341	84.0
Lower secondary	965	82.2
Form IV or V	833	86.8
Form VI or more	216	93.3
TOTAL	22,044	76.3

*Murod Bin Mohd. Noor, *Lapuran* (Kuala Lumpur: Kementerian Pelajaran, 1973), p. 9.

[2] F. Harbison, The Education-Income Connection, 1975 (mimeo.). This is backed by anthropology studies. For example, see A. Maulud Yusof, "Rural-Urban Malaysia: A Case Study in Cultural Anthropology," unpublished Ph.D. dissertation, Rice University, 1976.

Table 2

Distribution of Occupational Levels by Educational Qualifications among Heads of Households of Youths Born in 1956 and 1960 Who Are Members of the Labor Force in 1970*

Educational Qualification	Sample Number	Occupational Level			
		Skilled (%)	Semi-skilled (%)	Slight Skill (%)	Unskilled (%)
No formal education	4,689	7.0	9.9	57.2	25.8
Some primary	7,314	12.4	21.1	45.4	21.2
Completed primary	3,743	17.9	23.1	40.6	18.4
Lower Secondary Form I or III	793	36.4	28.5	26.8	8.3
Form IV or V	731	63.2	30.5	5.0	1.3
Form VI or more Pre-university	204	91.0	8.2	0.7	0.1
TOTAL	17,474	15.8	19.0	44.9	20.4

*Noor, *Lapuran*, p. 10.

We are not considering the economic impact of educational policies on the economic growth of the entire polity. Discussion in this area ranges from arguments as to whether elite education or literacy lead to higher national incomes, to analysis as to whether economic development calls for limited expenditures on formal education as against other policy alternatives. While these issues will be considered at a later date, present analysis is limited to problems of access to extant educational opportunities for communal groups.

We seek to assess government educational policies that tend to limit economic opportunities in developing countries under four rubrics: 1) quotas in secondary and tertiary education and restrictions on professional training, 2) language regulations, 3) areal differentiation in programs, and 4) differential expenditures.

In analyzing the impact of educational policies, careful attention must be given to longitudinal data. In particular, traditional religious-cultural patterns and colonial educational practices have been highly relevant to an understanding of current disparities. Traditional factors remain powerful limiting forces, more in terms of the employment of educational opportunities rather than equal access, although they are relevant in the

latter as well. Three examples should suffice to draw out the implications of these cultural elements although this is a rich area for future research. Religious training was long a vital core to the development and maintenance of Islam and Buddhism.[3] Buddhist monastery schools provided primarily religious training taught by rote, based on Pali, and focused on religious tests while Moslem children followed a similar rote-oriented system employing Arabic and the Koran and Hadith. Both were for males only. This education was in contrast to Western state and missionary schools which taught courses more relevant to the modern industrial and commercial world. Thus, religious training provided a comparative disadvantage to its product in the colonial and post-colonial eras. Given the concentration of Western educational facilities in urban and other less traditional areas, access to opportunities afforded by them was limited to groups living in these centers of learning.

Traditional sex roles, often tied to religious concepts, have also inhibited females from obtaining the education necessary for economic advancement in the modern sector. Even today the very basic criteria of literacy finds considerable variation between the sexes in the LDCs of Afro-Asia. Female illiteracy in these countries averages well over 80 percent. While there were major changes in attitudes toward female education in these areas during the latter years of colonialism, progress was very slow against the traditional reaction to modern training for women. In addition, females have often been relegated to courses emphasizing homemaking, teacher training and other specialities limiting access to the administrative-commercial sector. This pattern is accentuated by the higher dropout rate of females as the class proceeds up the educational ladder. For example, even in Thailand where women have enjoyed greater opportunities, the percentage of females in attendance drops from 48 percent in primary schools to 41 percent in secondary to 26.4 percent at the university level.[4]

As a final example, we may turn to traditional attitudes among farmers to extensive educational opportunities for their children. Numerous village studies in LDCs have commented upon the peasants' reluctance to

[3] For discussions of this type of traditional education see F. von der Mehden, *Religion and Nationalism in Southeast Asia* (Madison: University of Wisconsin Press, 1963); A.R. Gibb, *Modern Trends in Islam* (Chicago: University of Chicago Press, 1946).

[4] Joint Thai-U.S. Task Force, *Preliminary Assessment of Education and Human Resources in Thailand*, Vol. I (Bangkok, 1963), p. 197.

allow their children to attend postprimary schools. In part, this has been due to the need for labor in the fields combined with questions about the relevance of continued education for an agricultural community. These questions involve distrust of secular-oriented education, nonvocational education and a paucity of opportunities to find local employment for those with an education.

While all three of the aforementioned traditional inhibitions have been weakening under the impact of political activism, communications, and other elements of modernization, they remain as obstacles to at least the employment of opportunities. To expand possibilities for the total population, governments must therefore go beyond equality of expenditures and facilities and into programs of long range attitudinal changes. Studies such as Kim Hill's analyses of educational expenditures in Turkey and Malaysia show that equal budgets do not produce equal educational outcomes.[5]

Colonial administrations reinforced many of these old patterns while also introducing new nonegalitarian conditions. As they became entrenched and intertwined with commercial policies, they developed new programs and practices which were particularly deleterious to equal access to educational opportunities. Here we are not discussing overall low levels of literacy in colonial Southeast Asia where, with exceptions such as West Malaysia, Singapore, and the Philippines, literacy at the end of the colonial occupation was less than 25 percent. Rather, we are considering actions which led to differential educational opportunities within the respective colonies. Three aspects of the problem appear to warrant special attention.

1. *Urban-centered education:* Educational opportunities were primarily developed in the colonial capital cities and other market centers and among groups believed "particularly responsive or particularly useful and/or important to the colonial administrators."[6] In Southeast Asia, the port cities and commercial towns received the greatest benefits, and rural areas were rarely, if ever, those advantaged by secondary or tertiary educational efforts. On the one hand, this pattern tended to reinforce the

[5] Kim Q. Hill, "Distributional and Impact Analysis of Public Policy: A Two-Nation Study for Education and Health Policy" (unpublished Ph.D. dissertation, Rice University, 1974).

[6] Charles Elliott, *Patterns of Poverty in the Third World* (New York: Praeger, 1975), p. 229.

dominance of the urban elite (along with traditional leaders of importance who sent their sons abroad). It also had its impact upon access to education in communal terms. In colonies with geographically-based communal groups the pattern of urban-based post-primary education severely restricted the more isolated populations and aided those near and in the cities. Thus, educational opportunities were more available to the urbanized Chinese and Indian elites of Southeast Asia. As well, colonial administrators seeking employees who were considered either "safe" politically or proficient technically, turned to particular groups with Western training. The French looked to those assimilated into French culture. In Burma and the former Netherlands East Indies colonial administrations sought to employ Christians, who often came from particular converted rural ethnic groups but were educated in urban centers. In Malaysia the British used the urban-based Chinese in commercial and technical activities because they were considered more proficient and hard working.

2. *Education expenditures:* In line with these aforementioned interests, colonial governments generally provided larger budgets for urban and commercially-oriented regions. Again, given geographically based communities within colonies, this led to differentiated communal access. In Malaya expenditures on education in 1955 went to states with the highest Chinese and urban populations (over 60 percent of the educational funds although they had but 45 percent of the total population).[7]

3. *Type of education:* Integrally related to these factors was the type of education provided with colonial governments emphasizing European values, language and loyalties.[8] This was reinforced through selective entrance into secondary schooling and the greatly limited university and professional school admittance systems. Thus, within various colonial systems a new communal group was formed composed of individuals educated by and often culturally sympathetic to the dominant metropolitan culture. This was the base to the economic elite of the postindependence era.

[7] Federation of Malaya, *Annual Report, 1955* (Kuala Lumpur: Government Press, 1956), p. 245.

[8] For a discussion of education in European colonies, see Piper and Cole, *Post-Primary Education and Development, op. cit.;* and J.S. Furnival, *Colonial Policy and Practice* (Cambridge University Press, 1948).

The impact of European educational policies on income distribution among groups within their colonies was two-fold:

1. An elite was entrenched which was European educated in language and training so as to compete more effectively in the modern world than those coming from the traditional patterns. Positions were available to the former in administration, commerce and, later, politics.
2. Urban populations were more likely to receive superior educational opportunities in secondary and tertiary education than their rural counterparts. Those benefiting were more often than not either foreign communal groups or of a different ethnic-linguistic composition than the rest of the population.

II

We now turn to the relation of educational policy to income patterns in the contemporary era of politically independent Southeast Asia. In our analysis we will consider the four aforementioned areas of expenditures, quotas, language, and areal differentiation. An effort will be made to provide examples of policies noted, but in most cases there are insufficient data to present universal material from throughout even Southeast Asia.

Quotas and restrictions

We can find numerous examples of the use of quotas or other restrictions affecting particular communal groups. Such policies can be considered under two general rubrics, restrictions on schools stressing particular cultures and languages, and quotas on students in various levels of education. These programs, as with other educational policies noted here, have been formulated with "positive" and "negative" goals in mind. In the former cases, the design has been to unify the nation by providing a common cultural and linguistic heritage. In achieving this goal it has been considered necessary to eliminate patterns of loyalty considered parochial or foreign. This stress on unity has been a principal factor in internal conflict as local elites in rural areas and foreign commercial elements in urban centers have felt increasingly threatened. Other "positive" goals have been of an "affirmative action" nature, i.e., policies established to allow disadvantaged groups to "catch up" with other communities. "Negative" goals have been to "hold back" or otherwise penalize groups perceived to be foreign, overly aggressive, or of opposing political factions.

Regulations formulated to restrict particular types of communal schools have been aimed particularly at institutions considered foreign by the

indigenous elite, i.e., Chinese schools in Southeast Asia and some expatriate-oriented European educational institutions. Examples abound. In Indonesia all Chinese schools in rural areas were closed after the abortive coup in 1965. Later all use of Chinese as a mode of teaching was forbidden.[9] In Malaysia Chinese education has come under increasing attack from Malay nationalists who have vigorously pursued a Malay national language policy. In Thailand Chinese education is being phased out, primary schools having been reduced from 500 to 167 and a maximum of ten hours of Chinese over four years established.[10] In the Philippines a proposal was made at the 1971 Constitutional Convention to outlaw all "alien" schools, an effort directed against some 152 Chinese schools in the country.[11]

Schools designed for expatriates have found it increasingly difficult to operate in the area. Regulations have been promulgated to include indigenous language instruction, restrict attendance to foreign students, enforce annual licensing procedures and generally either to isolate the institution from the indigenous community and/or nationalize its curriculum — if such schools are allowed to exist at all.

Fundamentally, these restrictions can have three influences upon access to educational opportunities in independent Southeast Asia. Where alien schools are restricted or eliminated, local Chinese or Indian students who are not citizens may be totally deprived of an education in the country. Unable to attend their own schools, they may be ineligible to enter government owned institutions because of their citizenship. It thus may only be the well-to-do who are able to send their children abroad for education. Secondly, by restricting "expatriate" schools to foreigners there is the possibility of limiting educational opportunities to local students. However, since tuition is usually high at these institutions, it does not seriously affect the poorer population. An advantage to breaking up these cultural schools is that it may help to crumble the linguistic cultural economic power structure of these "alien" communities. Particularly where the alien language is the dialect of commerce, the con-

[9] D.W. Chang, "Current Status of Chinese Minorities in Southeast Asia," *Asian Survey*, XIII:6 (June, 1973), pp. 587-608.

[10] *Asian Research Bulletin*, I:4 (September, 1971), p. 302.

[11] *Ibid.*, I:6 (November, 1971), p. 464.

tinuation of these schools helps to maintain a closed linguistic-economic community.[12]

A different set of regulations has been designed to establish quotas in educational opportunities. These have been of two types: 1) restrictions upon members of certain designated groups in order to keep their numbers in institutions of learning limited, and 2) "affirmative action" programs promulgated to aid "disadvantaged" elements of the society. In the United States we have experienced both types, previous quotas on those of Jewish origin in professional schools and current efforts to increase minority attendance at institutions of higher learning.

Restrictions upon communal groups other than aliens are often difficult to prove. In the cases of foreigners such as Chinese and Indians, data are available. Foreign schools have been closed or restricted, particularly regarding instruction in nonindigenous languages. As well, there are rare examples where specific quotas or restrictions have been formulated for communal groups.

"Affirmative action" programs have been rather rare, at least in terms of systematic policies. The example has been Malaysia, where special efforts have been made to aid Malays and other indigenous peoples (in contrast to Chinese and Indians). Discrimination in education is constitutionally forbidden, but this means discrimination *against* individuals based upon race, religion, descent or place of birth. Since the Chinese have generally lived in urban areas with better schools, it has been considered necessary to increase the number of both Malay students and faculty at various levels. Special efforts have thus been implemented to increase the number of Malay teachers and students at the university level, the new national university is almost entirely Malay in its student body (in part because classes are all taught in Malay) and vocational training has been aimed at aiding Malays.

Considerable further research and analysis is necessary to judge the total impact of such "affirmative action" programs on income. Cultural and spatial factors appear to remain quite important in Malaysia. Malay students still do more poorly in science fields and are underrepresented in science and engineering at the university level. Chinese with primary and secondary education still obtain more middle and high level positions

[12] The author found this espoused as a reason given by Chinese merchants in Malaysia to hire only their own, i.e., only Chinese could do business in the commercial community.

than Indians and Malays[13] and Chinese control of guilds and associations aids them in achieving higher income occupations.

Language policies

We have already noted efforts to restrict "foreign" education, i.e., Chinese and expatriate schools. Here we are analyzing language policies related to the formulation of *lingua francas* that may restrict access in the educational realm. In developing societies the generally desirable goal of establishing a single national language may be harmful to particular communal groups. If the language of one of the indigenous linguistic elements of the polity is chosen as the *lingua franca,* the members of that group will have an advantage in competing for jobs and education where the national tongue is required. In Malaysia the language issue has been of considerable importance. The National Language Bill of 1957 had made English and Malay compulsory at the primary and secondary level, and later Malay was phased into the educational system grade by grade up to the university matriculation exams. Examinations to upper level institutions could be taken only in English or Malay. Malay was the indigenous language of approximately one-half of the population while the largest majority, the Chinese, with 37 percent of the populace was more fluent in either Chinese or English. The result was that in 1973 some Chinese students passed all their exams but Malay and were eligible for Commonwealth universities but could not attend local institutions of higher education. Meanwhile in Sarawak, in East Malaysia, the placing of intensive English in Chinese schools was explained on the basis that it would allow Chinese students to get better jobs. Chinese in both areas fear that they will be penalized in both jobs and education in competition with Malays.[14]

A similar problem is found elsewhere. In Sri Lanka the 1956 Language Act proclaimed Sinhalese as the national language, and in 1964 a complete changeover was attempted to the detriment of the Tamil minority

[13] A. Wilson, "Education, Mobility, and Expectations of Youths in Malaysia," Berkeley School of Education, University of California (mimeographed), p. 14.

[14] For a discussion of the language question in Malaysia, see M. Roff, "The Politics of Language in Malaya," *Asian Survey,* VII:5 (May, 1967), pp. 316-28; and L. Comber, "Chinese Education — Perennial Malayan Problem," *Asian Survey,* 1:8 (October, 1961), pp. 30-35; and F. Kee and E. Hong, *Education in Malaysia* (Kuala Lumpur: Heinemann Educational Books, 1971).

that found Sinhalese civil servants dominating.[15] The Indian government decision to make Hindi the official language triggered riots and other strong reactions from both those with another indigenous tongue and the English educated elite that felt their employment threatened.[16]

The employment of a local language as the *lingua franca* is perceived by varying groups as disadvantageous. While indigenous minorities may see dangers in the majority language being chosen, individuals speaking the *lingua franca* may feel that their inability to employ a major European tongue will injure their opportunities. As one anthropologist reported, Malay villagers complained that, "Well, we are not educated in English; that is why we are poor."[17]

If the former colonial language is maintained as the *lingua franca*, as has happened in much of tropical Africa, egalitarianism also suffers. The same educated elite, combined with those living in more modern sectors where the European language is the mode of commerce, will be better able to compete for positions than rural populations reared in local dialects. The fact is that modern commerce, science, intellectual exchange and technology are carried out in Dutch, English, French, and other European languages — not local dialects. Without education in Western languages the deprived may find upward mobility markedly inhibited.

A third and quite rare alternative has been to develop a new language not drawn from either the colonial power or one of the indigenous groups. This was accomplished in preindependence years by Indonesian nationalists who turned market Malay into a relatively sophisticated and highly eclectic modern language. Today a special institution sanctions new words to meet modern needs, and most Indonesians are bilingual, speaking both their own dialect and Indonesian.[18] However, even here there may be some comparative advantage as more isolated or traditional peoples have been less proficient in the national language. For example,

[15] R. Kearny, "Sinhalese Nationalism and Social Conflict in Ceylon," *Pacific Affairs*, XXXVII:2 (Summer, 1974), pp. 125-36.

[16] For example, Tamils were particularly disturbed. See R.L. Hardgrove, Jr., "The Riots in Tamiland: Problems and Prospects of India's Language Crisis," *Asian Survey*, V:8 (August, 1965), pp. 399-407.

[17] A. Malaud Yusof, *op. cit.*, p. 37.

[18] T. Alisjabana, "The Indonesian Language — By-product of Nationalism," *Pacific Affairs* (December, 1949).

on the island of Java most people speak indigenous languages in day-to-day transactions, and Indonesian is a second language. Javanese is spoken in the home by 80 percent of the Indonesians in the cities of Yogyakarta and Surabaya, while the percentage of those speaking Sundanese in homes of Bandung is 94 percent. Villagers may be particularly disadvantaged, and studies on Java show that a minority of village household heads are fluent in the national language.[19]

In sum, variations in fluency in the national language(s) can inhibit students throughout their entire educational career and later make it difficult to obtain jobs requiring such ability. Occupational limitations have been noticeable most particularly in government jobs and those demanding technological and other modern skills.

Spatial access or distortion

The issue of access to education based upon geographic setting is of central importance in considering obstacles to the attainment of higher kinds of schooling in the developing world. By spatial access is meant the ability to obtain equal education based upon the location of the student and/or his family. The relationship of spatial access to income is based upon three propositions:

1) The aforementioned correlations of education to income;

2) That a considerable disparity exists in both quality and quantity of schooling among regions, particularly between rural and urban areas;

3) Where communal groups in plural societies are dispersed geographically, there exist instances where access to education up through the university is limited for particular communities.

There is extensive evidence to support the second proposition regarding disparities of educational opportunities between rural and urban populations. F. Harbison summed up evidence on several states noting:

> In Colombia, for example, which is one of the more advanced of the less-developed countries, nearly 10 percent of the rural schools offer no more than the first two grades of primary school; only six percent have facilities to offer the four-year primary sequence. In Kenya about 80-85 percent of the relevant age children in the more advanced Central Province attend primary school; but in several other districts and provinces, the rate may be as low as 35 percent. In Mexico the percent of population which has com-

[19] P. Weldon, "Indonesian and Chinese Status Differences in Urban Java," Working Paper no. 7, Department of Sociology, University of Singapore.

pleted four years of schooling is strikingly higher in the Federal District (Mexico City) — 60.6 — than in the rural states such as, for example, Chiapas (11.9), Guerrero (9.8), and Oaxaca (11.4).[20]

Charles Elliott has plotted out primary and secondary enrollment ratio in rural areas as percentages of enrollment ratios in capital cities of African states.[21] Other studies in Malaysia, Sri Lanka, Thailand, Turkey, Nigeria, and Latin America bear out this spatial distortion between rural and urban education.

The significance of this data becomes clearer when we note that the normal pattern is for the rural population to have access to only two to four years of primary education, hardly sufficient for functional literacy. In many cases there are no schools at all in villages. Thus, the majority of rural youths in most Southeast Asian countries cannot expect to receive training for occupations beyond the semi-skilled. Underscoring this disadvantage of rural youth is the elite school mechanism through which access to the best universities is predicated upon graduation from "prestige" secondary schools which are to be found primarily in the large urban centers.

These problems can be illustrated from studies in Thailand and Malaysia. In the Thai case, the vast majority of students left by the end of the fourth year of school.[22] In 1961, 75 percent of those leaving school through the 18th grade had done so by the end of four years; and by that year there were less than half the children attending that started the first year. By the 1970s the majority of students had completed four years, but postprimary education remained for a small minority. However, the problem of spatial distortion is emphasized by the quantity and, particularly, the quality of teaching outside the urban areas. In order to enter one of the country's better institutions of higher learning it is helpful to obtain a secondary education from a good secondary school in the Bangkok or Chiangmei regions. Yet most rural areas only go to the fourth year with district towns having further primary education and provincial towns comparatively low quality secondary schools. Thus, unless a rural family has money to send its child to a boarding school or relatives in a

[20] Harbison, *The Education-Income Connection*, pp. 4-5.

[21] Elliott, *op. cit.*, pp. 231, 235.

[22] This data has been drawn from various AID studies done in Thailand during the 1960s.

provincial town or city, there is no access to higher institutions. Only 5 percent of Northeast Thailand's population received four years education, and 31 percent received no formal education in 1961. The results appear at the college graduate level. Thus, the Northeast with one third of the nation's population had but 14 percent of university graduates in 1961, and Bangkok with approximately 10 percent of the population had 47 percent. When the government decided to put a university in the Northeast to cater to students there, a majority of those able to matriculate were from the urban centers and not the region. It was ultimately necessary to protect slots for local students through a quota system, guaranteeing positions for Northeasterners. In terms of simple literacy tests in the field, slightly over half (56 percent) of those tested in the northeastern villages had functional literacy.

In Malaysia distinct variations in school attendance, dropout and test scores also exist between rural and urban populations.[23] While 47 percent of urban 15+ youths were enrolled in school in the early 1970s, only 28 percent of rural youths were enrolled. Among Malays the respective percentages were 63 and 28, and chinese 42 and 31 percent. Even Malaysia, with one of the highest percentages of its budget given to education in the world, shows high levels of attrition throughout the school system.

In sum, there is considerable evidence showing limitations in access to education from simple literacy to the university, based upon the geographic location of the student. Most of what has been analyzed has been the rural-urban gap. We now turn to the third proposition of this section, that spatial distortion can also account for variations in access among communal groups. The basic assumption here is that communal groups find themselves either in rural areas without adequate educational facilities or from urban or missionary centers which have been favored by schools superior in quantity and quality.

We can note three communal groups that have been favored due to spatial access:

1. "Foreigners" — The colonial period allowed Chinese, Indians, and Europeans living in urban and commercial centers the opportunity to take advantage of the better educational opportunities of these areas. The various advantages of urban schooling mentioned previously accrued to at least some members of these communities. For example, in

[23] This data has been drawn from Noor, *op. cit.*

colonial Malaya the great majority of Malays were rural and there were no Malay secondary schools until 1963, while at the same time there existed 60 government assisted or partially assisted secondary schools, plus private institutions.[24] In 1961 only 21 percent of university students were Malays (it is now about 52 percent of those taking degree courses, and 85 percent of primary technical courses.)

2. Missionary centers: In Southeast Asia there have been missionary centers outside urban areas where superior education has been provided, thus educating the particular communal group residing in the area. Examples have been the Minahasa and Ambonese regions of Indonesia, and Christian missionary centers in Burma.

3. Communal-urban: We have numerous examples of indigenous communal groups residing in and about urban areas or centered in regions of European commercial activities and thus having heavy access to superior education.

As Charles Elliott quite properly notes, no universal statement can be made regarding the future of communal domination, and government policies differ markedly from one country to another. In the Malaysian case, efforts to increase Malay participation will mean higher rural enrollment, while in Sri Lanka, Kenya, and Nigeria political factors may weigh against major shifts of this nature.

While some groups may be advantaged by spatial distortion, obviously others will be injured. This is particularly true of communal groups living in sparsely populated regions where communications and economic factors will militate against equal education. Rare is the country like contemporary Malaysia where over half the children are within 2 miles and 95 percent are within 10 miles of a secondary school.[25] In most Afro-Asian polities there exist variations among communal groups in access to quality schools or scarcely schools of any sort.

Differential expenditures: We have noted that there was often considerable disparity in expenditures on education provided for different communal groups during the colonial era. In part, this was due to the successive inclusion of areas into the respective colony over time. Another factor was the desire to limit missionary educational activities in particular areas due to fears of religious frictions. In addition, the poor communications systems of many colonies led to a differentiated educa-

[24] *Education in Malaysia*, pp. 10-13.

[25] Noor, *op. cit.*, p. 60.

tional infrastructure with urban and other commercial centers receiving higher governmental expenditures.

The postindependence period has seen the vast majority of newly independent states seeking the twin goals of universal, free primary education and equalization of educational expenditures throughout the polity. Research under the Program of Development Studies has shown examples where the equalization of expenditures has been achieved, at least on the provincial level. Even where this has not been attained, there has been a tremendous increase in total funds spent on education in both the rural and urban areas at all levels.

However, egalitarianism in funding does not necessarily lead to equal access to education. Hill's research shows that in the Turkish and Malaysian cases, where spending was basically equal on the provincial level, services provided students in different areas varied, outcomes in terms of levels of enrollment were not correlated with expenditures.[26] This result was not surprising given problems of language, culture, previous colonial policies and spatial distortions noted previously in this paper. Colonial governments spent unequal proportions of their budgets on different parts of their colonies which over time led to basic variations in educational infrastructure between rural and urban areas. When combined with a selective placement of missionary schools, particular communal groups were advantaged, and contemporary equal expenditures are insufficient to rectify these accumulated inequities. Nor could equal funding alleviate differences in language capabilities, traditional attitudes toward education and a multitude of other problems of unequal development in plural societies. We have not been able to cover all of these elements here (future research will analyze the expenditure issue more fully), but two areas of analysis more clearly related to expenditures should be commented upon: costs due to difficulties in providing equal infrastructure to areas with dispersed populations, and covert costs. Both of these issues have been given considerable attention by education economists and will be touched upon only as they relate to communalism.

Cost factors such as the aforementioned are important today in maintaining older disparities among regions inhabited by communal groups that are poorer or more widely dispersed. Studies show that fixed per

[26] Hill, *op. cit.*

pupil costs decline with increased school size up to particular limits.[27] Governments obviously face greatly increased per pupil costs in less populated areas if they expect to provide similar quality education. The need to establish more schools, compensatory funds and/or an extended transportation or boarding system adds to costs where a critical mass of students is not present.

Charges for education, overt and covert, have obvious implications for poorer communal groups attempting to employ education as a means of upward mobility. The argument is that formal costs for attending school or fees related to matriculation, books, boarding, etc., when combined with foregone income which children may have earned instead of gaining an education, are all obstacles to poorer families considering an education for their children. Given lower incomes for many poorer rural groups we can expect fees to be an even greater burden on them.

Finally, we must note that the rural-urban disparities in educational expenditures that remain do affect particular communal groups. The following conclusions from a recent report on education in Malaysia illustrate the results of many of the problems mentioned in previous pages:

> Over three-fourths of Malaysian children enrol in a vernacular primary school. 83 percent of Malays, 75 percent of Chinese and 51 percent of Indians enrol in vernacular primary schools.
>
> Most of the children of the poor attend vernacular schools. The well-to-do of each community, particularly in urban areas, are more likely to send their children to English medium schools.
>
> Larger educational investments are made in English medium than vernacular media primary schools. On the average, as contrasted with all three vernacular media primary schools, English medium schools: (a) are larger; (b) have more of every type of educational facility, e.g. libraries, audio-visual equipment, craft rooms; (c) have more qualified and younger teachers who have higher morale; and (d) make higher non-teaching expenditures per pupil per year — three times as high as Malay and Tamil media schools.[28]

[27] Noor, *op. cit.*, p. 62.

[28] Noor, *op. cit.*. pp. 70-71.

Concluding remarks

This paper has noted briefly the basic factors which appear to impose obstacles to access to education including language policies, quotas, spatial distortion, and expenditures. It would be remiss on our part to end without noting several caveats to the foregoing analysis.

1. This study is only a review of the major elements of the problems related to education and communalism.

2. It is in no way the intention of this study to assert that education alone is an obstacle to higher incomes for communal groups. Future research will analyze government policies such as taxation, confiscation, language, and job opportunities. As well, we recognize the salience of particular cultural forces. Nor is this paper centered upon basic issues related to the correlation of education to economic development. We recognize the vitality of arguments that universal primary education or a concentration upon quality higher education may not be the most desirable policies an LDC can follow if economic development is the primary goal.

3. There remains a dearth of reliable empirical data (a forthcoming paper will assess the data problems) upon which we can base our analysis. While we recognize this problem, available material provides ample evidence to support the general conclusions presented in this paper.

Industrialization in Thailand

Khoontong Intarathai

I. Emergence of Industrialization in Thailand

Thailand's economy was self-sufficient before World War II, although the standards of living of the people were low. After the war, the economy involved more international relations in terms of foreign trade, foreign assistance, and foreign investment. Being abundant in agriculture, the Government did not have to worry about feeding the people. Industrialization is thought to be a task toward economic development. That was why industrialization was placed ahead of agricultural development.

The Government policy before 1960 was one in which industrialization was to be carried out by the Government for instance, the Ministry of Defense was responsible for the oil company, and the Ministry of Finance was responsible for the jute mill industry. This policy was proved to be wrong since most Government enterprises suffered losses due to mismanagement.

Since 1954 the main Government policy has been to promote industrialization through the participation of private investment both domestic and foreign. This can be seen clearly from the investment laws. The first industrial investment act was enacted in 1954; it relied on monetary and fiscal policies to stimulate private investment. The industrial investment act was amended in 1960, 1962, and 1972. The Industrial Promotion Act of 1962 was the principal industrial investment law during most of the modern industrialization in Thailand. The investment incentives under this law included a five-year tax holiday on income taxes, an exemption from import duties on machinery and some raw materials, and a guarantee against nationalization. The industrial investment act underwent a major change in 1972. The new law provides a tax holiday on income taxes varying in length from five to eight years. In addition, special tax concessions are offered to industries that are located in designated industrial zones or produce for export.

These policies have been considerably successful in attracting modern investments in Thailand. As shown in Table 1, during 1960-1974, the Board of Investment of Thailand (B.O.I.) promoted 872 firms; of these, 51 percent were Thai firms, 46 percent were joint-venture firms between Thai and foreign investors, and only 3 percent were purely foreign firms. Total investments in the past 15 years amounted to 48 billion baht,[1] or about $2.4 billion; of this total 59 percent was invested in machinery and equipment (see Table 2). The total registered capital amounted to 12 billion baht or about $600 million; of this 71 percent was Thai capital and 29 percent was foreign capital (see Table 3).

Table 4 shows the principal countries from which the capital came. The firms with registered capital solely owned by one nationality accounted for 4.6 billion baht or 36 percent of total registered capital. About 93 percent of the capital of these firms was of domestic origin. The registered capital of joint-ventures came from abroad to a greater extent, but 59 percent was from Thai sources. When the two types are combined, Thai investors accounted for 71 percent of total registered capital and foreign sources for 29 percent. The significant foreign investors in Thailand are from Japan (42 percent of total foreign investments in Thailand), the United States, and Taiwan.

Most of the promoted firms have been in manufacturing industries.

Table 1

Number of Promoted Firms by the Board of Investment

Year	Total	Thai Firms	Foreign Firms	Joint-Venture Firms
1960-62	64	29	1	34
1963-65	131	47	1	83
1966-68	181	82	13	86
1969-71	150	73	3	74
1972-74	346	212	5	127
Total	872	445	23	404
%	100	51	3	46

Source: Board of Investment of Thailand

[1] $1 is equivalent to baht 20.

Table 2

Total Investment of Firms Registered with the Board of Investment
(million baht)

Year	Total	Machinery and Equipment
1960-62	2,593	1,460
1963-65	3,847	2,150
1966-68	8,580	4,790
1969-71	8,237	4,902
1972-74	24,951	15,188
Total	48,209	28,490

Source: B.O.I.

Table 3

Total Capital Registered with the Board of Investment
(million baht)

Year	Total	Thai	Foreign
1960-62	994	746	248
1963-65	1,274	774	500
1966-68	2,113	1,438	674
1969-71	2,679	1,794	885
1972-74	5,828	4,425	1,403
Total	12,888	9,117	3,711
%	100	71	29

Source: B.O.I.

As shown in Table 5, the textile industry has had the largest number of promoted firms, 112; but there were almost as many in the mineral, metal, and ceramic products group. The machinery and electric appliances, agricultural products, and services groups each has had about 80 promoted firms.

Table 4

Registered Capital of Promoted Firms,
Classified by Nationalities as at the End of 1974)
(million of baht)

Nationality of ownership	100% owned	Joint Venture	Total		% of Foreign Investment
			Amount	% of capital	
Thailand	4,326	4,851	9,177	71	—
Foreign	323	3,391	3,711	29	100
Japan	234	1,310	1,544	12	42
U.S.A.	40	500	540	4	15
Taiwan	3	453	452	4	12
United Kingdom	11	126	137	1	4
Other	36	1,002	1,038	8	27
Total	4,650	8,242	12,888	100	100
%	36	64	100	—	—

Notes: Column 2 is registered capital of business enterprises totally owned by any nationality.
Column 3 is registered capital of either Thai or foreign investment of the joint-venture showing participation of each nationality of various joint-ventures.

Source: B.O.I.

Table 5

Types of Industry of the Promoted Firms 1960-1972

Types of Industry	Firms in Number	Operation Percent
Agricultural Products	74	12.2
Mineral, metal and ceramic products	102	18.2
Chemical products	52	9.3
Machines and electric appliances	79	14.1
Construction materials	33	5.9
Textile	112	20.0
Services	83	14.8
Others	24	4.3
Total	559	100.0

Sources: B.O.I.

II. Structural Changes

The economy of Thailand has been gradually changing from an agricultural to a manufacturing orientation. This can be seen from the structure of labor force and Gross Domestic Product of the economy. Table 6 shows that the labor force increased from 0.2 million persons to 1.2 million persons from 1954 to 1973 or an average growth of 5 percent per year; in the same period the share of the labor force in the sector in the total labor force increased from 2 percent to 7 percent. Based on this trend its share will reach 15 percent in 1985.

Although the share of the manufacturing labor force in the total labor market is quite low, the share of the manufacturing value added in Gross Domestic Product is quite large, around 18 percent at present, see Table 6. The share is expected to be 28 percent in 1985.

Table 6

Labor Force in Thailand by Sector

Year	Agricultural sector	Manufacturing sector	Services sector	Total
		Million Persons		
1954	9.0	0.2	0.4	10.2
1960	10.3	0.4	0.6	12.7
1966	11.6	0.7	0.8	14.5
1971	12.7	1.0	1.1	16.8
1973	12.3	1.2	1.4	17.1
		Percentage		
1954	88.0	2.1	3.9	100
1960	81.6	3.6	5.1	100
1966	79.8	4.7	5.5	100
1971	75.6	5.9	5.8	100
1973	71.6	7.0	8.0	100

Note: This is calculated from those who are 15 years old and above.

Source: The National Statistical Office of Thailand.

Table 7

Gross Domestic Product of Thailand by Industrial Origin
(billion baht; 1962 market prices)

Year	G.D.P.	Agricultural		Manufacturing	
		value	percent	value	percent
1960	56.2	21.5	38	7.3	11
1965	79.8	27.3	34	12.3	16
1970	119.1	35.2	30	19.8	17
1972	131.6	36.9	28	23.8	18
1973	143.1	40.1	28	26.1	18

Source: National Economic and Social Development Board.

III. Growth of the Main Manufactured Products

The average rate of growth of the manufacturing products has been considerably higher than that of Gross Domestic Product of Thailand as shown in Table 8.

Table 8

Rates of Growth of Thai Economy

Year	Manufacturing	G.D.P.
1961-1966	11.2	8.1
1967-1971	10.2	7.5
1972-1974	6.8	5.2

Source: National Economic and Social Development Board.

Among the manufactured products, petroleum products have the highest rate of growth, their average rate of growth was about 40 percent per annum during the past 15 years. The production increased from 1.8 million litres in 1965 to 7.6 million litres in 1975. Sugar has the second highest rate of growth of 27 percent in the past 10 years. Gunny bags increased at the rate of 20 percent the third highest rate. Paper, cement, and beer have moderate growth rates. Galvanized iron and tobacco products have the lowest rates of growth. The rates of growth of the manufactured products during 1970-75 increased more slowly than those in the 1960's. This was due to the oil crisis during 1973-74.

Table 9

Production of Major Manufactured Commodities in Thailand.

Products	Yearly average 1960-65	Yearly average 1966-70	Yearly average 1971-75
Sugar (million tons)	204.3	283.0	821.7
Paper (1,000 tons)	11.6	24.6	28.1
Cement (million tons)	1.0	1.7	3.5
Gunny bags (million tons)	23.3	50.9	102.8
Beer (million tons)	11.5	31.6	43.0
Petroleum Products (million litres)	1,136.5	2,982.6	6,846.4
Galvanized Iron (1,000 tons)	63.6	86.2	88.4
Tobacco Products (1,000 tons)	10.2	13.3	17.4

Source: Bangkok Bank Monthly Review, June, 1976.

Table 10

Rates of Growth of Major Manufactured Commodities in Thailand

Products	Average 1960-65	Average 1966-67	Average 1971-75	Average 1960-75
Sugar	62.4	15.0	22.4	26.71
Paper	34.9	18.7	-0.4	14.74
Cement	12.0	16.2	8.7	12.3
Gunny bags	50.3	6.5	9.3	20.0
Beer	24.9	23.3	12.4	12.9
Petroleum Products	282.8	16.7	15.8	40.5
Galvanized Iron	13.7	6.7	0.5	6.3
Tobacco Products	.05	8.6	8.3	6.8

Source: Calculated from Table 9.

IV. Problems of Industrialization in Thailand

IV.I High Costs of Production.

The main problem of Thailand's industrialization is the high costs of production due to inexperience, shortage of capital, small scale of production, low level of technology, and heavy dependence on the importa-

tion of raw materials. This makes it difficult for the Thai products to compete with the foreign goods both domestically and abroad.

In the main Thailand has been an agricultural economy. Naturally, the people are not familiar with manufacturing production. Thai entrepreneurs just started to operate the modern enterprises in the 1960's. It will take a long time for them to master these modern enterprises and be able to reduce the costs of production effectively.

One of the most serious obstacles to industrialization in Thailand is the shortage of capital resulting from low income level. The shortage not only gives rise to the problem of high interest rates but also limits the production scale. The productivity of small-scale enterprises is naturally lower than that of the larger ones.

Thailand's industrialization depends heavily on technology developed abroad. Modern technology has developed domestically to a very limited extent. Thus, Thailand has to import technology and pay for the use of copyrights and patents increasingly every year. The outlays for this purpose increased from 26.4 million baht in 1965 to 120.4 million baht in 1972.

Most of Thailand's industries depend heavily on imported raw materials; over 50 percent of the production costs are accrued by such imports. One of the adverse effects of such dependence can be seen clearly during the oil crisis; the high costs of imported raw materials brought about severe inflation in Thailand under the cost-push mechanism.

IV.2 Labor Problems

Before the political upheaval in 1973, the labor situation in Thailand was kept quiet; no labor union was permitted. Wage rates were one of the lowest in the world. It is said that this virtue was the major factor attracting foreigners to invest substantially in Thailand. Furthermore the labor disturbance was negligible.

After the political change in October 1973, labor problems have been more and more serious. Table 11 shows that the number of losing days due to labor disputes is enormous; it rose from 64 days in 1960 to 722,946 days in 1975. Although the number of strikes in 1975 declined from that in 1974, the average striking period increased from 3.4 days to 6.9 days in the past two years.

The entrepreneurs blame the workers as the trouble makers, and threaten to stop further investment. It is clear that the investment climate has been very poor in Thailand during the past two years.

In 1975, only 90 firms applied for the promotional certificates from the Board of Investment; the total investments amounted to 2,553 mil-

Table 11

Labor Disputes in Thailand 1960-1975

Period	Number of Strikes	Number of workers involved (persons)	Number of lost days
1960	2	3	64
1961	2	68	93
1962	3	81	63
1963	4	118	159
1964	6	300	539
1965	17	3,753	6,566
1966	17	5,413	18,764
1967	2	470	470
1968	14	1,867	3,217
1969	18	5,345	23,593
1970	25	2,888	6,004
1971	27	5,153	12,646
1972	34	7,803	19,903
1973	501	177,887	296,887
1974	357	175,850	507,607
1975	241	187,107	722,946

Source: Department of Labor

lion baht. Investment in 1975 was only half of 1974, and the situation in 1976 is not that good either. The situation is getting worse, when a number of Thai businessmen more and more invest in other countries, such as Hong Kong, Malaysia, and Singapore. At the moment, the Thai investors in Hong Kong are the third largest foreign investors in Hong Kong.

It is not yet very clear if the present poor investment climate in Thailand is due to the labor problems. Since the end of the wars in Indochina, most of Thailand's businessmen are not certain about their ventures in Thailand. Nothing is exactly known about the future political system in Thailand. This might be a more critical problem than the labor.

It should be noted that Thai workers are still very poor; the present minimum wage rate of 25 baht per day ($1.25) is among the world lowest wage rate. But in the past three years, the cost of living increased by over

60 percent. It is natural for them to demand a fair wage rate and decent social welfare.

IV.3 Geographical Concentration of Manufacturing Enterprises.

The industrial location in Thailand has been concentrated heavily on particular areas, especially around Bangkok and a few cities close to Bangkok. Table 12 shows that 87 percent of the promoted firms have located in the central region; of these 30 percent are in Bangkok. There are a very small number of promoted firms located in other regions. The North-Eastern Region which consists of one-third of the country's population has only 1 percent of the modern ventures.

There are two major crucial problems associated with the allocation of industrial enterprises. First, it creates serious problems to Bangkok and other cities with high concentration of industrial enterprises in terms of housing, traffic, public transport, medical services, education, pollution, and social disturbances.

Table 12

Location of Promoted Factories in Operation, 1960-1974

Region	Number of Factories	Percent
Central	575	87
— Bangkok Metropolis	199	30
— Other Provinces in Central Region	376	57
Northern Region	38	6
North-Eastern Region	16	1
Southern Region	36	6
Total	665	100

Source: Board of Investment

Second, the vast majority of the people cannot enjoy the benefit of industrialization since there are very few industrial enterprises in other regions. The income disparity between some provinces in the central plain and other regions will consequently be larger, since the latter must live with agriculture alone.

IV.4 Pollution

Since the initiation of industrialization in Thailand 20 years ago, Thailand has been experiencing pollution, especially water pollution, in the area where industrial enterprises are heavily located. Some of Thailand's

rivers and the Gulf of Thailand are badly polluted. Moreover, Thai people use water from the rivers for their daily usage. Polluted rivers and canals deprive them of water and sanitation.

The Chao Phraya river is the biggest and the most important river in Thailand, flowing from the north through the central plain. It provides water for agriculture, industry and daily usage. Metropolitan Bangkok with a population of 4 million is situated in the delta of this river, approximately 30-50 km. upstream from the estuary. The region is very flat, about one meter above sea level there are several canals connected with the river. The upper part of the central plain is mostly rice paddies. The industrial complex is situated in Bangkok and downstream area, especially in Pra Pradaeng district, 18 km. from the mouth of the river.

The Chao Phraya river and its canals serve as the drainage of the wastes of the region. There are no sanitary sewers in Bangkok, only street drains which receive surface runoff and also, by indirect flow, much of the effluents from septic-tank systems serving individual buildings. Garbage and industrial wastes are also dumped directly into the canals which discharge into the river, and finally, the Gulf. Owing to the flatness of the region, the natural drainage is very slow and poor. Thus, the wastes from this rapidly growing community cause much deterioration of river water quality.

According to the Applied Scientific Research Corporation of Thailand (ASROT), a total of one million cubic meters of polluted water is produced in Bangkok each day. The origin of this filth being: household 60%, industry 20% and unattended trash spillage 20%. It has been estimated that the amount of BOD load discharges into the Chao Phraya river (mostly in the section from Ayudhya to the mouth) is 233,379 kg/day, while resources of oxygen are around 133,000 kg/d plus reaeration (see Table 13).

The condition of the canals is critical. Most of the canals are black in color and contribute a bad odor. Discharges from most of the canals have zero dissolved oxygen and at time up to 6 ppm. of dissolved sulphide. The BOD concentrations ranged from 30 to 206 ppm. The canals showing highest BOD also show high levels of ammonia nitrogen and chloride indicative of high contribution of domestic sewage or septic tank effluent. The total sanitary waste discharges to the canals is 6.7 million em/day.

The condition of the Chao Phraya River is also serious. The dissolved oxygen content is already 54% of saturation level at a point 63 km from the mouth, north of Bangkok. The DO value decreases rapidly moving

downstream. At high tide the DO value averages less than 0.1 mg/l from Thonburi Bridge (52.5 km. from the mouth) to Bangkok Port (30 km) and less than 1.0 mg/l from the Memorial Bridge (47 km) to Pra Pradaeng (18 km). On several occasions the value of DO was zero at all of these points and the result was, at least once, a noticeable odor. The bacterial counts for coliform count show that the water is very polluted, not suitable for washing or any other use unless special treatments are designed (see Table 14).

Industrial wastes which contribute high BOD load to the Chao Phraya River are the discharge of slaughter houses, brewery food processing industries, soap, tannery (see Table 15).

Although industry is not the major source of pollution in this region in terms of quantity, the highly toxic pollutants from some industries are much more injurious than high BOD materials. Waste from tannery, textile, chemical and pharmaceutical industries will cause great problems if not properly managed. There has been a case concerning Thai Asahi Caustic Soda discharging waste water with mercury content (0.6780 ppm.). The values of mercury in the Chao Phraya River at the point some 60 km from the mouth was 0.0319 ppm. (low tide) and at Pra Pradaeng 0.01177 ppm. (high tide) which are much higher than the US environmental standard (0.005 ppm.) and the WHO standard (0.001 ppm.).

A survey of waste water discharge systems of small size industries (number of employees: under 50) in the Bangkok Thonburi area by the Occupational Health Section, Department of Health, in 1971 indicates that 34 out of the 39 factories investigated (87.18%) discharged unproperly treated waste water into the environment.

The future of the Chao Phraya River is rather dim. The BOD load discharged into the river and canals in 1985 from metropolitan Bangkok alone will be 303,886 kg/d, assuming per capita BOD 0.054 kg/d. Even though the BOD load from upstream is at the level of 1969-1970's level (135,000 kg/d) total BOD load will be at the maximum level that the river can receive (40,000-530,000 kg/d). Moreover, toxic pollutants from an increasing number of industries will be another blow on its water quality.

IV.5 Some Other Problems

There is another serious shortcoming of industrialization in Thailand, i.e. the problem of income distribution. Although the rate of expansion of the manufacturing products has been fairly high, the earnings of workers have been kept low. This can be verified by the increasing labor disputes. Furthermore, as the modern enterprises mainly locate in Bangkok areas, the majority of Thai people in the other parts of the country could not

Table 13

Oxygen Balance in the Chao Phraya River

Resources	Loads (Jan.-Apr.)
1. U/S DO + NO_3 133,000 kg/d	Load from Upstream 135,000 kg/d
2. Reaeration = Unknown R gh/d	Direct discharge to river 11,600 kg/d
3. Algal photosynthesis very slight	Direct discharge from canals 76,779 kg/d
	(a) domestic
4. Seawater	(b) garbage
	nil.
Total 133,000 kg/d + R	Total 233,379 kg/d

Source: Suwarnarat, K., Pollution Study of The Chao Phraya River, 1969-1970 A.D., Ministry of Public Health 1970.

benefit from the past industrialization; the economic gap between the well-to-do central plain and other poor regions will be much greater.

Industrialization is said to concentrate on the capital-intensive type, which has low employment opportunities. At present unemployment has reached the highest level of one million persons. The industrial sector is expected to employ these people, but it could not help much with this type of capital-intensive investment.

Finally, industrialization in Thailand has been an import-substitution type, where the Government has employed the high tariff protection policy to assist the domestic infant industries. This policy has been successful in promoting industrialization to some extent, but it brought about inefficiency due to the lack of competition. The prices of domestically produced commodities are generally high relative to their quality. Consequently, the high prices have limited the domestic market and make exporting more difficult. The scale of production is, therefore, usually small and costs of production are high despite low wages available in the country.

Table 14

Water quality in the Chao Phraya River (Jan.-April)

Station	km. from mouth	D.O. HT	D.O. LT	NO_2+NO_3N HT	NO_2+NO_3N LT	NH_1-N HT	NH_1-N LT	BOD HT	BOD LT	MPN (10^3org/100 nil) HT	MPN (10^3org/100 nil) LT
Nonthaburi	63	4.0	4.0	0.54	0.13	.25	.18	1.6	1.6	12.9	28.0
Rama VI Bridge	57	0.3	2.4	0.34	0.20	.38	.33	2.3	1.7	85.19	20.97
Thonburi	52.5	0.1	1.5	0.69	0.24	.50	.33	1.8	1.5	16.31	16.93
Min of Public Health	50.5	0.1	1.4	0.42	0.31	.50	.34	2.5	1.4	28.61	13.41
Memorial Bridge	47	0.08	0.07	0.70	0.70	.65	.46	2.7	1.85	28.16	29.79
Krung Thop Bridge	41.5	0.07	0.04	1.83	0.85	.65	.60	2.4	2.4	24.86	37.82
Bangkok Port	30	0.67	0.02	1.31	0.59	.56	.84	2.5	3.2	20.36	169.07
Pra Pradaeng	18	2.01	0.42	0.89	1.10	.28	.77	1.5	2.3	8.88	27.57
Samut Prakarn	7	3.38	1.75	0.75	0.88	.16	.39	1.9	1.6	6.3	8.85
Mouth	0	4.5	3.30	0.73	0.95	.17	.35	1.8	1.2	4.9	10.24

Table 15

Survey of Industries in Bangkok Region

Name of Company	Type of Industry	Number of Employees	Discharge CMD	Estimated BOD kg/day
Bireley's	Soft Drinks	50	250	30
Fraser & Neave	Soft Drinks	50	300	30
Green Spot	Soft Drinks	70	800	30
Union Soda	Soft Drinks	65	150	30
Thai Amarit	Brewery	150	400	320
Boon Rawd	Brewery	1,700	1,600	950
Pop Products	Ice Cream	150	160	450
Bangkok Dairy	Milk Soft Drinks	80	150	350
Sermsuk	Soft Drinks	135	600	100
Thai Nam Thip	Soft Drinks	430	250	50
Foremost Dairies	Dairy	300	200	550
Asia Factory	Paper mill	10	15	50
Lever Brothers	Soap, Margarine	450	50	20
Bang Yee Khan	Distillery	2,500	600	400
Thai Klong Toey	Dye House	40	30	100
Rubia Industries	Soap, Cosmetics	110	15	150
Thai Tobacco	Cigarettes	4,000	600	120
Siam Cement Co.	Cement	300	1,000	30
Livestock Trading	Meat Packing	800	4,700	1,900
Thai Tanning	Tannery	100	520	250
Seri Industry	Soap, Cooking oil		40	500
Thonburi Textiles	Cloth	370	480	120
Fish Marketing	Shrimp Processing	400	80	80
	Total	12,260	12,990	6,610

Source: Sudwig, H.F., Water Pollution Control in the Bangkok Metropolitan Region, Fan. 1973, P. 80, Appendix C.

Foreign Investment in Manufacturing in Singapore

Lee-Sheng Yi

The major foreign investors are the United States, United Kingdom, Netherlands, Japan, W. Germany, Hong Kong, Taiwan and Australia in that order of importance. The developed countries are the leading investors, particularly in the present period when Singapore is attempting to develop capital-and skill intensive industries. In the early period, 1960-67, however, investors from Hong Kong and Taiwan contributed much in light and labour intensive industries, such as textiles, garments, wood products and food manufacturing. The importance of investment from Hong Kong, Taiwan and Australia has declined in recent years.

Singapore welcomes foreign investment from various countries in a diversified manner, so that no single foreign country can dominate entirely the industrial structure of Singapore and Singapore can learn various techniques of production, most suitable to local circumstances.

The trend of foreign investment has been continuously upward since the 1960's, particularly in 1970-74 (Table 1, and Graph 1). There was, however, a decline in investment commitment from s$822 million in 1974, to s$400 million in 1975, owing to the world-wide recession.[1] With the proposed petro-chemical complex, the prospect of seven new chemical and engineering projects with the investment amount of $161 million, and the co-ordinated ASEAN development planning under deliberation, it is expected that in the next few years foreign investment will not decline.

In spite of the change in political situation in South East Asia, consequent upon the political change in Vietnam, Laos and Cambodia in 1975, the investment climate in Singapore remains unshaken. There is still internal political stability. Inflation has been checked in 1975 and 1976; and the National Wages Council recommended only a moderate rise of wages of 6% for 1976/77, inclusive of the normal annual increment. Economic and monetary conditions are stable and inducive to investment.

[1] Singapore Budget Statement, 1976/77.

Table 2 and Graph 2 show the foreign investment (in terms of gross fixed assets) in different industry groups from 1965 to Mid-1975 and the percentage as at Mid-1975. The important industry groups are (a) petroleum products (42%), (b) basic metal industries, metal and engineering, transport equipment, electrical and electronic products and precision equipment (totalling 30%), (c) wood and paper, chemical products and non-metallic mineral products (totalling 13%), and (d) food, beverage, tobacco, textiles and garment (totalling 11%). (b) and (c) represent producer's goods; (d) consumer's goods; and (a) partly producer's and partly consumer's goods. They appear to increase at similarly high rates.

A study of manufacturing firms with foreign capital (Table 3) shows several interesting aspects:

(1) Investors from Japan, the United States and the United Kingdom have the largest numbers of manufacturing firms — 121, 92 and 81 respectively.

(2) American firms have the highest ratio of wholly-owned companies to total companies (65%), being much higher than the Japanese (21%).

(3) W. German, American and Dutch firms have the highest ratios of pioneer companies to total companies — 72%, 58% and 57% respectively.

(4) The distribution of the numbers of firms in different industry groups is clearly illustrated, e.g. U.S.A. with large numbers in metal products and mechanical engineering, electrical and electronic, although in terms of value, U.S.A. investment is concentrated on the petroleum industry.

(5) Some foreign countries, like Japan, U.S.A., and U.K. have quite a diversified investment, with firms in various industry groups, whereas other foreign countries tend to concentrate on a few industries — e.g. Germany, on metal products and mechanical engineering, optical goods, and electric products; Netherlands, on petroleum, metal products and mechanical engineering and food processing.

There are altogether 676 foreign companies in this study; the coverage is almost exhaustive. They represent 38.5% of the number of firms in the industrial groups (Table 4). Those foreign companies are the largest and most active among the industrial groups. Basic Industrial Chemicals, textiles, petroleum product, photographic goods, electrical and electronic have the highest percentages — 94.4%, 94.1%, 88.9%, 86.7% and 71% respectively. Table 4 demonstrates the importance of foreign investment in the industrial structure.

What is the motivation of foreign investors in Singapore? What are

the major factors that induce them to invest in Singapore instead of elsewhere? Before the separation of Singapore from Malaysia in 1965 and the Currency Split in 1967, there was hope of a common market with Malaysia. Many import-substitution and labour-intensive industries were set up in that period 1961-67. Thereafter, industries, realising a small home market of 2.2 million people, have to struggle for an export market. The development strategy has been changed from import substitution to export-orientation and the emphasis has been shifted from labour force, and the prospect of ASEAN economic co-operation. Tax

The motivation of foreign investors includes the desire to use Singapore as a manufacturing and distributive centre for South East Asia, because of the economic and monetary stability with good infrastructure, good labour condition (with industrial peace), educated and responsible labour force, and the prospect of Asean economic co-operation. Tax incentives such as tax holidays for pioneer industries, reduction of income tax rate from 40% to 4-10% on profit from export, accelerated depreciation allowance for capital equipment etc. have been introduced to induce foreign investment. Would the tax incentives be ranked high in the mind of foreign investors in their decision to invest in Singapore? Interviews at different times show that political, monetary and economic stability, labour condition and wage level are far more important factors than tax-incentives.[2] Perhaps, in the early phase of development Singapore needs tax-concessions to attract foreign investment, but in the later phase, from 1968 onward, when the industrialisation has been in rapid progress with improving infrastructure, tax incentives have become a less important factor. Moreover, developing countries compete in wooing multi-national companies by offering more and more tax-concessions, which imply a loss of public revenue and violate the equity principle in taxation. Developing countries should have some agreement not to compete excessively in tax-concessions.

What are the characteristics of different foreign countries' investments?[3] The United States investment reflects Singapore's role as an international distributive centre in South East Asia. The major investment is in petroleum refineries, electrical and electronic products, metal prod-

[2] The author's interviews with many foreign industrialists result in this conclusion. The same view was expressed in Helen Hughes and You Poh Seng (ed.), *Foreign Investment and Industrialization in Singapore*, ANU Press, 1969, p. 105.

[3] For detailed discussion, see Kunio Yoshihara, *Foreign Investment and Domestic Response: A Study of Singapore's Industrialisation*, Eastern Universities Press, Singapore, 1976, and Hughes and You *op. cit.*

ucts and mechanical engineering, motor vehicle assembly plant, photographic products, cosmetics, pharmaceuticals, sanitary napkins, paint, chocolate confectionery, condensed milk, paper and phosphates. The five American petroleum companies include three refineries, one lubrication oil plant and one blending plant. One refinery, Singapore Petroleum Ltd. is a joint venture with the Development Bank of Singapore. The sources of investment funds include inter-company loans, equity capital and accumulated profit. Inter-company loans are important to the American subsidiaries, particularly the electronic companies during the period of credit stringency in the United States, 1968-71.

The strategy of some companies is to have a small equity capital, to use inter-company loans in the initial phase and to withdraw such loans gradually as profit is accumulated. In order to avoid the American tax law, profit is usually not remitted back to the parent company but is used to finance the operation of the subsidiaries. 60 out of 92 American companies are wholly owned (Table 3). The higher percentage of ownership and control is motivated not by the lack of local partners or local complementary funds, but by the recognition that relations with the wholly-owned subsidiaries are simpler, more easily manipulated, less formal and less subject to the risk of disclosing any technical or managerial secrets.

53 out of 92 American companies have pioneer status. American companies (except electronic and other light industries) tend to be more capital intensive. Many of them have established their standard brand-name products and are export oriented.

British trading houses have invested in Singapore industry. One important reason was the desire to prevent a market opened by British exports from being lost to other manufacturing firms in Singapore. Besides petroleum refining, British investment includes the manufacturing of brake fluid, lubricants, metal and plastic containers, galvanised steel sheets, batteries, electric light bulbs, paint, cosmetics, cigarettes, ship-building, ship-repairing and general engineering.

19 out of 81 British firms are wholly-owned and 62 are joint ventures.

Dutch investment is ranked as the third largest, but about 85/90% of it comes under Shell. If Shell is excluded, Dutch investment is small. It includes the manufacture of electrical and electronic products, condensed milk, confectionery etc.

Japanese manufacturing activity in Singapore has been concentrated in a few key industries which are generally speaking labour-intensive:

(1) ship-building and repairing industry

(2) electronic and electrical industry
(3) textile and garments industry
(4) plywood and wood-product industry.

Recently, investments have been changed to more export-oriented and technology-base industries. There are no Japanese-controlled companies in petroleum and petroleum products, basic industrial chemicals, drugs, scientific and photographical equipment. Japan's foreign investment activity is handicapped by two factors. First, Japan is a "newcomer" in the field of foreign investments. Japan started to have oversea investments in the 1950's, whilst the old colonial powers such as Britain, Holland, and the United States had had investments in South East Asia for centuries. Although Japan had long had a trading relationship with South East Asia, the slogan of Japan before the War was "industrialised Japan and agricultural Southeast Asia". Being newcomers, Japanese foreign investors have to face competition of the well-established Western counterparts with their well-known trade marks, experience, local connections, etc. Secondly, there is much cultural, social and language barrier between Japanese investors and local people. English is commonly used by the local people, particularly the educated upper class. Japanese businessmen tend to communicate with their head offices and with one another in Japanese. The social and cultural activities of the Japanese people have caused them to become a "foreign enclave" among the local people, thus creating misunderstanding, which hinders business activity.

Out of 121 Japanese companies, only 25 are wholly-owned and 96 are joint ventures. There are 55 pioneer companies.

German investment in Singapore is growing, particularly in the period 1970-72. The largest German investor is Rollei, manufacturing photographic and optical goods. Since 1974, the Development Bank of Singapore has contributed one-quarter of its equity-capital. German investment is particularly welcomed, because of the possibility of the transfer of technology.

Hong Kong investment was mainly in textiles, garments, food manufacturing and chemical products. Because of the quantitative restriction on the Hongkong exports of cotton textiles to the U.S.A. and U.K. and other developed countries and the absence of such control in Singapore, many Hongkong textile mills shifted their operation to Singapore. About fifteen cotton textile manufacturing firms, both pioneer and non-pioneer, commenced operation in Singapore in 1963 and 1964. Since Hong Kong and Taiwan are not industrialised countries, their investment in Singa-

pore tends to be small scale and to be labour-intensive, with a low level of technology.

Taiwan investment in Singapore is in five principal groups of industries — (i) textiles, garments, and leather, (ii) wood and paper products, (iii) chemicals, detergents and pharmaceutical products and (iv) electrical products, (v) stationery products, and plastic products. They are mainly consumer goods industries and were established in the first half of 1960's with the motive of import-substitution and proximity to raw material supply in South East Asia.

Australian manufacturing firms were among the first and among the largest in Singapore. They were accustomed to the comfort of tariff protection at home. They invested in food production, metal products and mechanical engineering, in the early development period hoping to take advantage of the common market with Malaysia. After the Separation, very few Australian companies invested to use Singapore as a production base for export to Australia and other countries.

The contribution of foreign investment is great in terms of employment, output, value-added and export earnings. "In 1971, firms with foreign investments in production made up 26% of total number of firms with 10 or more workers, but accounted for 63% of total employment in manufacturing. These firms were also responsible for 65% of total output and 75% of total value-added of the manufacturing sector . . .".[4] Since foreign manufacturing firms have established their well-known brands in the overseas markets, and have world-wide connections, they contribute much to export-earnings. Their export performance is much better than the local firms. It is also the Government policy to encourage industries on two main criteria — (1) contribution to skill development and technology advancement and (2) export capacity.[5]

However, would foreign investors displace local ones? Is there any real grievance against multi-national corporations? In fact, foreign investment brings along technical know-how and overseas marketing, apart from the capital fund. They pioneer in manufacturing some new products which local businessmen cannot do. Singapore tries to make use of the advantages of multi-national corporations and to avoid the disadvan-

[4] See Economic Development Board Annual Report, 1971-72, p. 8.

[5] See S.Y. Lee, "Some Basic Problems of Industrialisation in Singapore", *Journal of Developing Areas*, Jan. 1973, pp. 198-205, and p. 213; and Mrs. S.Y. Chia "Export Performance and Foreign Manufacturing Firms in Singapore", in Wong Kum Poh and Mrs. Maureen Tan (ed.), *Singapore in the International Economy*, Singapore University Press, 1972.

ıges. The government encourages local participation in capital, tech-
ical skill and management so that industrialisation is not merely an off-
hore operation of international manufacturing companies, but also an
ıgrowth with an increasing degree of local participation and with back-
/ard and forward linkages.

The cost of foreign investment can be considered in terms of:

(1) pressure on the balance of payment arising from remittance of
ırofit by foreign investors. Singapore attempts to persuade foreign in-
'estors to reinvest the profit in Singapore by tax-concessions and by
leveloping Singapore as a financial centre.

(2) unequal income distribution.

(3) an increasing share of foreign investment in Singapore manu-
acturing.

Domestic response to economic development is shown in the joint
'entures of foreign and local partners. The Singapore government also
ıas much equity participation in many companies, particularly in cases
vhere local entrepreneurs do not venture forward. In fact, domestic re-
ponse is mainly by way of government participation in the joint ven-
ures, such as the Jurong Shipyard, Singapore Petroleum Company,
nternational Wood Product and Rollei Singapore. Government direct
:quity investment in manufacturing companies in Singapore is estimated
o be about s$178 million.[6]

[6] See Lee Sheng-Yi, "Public Enterprise and Economic Development in Singapore", *Malayan Economic Review*, October, 1976.

Table 1

Foreign Investment in Manufacturing Industry by Major Investing Countries — Gross Fixed Assets as at End 1965 - Mid-1975
(S$ Million)

	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	Mid-1975	Percentage
1. U.S.A.	23	24	27	53	131	343	501	840	992	1082	1089	33.65
2. U.K.	45	53	85	103	122	199	294	375	390	424	460	14.22
3. Netherlands	40	46	62	81	104	183	275	356	381	420	446	13.78
4. Japan	27	30	31	34	36	68	108	137	237	354	403	12.45
5. Germany, Republic of	—	—	1	1	1	3	21	96	102	107	112	3.46
6. Others*	22	86	97	182	206	199	376	479	557	667	726	22.44
Total (Cumulative)	157	239	303	454	600	995	1575	2283	2659	3054	3236	100.00
Actual Foreign Investment for the year	—	82	64	151	146	395	580	708	376	395	182	

Source: Economic Development Board, Singapore.

Note: *Others include Hong Kong, Taiwan, Australia, France, Italy, Denmark and Scandinavian countries.

Table 2

Foreign Investment in Manufacturing Industry by Industry Group– Gross Fixed Assets as at End 1965 - Mid-1975

	1965	1966	1967	1968	1969	1970	1971	1972	1973	Mid-1974	Mid-1975	Percentage
1. Food and Beverages	9	25	26	29	31	31	54	70	91	107*	120*	3.71
2. Textiles & Garments	7	14	14	46	47	45	116	156	176	212	242	7.48
3. Wood & Cork Products	3	6	6	9	33	17	70	90	136	144	163	5.04
4. Paper & Paper Products						18	27	34	35	37	41	1.27
5. Leather & Rubber Products	8	18	19	30	31	26	41	43	45	33**	27**	0.83
6. Basic Chemical Products	5	12	22	28	30	61	70	63	65	66	90	2.78
7. Other Chemical Products							37	61	64	65	69	2.13
8. Petroleum Products	99	115	145	195	265	555	752	1158	1267	1285	1370	42.34
9. Non-Metallic Mineral Products	3	8	9	14	22	31	34	41	37	48	59	1.82
10. Basic Metal Industries							25	38	35	29	27	0.83
11. Metals & Engineering	19	34	44	64	78	104	56	89	122	224+	297+	9.18
12. Transport Equipment							80	91	132	156	175	5.41
13. Electrical Products	1	4	7	9	21	82	54	82	123	63++	79++	2.44
14. Electronic Products							95	133	186	211	251	7.76
15. Plastic Products	3	3	1	4	10	8	22	30	41	40	49	1.51
16. Precision Equipment and Photographic & Optical Goods	—	—	10	26	32	17	26	97	97	120	144	4.45
17. Miscellaneous							16	7	7	33	34	1.05
Total (Cumulative)	157	239	303	454	600	995	1575	2283	2659	2871	3236	100.00

Source: Economic Development Board, Singapore.

Note: The industry groups were re-classified in accordance with the International Standard Industrial Classification for Mid-1974 and Mid-1975. Hence there are slight differences with respect to the following groups:

* food, beverage and tobacco
** leather and rubber products except footwear and rubber processing
\+ metal products and machinery except electrical
++ electrical products, readjusted with Group 11

Table 3

Number of Manufacturing Firms with Foreign Capital as in June 1975

Industry Groups	U.S.A.			U.K.			Netherlands			Japan			W. Germany			Australia		
	W	P	T	W	P	T	W	P	T	W	P	T	W	P	T	W	P	T
Food & Beverages	2	5	7(3)	1	9	10(4)	0	2	2(1)	0	6	6(1)				1	4	5(3)
Textiles	0	3	3(2)	0	1	1(0)				1	11	12(10)				0	1	1(1)
Garments										0	2	2(1)				0	1	1(0)
Wood and Cork Products	0	2	2(1)	2	2	4(0)	1	0	1(0)	1	7	8(4)				0	1	1(1)
Paper & Paper Products	0	1	1(1)	0	1	1(1)				0	5	5(1)				3	0	3(0)
Leather & Rubber Products	1	0	1(0)	0	1	1(1)				0	1	1(1)						
Basic Industrial Chemicals	0	1	1(0)	1	1	2(1)	1	1	2(1)	1	2	3(2)						
Other Chemical Products	3	1	4(0)	7	9	16(9)				0	6	6(2)				2	4	6(2)
Petroleum Products	4	1	5(5)	2	4	6(5)	0	3	3(3)	0	1	1(1)						
Non-Metallic Mineral Products	4	2	6(2)	0	1	1(1)				0	2	2(1)	0	1	1(0)	1	4	5(1)
Basic Metal Industries	1	0	1(1)	0	2	2(1)				0	2	2(2)						
Metal Products & Mechanical Engineering	17	7	24(16)	1	14	15(6)	2	1	3(2)	8	11	19(10)	3	4	7(6)	2	14	16(6)
Electrical Products	3	3	6(3)	1	4	5(2)	0	1	1(0)	2	7	9(2)	2	1	3(2)	1	1	2(0)
Electronic Products	3	0	3(2)	1	2	3(1)	2	0	2(1)	1	8	9(2)				0	1	1(0)
Electronic Components	14	1	15(12)	0	1	1(0)				4	3	7(2)	2	0	2(2)	0	1	1(0)
Transport Equipment	3	1	4(1)	2	6	8(0)				1	8	9(3)	0	2	2(0)	0	2	2(0)
Plastic Products	1	0	1(1)	0	2	2(0)				0	8	8(3)				0	3	3(3)
Precision Equipment, Photographic & Optical Goods	4	2	6(1)	0	2	2(2)				4	3	7(5)	0	2	2(2)			
Miscellaneous	0	2	2(2)	1	0	1(1)				2	3	5(2)	1	0	1(1)			
Total	60	32	92(53)	19	62	81(34)	6	8	14(8)	25	96	121(55)	8	10	18(13)	10	37	47(17)
Ratio of Whole-Owned Companies to Total Companies	65.2%			23.5%			42.9%			20.7%			44.4%			21.3%		
Ratio of Pioneer Companies to Total Companies			57.6%			42.0%			57.1%			45.5%			72.2%			36.2%

Source: Information from the Economic Development Board.

Note: 1. W = wholly-owned companies — P = partly-owned companies or joint ventures — T = total number of companies
2. Manufacturing Firms include those in production and in implementing. The total number of implementing firms is 23: 5 American, 1 British, 13 Japanese and 4 Australian.
3. Some firms are joint ventures of several foreign countries and Singapore.
4. Figures in parenthesis are numbers of firms with pioneer status.

Table 4

Number of Manufacturing Firms with Foreign Capital as Percentage of Industrial Groups

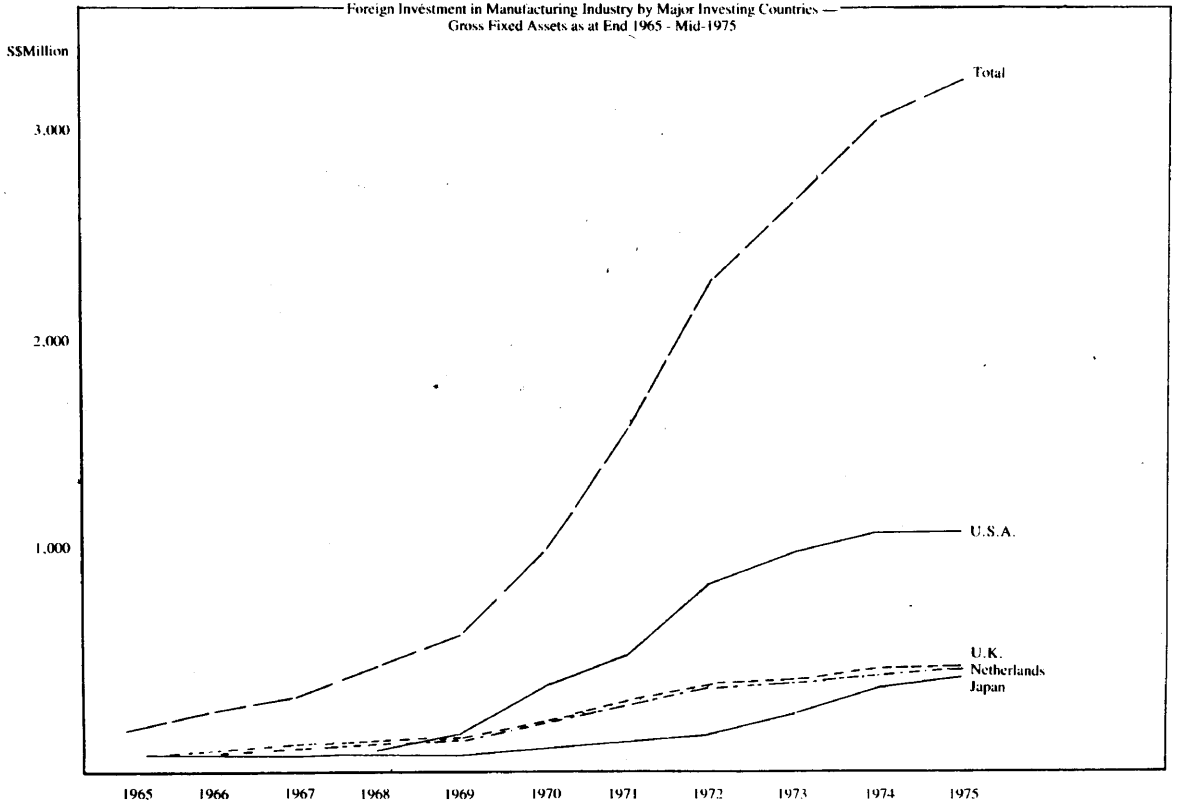
Industry Groups	No. of Firms with Foreign Capital in June 1975	No. of Firms in Respective Industrial Groups at end 1974	Per-centage
Food and Beverages	55	242	22.7
Textiles	64	68	94.1
Garments	31	184	16.8
Wood & Cork Products	36	57	63.2
Paper & Paper Products	25	70	35.7
Leather & Rubber Products	4	54	7.4
Basic Industrial Chemicals	17	18	94.4
Other Chemical Products	44	79	55.7
Petroleum Products	16	18	88.9
Non-Metallic Mineral Products	22	66	33.3
Basic Metal Industries	10	21	47.6
Metal Products & Mechanical Engineering	107	373	28.7
Electrical Products	37		
Electronic Products	29	138	71.0
Electronic Components	32		
Transport Equipment	37	133	27.8
Plastic Products	52	109	47.7
Precision Equipment, Photographic & Optical Goods	26	30	86.7
Miscellaneous	32	97	33.0
Total	676	1,757	38.5

Source: Table 3 and Census of Industrial Production, 1974.

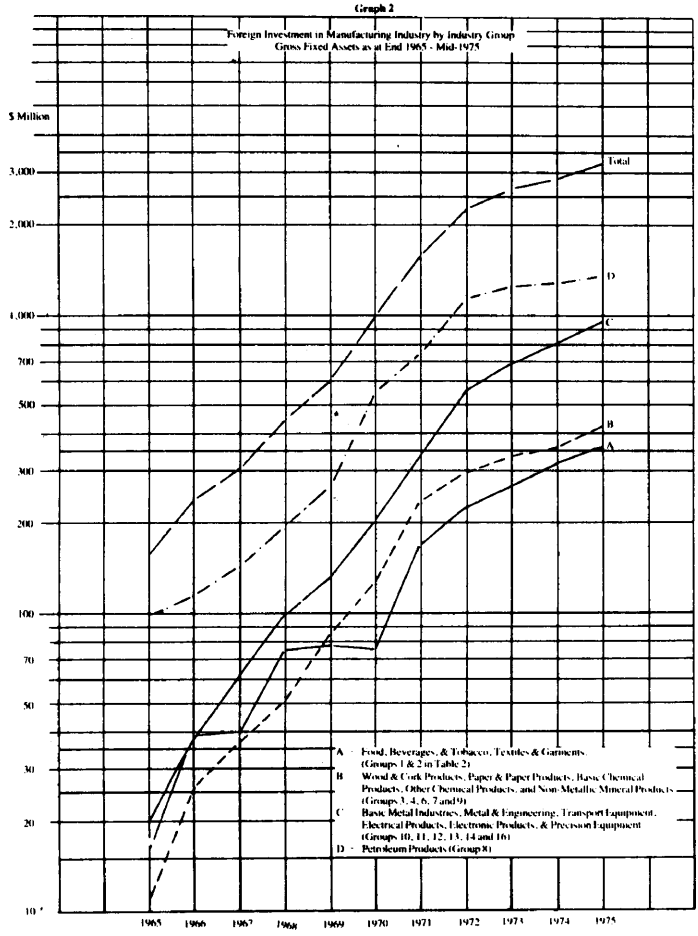
Note: 1. Number of foreign firms includes those of Hong Kong and Taiwan.
2. There were 2,179 establishments with 10 or more workers, according to the Census of Industrial Production, 1974.

Graph 1

Foreign Investment in Manufacturing Industry by Major Investing Countries
Gross Fixed Assets as at End 1965 - Mid-1975



Graph 2


Foreign Investment in Manufacturing Industry by Industry Group
Gross Fixed Assets as at End 1965 - Mid-1975
$ Million
3,000
2,000
1,000
700
500
300
200
100
70
50
30
20
10
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
Total
D
C
B
A
A - Food, Beverages, & Tobacco, Textiles & Garments. (Groups 1 & 2 in Table 2)
B Wood & Cork Products, Paper & Paper Products, Basic Chemical Products, Other Chemical Products, and Non-Metallic Mineral Products (Groups 3, 4, 6, 7 and 9)
C Basic Metal Industries, Metal & Engineering, Transport Equipment, Electrical Products, Electronic Products, & Precision Equipment (Groups 10, 11, 12, 13, 14 and 16)
D - Petroleum Products (Group 8)

Current Trend of Japanese Overseas Investments
— A Case Study on the Asahan Project —

Yoko Kitazawa

In the wake of the American military defeat in Indochina, the inauguration of the U.S.-China detente, the emergence of the anti-Japan movements in Southeast Asia and the serious economic recession hitting Japan, her overseas investments in Southeast Asia, which went into top gear in the late 60s and skyrocketed at the world's fastest tempo in the early 70s, are today visibly changing their pattern. In the earlier overseas investment boom, Japanese capital rushed out rather anarchically and business corporations set up ventures overseas mainly to control the markets of the host countries by producing more cheaply than in Japan.

However, new investments currently planned or being committed, are more strategic, being linked with mammoth resource extraction projects, key storage stations, and national "development" projects of the host countries. In other words, the new projects are larger in scale, more tightly incorporated into a global design of Japanese industries and they involve the key industrial sectors of the host countries.

As strategic projects requiring huge capital investments, in most cases they are jointly promoted by consortiums of big firms across the boundaries of Zaibatin groups. Each of these projects involves all types of work, from planning and engineering to construction and auxiliary services. The Japanese government is solidly behind these projects by massive financial assistance from all available money sources, such as the Japan Export-Import Bank and the Overseas Economic Cooperation Fund.

Another feature of the recent investments is that investments are going to be concentrated on a few key countries — such as Indonesia, Brazil, South Korea and Iran, which are regional powers in each continent. Furthermore, the projects in which Japan is going to invest are to be the core of these countries' "economic development" programmes.

It is also to be noted that the major foreign investments now planned

are considered part of the "structural change" in Japanese industry. The Industrial Structure Council, an advisory body to the Ministry of International Trade and Industry (MITI), recently announced a new economic perspective for the coming decade, entitled " A Long-Term Vision of the Japanese Industrial Structure". This plan is basically a plan to relocate a majority of the Japanese industrial capacities into foreign countries under Japanese control. Iron and steel, non-ferrous metal, such as aluminum, chrome, petrochemical and pulp industries, among others, will be sited from now on in foreign countries where they will yield higher "added value".

It is along with this strategy that the plan envisions an increase of Japanese foreign investments from US$ 12.6 billion in 1974 to $40.9 billion in 1980 and then to $80.7 billion in 1985, and at the same time, to enable Japan to keep up an annual 6-7% growth rate of GNP.

The Asahan Aluminum Refinery Project, which was signed between Japan and Indonesia on July. 7, 1975 according to the MITI officials, is the typical example of the above-mentioned new investment pattern. It is unprecedented both in the amount of money involved and in size among Japanese overseas investment projects recently promoted.

The project aims at utilizing the abundant water supply of the Asahan River in the northern Sumatra, Indonesia. Two hydro-electric power plants will be built to run a 225,000 ton-a-year aluminum refinery, to be constructed in the same area. In the construction of the refinery, the power plants, power cables, water regulating dams, etc., the 12 company-Japanese consortium consisting of 5 aluminum refiners and 7 trading firms and led by Sumitomo Chemical Co., is investing a total sum of 900 million U.S. dollars.

According to the president of Sumitomo Chemical, who put his signature to the contract, the project is mutually advantageous since it offers Japan an inexpensive and reliable power source, while it enables Indonesia to produce primary export-oriented commodities with greater added-value which are vital for the successful promotion of its 2nd Five-Year Plan commenced in April 1974, to make progress in the development of the Sumatra region and to acquire advanced industrial technology. (Federation of Economic Organizations, *Monthly Report*, Sep. 1975). In much the same terms, government and business leaders of Japan praise the project saying that it breaks away from the previous pattern of profit-first investment projects and sets a precedent for a completely new Japanese policy for overseas economic cooperation.

However, as I am going to state from now on, the Asahan project is far

from the ideal form of overseas investment as the promoters would have us believe.

The project was much in debate for several years before being officially launched. But it was only recently, suddenly brought out into the open. In January 1974 when former Prime Minister Tanaka was visiting Djakarta as part of his south-east Asian tour he showed the Indonesian leaders this propopsal as one of the many "national projects" Japan was planning to carry out abroad, and promised a supply of low-interest loans for its implementation.

Though having been launched with great fanfare, the project then came to a standstill for some time because of the following factors: (1) two of the world's largest aluminum producers, Alcoa and Kaiser, which were expected to form a consortium with the Japanese partners pulled out of the venture on the grounds that the immense costs of constructing the hydrolelectric power plants would make the entire project unprofitable; (2) inflation pushed the construction costs, which were originally estimated at US$ 600 million, up to around $900 million: (Now it is feared that final estimation of the cost could be around $1.5 billion) and (3) in the aftermath of the resignation of the Tanaka cabinet due to the 1974 scandal, the Finance Ministry and other administrative branches were then extremely reluctant to extend public loans to support such expensive project of the private sector.

And at this time precisely, it was the MITI officials who came out to take over the initiative. They have recourse to a heavy political pressure to draw the needed sum out of the government treasury. They argued that given the cancellations of other big Japanese projects in Southeast Asia such as the ones for investment in Thai-petrochemical plants and the contract for subway construction works in Hong Kong, which were already announced, with the worldwide depression as an excuse, the scrapping of the Asahan project could only result in virtual bankruptcy of Japan's reputation in the area. They maintain also that the project, underwritten by the commitment which the former Prime Minister made to the President of Indonesia is actually a national one and, as such, must be supported by the Japanese government. The solution was finally forced through. On July 4, 1975 with only a few days left before President Suharto's scheduled arrival in Tokyo, a Miki Cabinet meeting made the overtly politically-motivated decision to finance 70% of the construction cost of the project with government funds, plus 20% with commercial loans, calling this an "exceptional measure". The remaining 10% of the cost would be provided by Indonesia.

The breakdown of the official aid was set as follows. The Japan

Export-Import Bank extends loans for 70% of US$ 500 million needed for construction of the aluminum refinery, while the government-administered Overseas Economic Cooperation Funds finances 70% of the $300 million needed for building the hydropower plants with 600,000 kwh capacity, and 70% of the $80 million needed for preparing the infrastructure, such as roads and railways.

Now I come to the point of how much benefit will this project bring to Indonesia. It is clearly attested by A.R. Suhud, Vice Chairman of the Government Investment Coordinating Committee, who led the Indonesian delegation in the negotiations for the project. (*Far Eastern Economic Review, February 14, 1975*).

There are several reasons to prove the pessimism on the Indonesian side. Firstly, the construction materials brought into Indonesia from Japan during the implementation of the project are all duty free, just as the Japanese personnels to be employed for it are free from paying income tax to the Indonesian government, and after commencement of operations, aluminum ingots produced by the refinery are shipped to Japan free of any export tax. Secondly, the hydroelectric power plants to be built are to supply as much as 30% of their electricity to the refinery, thus depriving Sumatra of utilizing the major part of the rich water resource of the Asahan River. Thirdly, all the costs of construction of the shipping port facilities and the factory town must be borne by Indonesia. Fourthly, Indonesia has to wait for 30 years until it acquires the refinery. And fifthly, the direct benefits Indonesia can derive from the project are limited to some revenue collected in the form of property and water utility taxes, and wage incomes earned by 1000 construction workers and later by 2000 employees of the refinery after commencement of production in 1981.

In other words, the overall nature of the project is that of a foreign investment made in a free trade zone, except that bauxite, the raw material, is produced domestically in Indonesia. To make matters worse, Indonesia is required to export to Japan all aluminum ingots produced.

Then, what sort of benefits is the project going to bring Japan? The blueprint for the project was being worked out in accordance with the above-mentioned MITI's Long-Term Vision of the Japanese Industrial Structure. The MITI's plan was emphasizing the need for setting up new aluminum refining bases overseas. For, their long-term projection of domestic demand for aluminum after 1975 estimated total Japanese consumption of aluminum in 1985 at 3.1 million tons, of which only 1.8 million tons would be produced domestically due to the tightened environmental regulations, high cost of land tenure, as well as labour

wages. Thus, the balance, 1.3 million tons, would have to be imported from abroad, Indonesia and Brazil were mentioned as preferable sites for overseas bases.

However, actual state of the Japan's aluminum industry today would lead us to pessimism. Especially serious for this industry is that the construction and transportation industries which together consume more than 50% of Japanese aluminum, were severely hit by the recession and reduced their purchases. As a result, throughout FY 1975 the industry's stockpiles remained at a level of 400,000 tons. There is no sign of recovery in the foreseeable future.

What about the availability of inexpensive power which the president of Sumitomo Chemical Co. cites as the most important factor in undertaking the project?

Japanese aluminum producers are complaining about their deteriorating international competitiveness. They say that while their U.S. and Canadian competitors are paying only about 1 yen per kwh for hydroelectric power, the unit cost of thermal power generation in Japan has doubled to 7 yen per kwh since the oil crisis. But they remain silent on the fact that they have been enjoying an exceedingly cheap energy supply, at about half the unit production cost.

As these facts clearly reveal, there is no economic rationale that can convincingly explain why the Japanese aluminum industry should invest in the new project overseas. The cost of aluminum refining in Japan is not prohibitively expensive. There are already large stockpiles being accumulated. Moreover, the agreement reached between the Japanese consortium and the Indonesian government obliges the latter to supply aluminum exclusively to Japan, but it fails to specify penalties to be imposed against Japan, if it refuses to purchase the Asahan aluminum. Indonesia is without assurance as to where to sell in case the Japanese aluminum market is stagnant.

Then, precisely what is driving the Japanese government and its aluminum industry to promote the project?

There are two answers to the question:

In the first place, Japanese industry is keen on controlling large deposits of bauxite, the raw material which, after oil, is becoming the target of the ever rising tide of resource nationalism in the third world. And given the fact that Indonesia is not subscribing to the Jamaica Treaty, this project, just like another one being promoted in Brazil, perfectly serves such a strategic goal as it brings Indonesia's bauxite under Japanese control for 30 years. This will convert a resourceless Japan into a resource-holding nation.

In the second objective, by investing in the Asahan project, the aluminum industry is hoping to remain free from any future recession, high cost of labour environmental regulations. In other words, Japanese industry, with massive supply of government funds, is going to export an economic recession, a cheap labour, as well as an industrial pollution abroad.

These are the main features of the project as far as the Japanese motivation is concerned. And quite recently, another investment project for an aluminum refinery, similar in character and bigger in scale, has been agreed between Japan and Brazil after year-long negotiations.

In conclusion, as I stated at the beginning, the Asahan project is the one which has opened up a new pattern for Japanese investment overseas not only in Southeast Asia but also in all of the developing countries for the coming decade.

Agricultural Crop Technology in the Philippines: A Biologist's Point of view*

Reynaldo A. Tabbada

Introduction: An Overview of the Philippine Agriculture

The Philippines has a land area of about 30 million hectares but the arable acreage constitutes roughly 11 million hectares only. The percentage distribution of all cultivated land indicates that three-quarters are utilized in growing food crops, which are mainly rice, corn and fruits, and the remainder in raising commercial crops which include mainly coconut and sugar. Products from the arable land contribute around 60 percent of the agricultural output.

Agricultural productivity has always played a key role in the life and welfare of the population. More than half of the total labor force and roughly 70 percent of the population of the country is engaged in agricultural activities. As a major sector of the economy, agriculture accounts for about a third of the gross domestic product and approximately two-thirds of the country's earnings.[1]

The national development programs of the government from the 1930's to the last decade have invariably stressed the need to accelerate agricultural development in order to attain self-sufficiency in food production. Developmental programs and policies in agriculture were thus mostly production-oriented. Extension, basic research, and conservation projects were largely inadequate. It was also quite evident that more emphasis and priority in terms of efforts and resources were placed on improving agricultural crop production, especially rice.

It has been pointed out, however, that the annual increase in agricul-

*Paper presented at the XXX Congress on Human Sciences under the auspices of the Collegio de Mexico held in Mexico City on 3-8 August 1976. The comments presented here solely represent the ideas and impressions of the author.

[1] Four-Year Development Plan, FY 1974-77. National Economic Development Authority, Manila, 1973.

tural output during the past two decades had been on a downhill trend from a high 9.8 percent during 1950 to 1954 to a rather low 3.3 percent during 1965 to 1969.[2] On the other hand, growth rates in agricultural income also indicated a significant increase, from a 5.4 percent rate during the 1950's to a 4.0 percent level during the 1960's. These observations have continuously pointed out the urgent need for the re-structuring and implementation of programs and policies designed to increase agricultural productivity and income.

Before the historical imposition of Presidential Proclamation No. 1081, policies and programs instituted to increase agricultural productivity were basically oriented towards short-term or immediate self-sufficiency production targets. A noticeable shift in policy orientation soon after emerged with the issuance of various Presidential Decrees to accelerate agricultural development with reference both to short and long term objectives. The underlying objective of these decrees and directives is the transformation of the agricultural sector from one that is oriented towards self-sufficiency programs, as in the past, to one that is industry or market oriented.

This is reflected in the present Four-Year Development Plan (1974-77) of the New Society which stresses for agriculture the need to accelerate land transfer and distribution, to attain self-sufficiency in food and food products, to conserve and develop forest resources and to expand export and import substitutes. Under this Plan, the emphasis is on the development of agriculture in harmony with that of industry so as to expand agricultural production, achieve self-sufficiency in basic food commodities, and raise farm incomes.

Objectives and Limitations: A Technological Perspective

Although the term agriculture implies a wide spectrum of activities to produce various items from the land for food, commerce and industry, the main concern of this chapter will be major food and commercial crops from the arable land.

The presentation is intended neither to evaluate present policies and programs nor evolve alternative courses for agricultural development. Simply, it will attempt to identify some technological problems associated with the productivity in major agricultural crops. In the process, certain concrete opportunities or directions for improvement will be

[2] Dalisay, A. 1972. Economic Issues in Land Reform: The Philippine Case. A paper discussed at the U.P. Agrarian Reform Institute, Diliman, Quezon City. September 1972.

cited. Moreover, certain technological aspects of crops cultivation will be given major emphasis inasmuch as this approach is within the familiarity of the writer who is in a less capable position to discuss the major administrative, economic and social constraints in the agricultural development of the country.

On the other hand, certain technologies directed towards increasing crop yields will not be emphasized. Crop management, diversification, and marketing as well as infrastructure programs are issues already well appreciated and being fully worked out by both public and private agencies so that there is practically little need to belabor them. Instead, the more basic and direct technological measures to increase crop production will be considered.

Crop Technology: An Assessment

For developing countries like the Philippines, a number of pre-requisites essential for agricultural development have been underscored, namely: a desire of the government to develop agriculture; administrative and organizational competence and technical manpower; and potential expansion of markets for agricultural outputs and an adequate supply of capital inputs.[3] While the government's determination and support for agricultural development has not been substantially inadequate, there is room for some serious reconsideration and improvement in the other two requisites, especially the technological aspects.

To increase agricultural production, there are usually two recommended approaches: the expansion of cultivated area and/or the improvement of yield per unit area. While additional good quality agricultural land may still be available in the country, it remains doubtful whether its contribution would be substantial. Reclaiming and bringing marginal or waste land into production would be rather expensive in terms of requisite inputs. A greater hope rests therefore with the second measure aimed at maximizing production from the presently cultivated acreage. Undoubtedly, science and technology will play a dominant role in the realization of this hope.

Technological methods employed to increase agricultural crop yield per unit area and time conventionally include: improvement in the performance of high-yielding varieties (HYV), expansion and maintenance of irrigation and drainage control facilities, optimum fertilizer inputs,

[3] Hapgood, D. and M.F. Millikan. 1965, Policies for promoting Agricultural Development, Report of Conference on Productivity in the Underdeveloped Countries, MIT, Cambridge, U.S.A.; pp. 19-21.

effective pest and disease control, farm mechanization, and better cultural practices.[4] Directly or indirectly these measures can be aptly categorized as the major technological inputs for increasing agricultural yield. And their optimization or success is, by and large, dependent on research.

Present and even past programs designed to increase farm production have invariably incorporated these measures. Priority in technological needs has been defined for the development of major crops. Although the identification of priority needs for each major crop need not be elaborated here, it is significant to note that rice has taken a substantial, perhaps insurmountable, lead towards monopolizing development and research efforts and resources. In spite of this trend, the production targets for the rice sector have hardly been attained in recent years. While low yields in the past have often been caused by natural forces beyond man's control, technological inadequacies or oversights in the planning and implementation of crop programs have also their share in crop failures.

A number of major constraints to explain under-production in the agricultural sector can be readily identified. Aside from the socio-economic and political forces, which also steer the course and targets of agricultural development, the inadequacy of technological inputs, and the recurrence of adverse physical and biological calamities in the environment, notably storms, floods, and pests, have repeatedly been cited as major reasons for the rather slow growth rates of production.

A digression at this point may help us appreciate the role of research and technology in crop production. Farm crops like all green plants need basic commodities from the environment: water and inorganic nutrients from the soil, sunlight, and carbon dioxide from the atmosphere. In essence, crops are at the mercy of their environment. Thus, the character and realities of the environment also shape the agricultural work and attitudes of man.

Of these requirements, provisions of the soil are quite variable and often limiting. Technological efforts to increase crop yields have been concentrated in correcting inadequacies of water and nutrient supply from the soil environment. Thus, plans geared towards the expansion of irrigation facilities and extensive application of fertilizers have intensified during the past decade. Since resources to implement these plans are, to a large extent, limited, then the more it becomes imperative that more

[4] Brown, L.R. 1968. Second International Conference on the War on Hunger, Washington, D.C.

effective field water management and fertilizer utilization be evolved.

For a more effective utilization of water from irrigational systems, a basic understanding on the varying water needs of a specific crop during development as well as the effects of added water on the soil nutrient status and the microclimate of the plant is essential. Although it may be obvious that crop species are ever thirsty, their optimal water requirements are not constant throughout the growing season. Local studies have estimated average water consumption by major crops in terms of volume of water per day per unit area. While such averages may reflect the differences in the water requirement of different crops or varieties, they do not necessarily signify the varying needs of a particular crop plant for optimal development. This consideration would be a crucial factor in determining the type or schedule of irrigation to be used in a particular crop. Such variations in requirement, it may be noted, would also be further affected by local environmental factors, mainly soil type and climate. Moreover, the effects of soil water status on the various physiological and metabolic processes in crop species have not been thoroughly explored. Such processes are intricately linked with the productivity of the plant.

While the abundance of water is a desirable state, such a condition can pose dangers of soil nutrient leaching through seepage or the washing away of fine soil particles as well as the disturbance of the biotic components of the soil. This may be a significant issue in the conventional irrigation of ricelands involving flooding or submergence. Since most of the major crops are shallow-rooted annual plants, their capacity to exploit the nutrients leached into the deeper regions of the soil is minimal. The effects of changes in soil water status on the microorganisms in the soil are relatively unknown. Since these biotic components play an important role in maintaining the physical and chemical stability of the soil, this interaction may be worth some consideration in assessing crop water requirement for optimum yield. From another point, the evaporation of water from flooded or very wet soils can alter, though slightly, the temperature of the plant. The consequences of such changes specifically on the intake of carbon dioxide and metabolism, which are key processes in plant productivity, are relatively unknown for the major crop species.

Although the above considerations may be too basic to be substantially essential in increasing yields, nevertheless their integration into the assessment of the impact of irrigation programs may prove to be a worthy exercise.

Perhaps the most widely recommended measure to increase crop yields

is through the more intensive application of fertilizers. Although a great number of studies have demonstrated significant yield increases with the application of this technology, especially in rice, further information on certain aspects of its effective use is lacking.

Considering the tonnage of fertilizers annually incorporated into arable lands, a major question which arises is the effective capacity of crop species to absorb the added nutrients. Few, if any, field studies designed to measure how much of this added input gets incorporated into the plant and how much goes down the drain, so to speak, have been carried out. Complicating this phenomenon is the relatively unknown effects of overflow or continuous irrigation. Information on plant-soil-fertilizer interactions is quite essential in assessing the relative or actual productivity of fertilizers in different crops, especially in view of the limited production and supply of this input.

A corollary to the above question is the relatively unknown effects of added fertilizers on the ecology of the soil, especially with reference to nutrient status and availability. The uptake of essential nutrients is largely determined by their availability and not merely by their concentrations in the soil. Availability to the plant depends on certain physico-chemical and biological conditions in the soil which may be disturbed by the unregulated or undetermined introduction of fertilizers. A more effective application of this technology would require some basic understanding both of the fate and side effects of added nutrients in the soil. There is a further need for research to evolve a more effective fertilizer use in relation to crop variety, soil fertility, and other cultural conditions.

Another proposed panacea in crop agriculture is the development of new high-yielding varieties (HYV) and high-protein strains of food crops. Although this technology has demonstrated dramatic increases in yield, especially in the rice sector as exemplified by the Miracle IR varieties since the mid 1960's, certain cultural problems or criticisms have emerged. Mainly, these are the high and exacting requirements of those varieties for water and nutrient supply for yield optimization. Another disadvantage is their comparatively high susceptibility to pests and diseases. And to correct this undesirable trait, additional inputs of chemical pesticides and insecticides are required. In essence, then, the miracles in yield are apparently dependent on high additional chemical and irrigational inputs.

Thus, it appears that there is a need for the development of HYV with comparatively lower optimal requirements for fertilizers and irrigation. Just as important in a varietal improvement program is the development of HYV which have a higher resistance to diseases and pests in time. It

may also be worthwhile and more practical to undertake breeding experiments under less pampersome or artificial growing conditions as those obtaining in greenhouses or adequately fertilized and/or irrigated experimental fields. Established and pre-conditioned as such, their performance will largely depend on the continued availability of these additional inputs. Furthermore, the adequate performance of HYV in a particular locality or environment is no assurance that they will do as well in other areas where conditions may be even only slightly varied. This also implies the corollary need for studies on the adaptability and cultural management studies on HYV suitable to certain areas of a particular country.

If the acreage planted with HYV is to expand, undoubtedly the provisions for such additional inputs will have to be considered so as to realize their full potential. For how long and how much the economy can afford to sustain the productivity of HYV and the increasing creation of new ones may also be worth assessing in the allocation of agricultural resources. Although the improvement of existing and the development of new HYVs will undoubtedly have the potential of making a major contribution in crop yield, the realization of this potential takes a rather long lead time. The time needed to breed the desired characteristics of yield and resistance into major crops, let alone rice, is quite long and the process quite tedious. As such, its impact on short-term targets in crop production may be marginal but in the long-run may be phenomenal. Breeding activities to develop improved crop varieties must be continuously promoted together with a more intensive research into the stability of desirable traits, their technology and basic physiology.

Inasmuch as the effectiveness of the above technologies basically depends on research, certain observations on the agricultural research system of the country will be considered. The preceding discussion has pointed out the need for some basic research on possible directions to improve the use of technology on crops. Although such studies are not directly related to yield performance, information gathered from such exercises may suggest measures to improve the use of technology. This lack of basic research on the utilization of technology in crop research can be referred from past funding policies giving low priority to basic studies and a major emphasis on yield-oriented activities. This is stressed by findings from a study of the Philippine agricultural research system in 1971.[5] The survey indicated that out of the 1725 then current and com-

[5] The Philippine Agricultural Research System: Evaluation and Recommendations, Volume I, December 1971. Manila.

pleted projects in crop research during the 1967-1970 period, only 15 or 0.87 percent were classified as basic in nature. And these were carried out in fruits, sugarcane and coconut. Major emphasis was placed on varietal improvement through breeding work and on the use of chemicals in crop management research.

The same study also indicated that during 1970-71, agricultural research manpower was concentrated (42.6 percent) in universities and colleges and the full-time manpower equivalent devoted to research by these agencies was the lowest (22.8 percent). This would indicate that most of the researchers were part-time. The survey also noted that academic institutions as a research agency held the greatest number of highly-trained personnel. This observation places other agricultural research agencies, especially government institutions, at a disadvantage. This fact is eventually reflected in their research output.

Moreover, an inventory of government-owned research facilities and equipment revealed that these are concentrated in central offices of research agencies and at the College of Agriculture of the University of the Philippines at Los Baños. What is more distressing is the utter lack of qualified research manpower as well as research equipment and facilities in supposedly regional or provincial research stations of the government. These structures occupy a vital point in the extension of research knowledge in crop agriculture to the common farmer. Continuing quality research demonstrations in these stations would constitute a tangible proof of the advantages of modern agriculture for farmers. This may help soften the supposedly hard wall between the extension worker and the farmer. Thus, there is a need to diffuse or decentralize research activities, from the few sophisticated agencies to the rural areas where traditional farmers can not only observe but, perhaps, participate in the process. This need can be realized with the strengthening of agricultural experimental stations in terms of research manpower, equipment, and facilities.

In addition to the above considerations of crop technologies, there are two other questions to be considered in their adoption. One basic consideration deals with the allocation of ultimate benefits derived from the use of technology. In the Philippines, as in other developing nations, most of the agricultural technologies in practice are largely dependent on the generosity of the developed countries, especially in terms of material, financial, and technical assistance. This situation creates a tenuous bind on the user. Although the benefits realized from the use of a particular technological input, as agricultural chemicals for instance, are perhaps mutual, the user apparently is at a disadvantage. While the income of the producer of such inputs is largely secure, the end user, who is unfortu-

nately the farmer, perhaps together with his poor government, has to absorb the risks and uncertainties in the usage and effectiveness of the adopted technology. The tonnage of fertilizers that went down the drain due to pests and natural calamities are incalculable. The lines of HYV suddenly eliminated by new pests cannot be discounted — thus negating the time and resources spent in their development. Benefit-wise, producers of technological inputs, which are usually the developed nations, have all to gain and nothing to lose. Users, on the other hand, have to rely on their lean foreign reserves to maintain such technologies.

Another essential consideration in the adoption and effective utilization of crop technology is public understanding, especially on the part of the direct user. This would involve mechanisms effective enough to inform society of the implications of new technological developments, to solicit their reactions, and to involve them in the decision-making process. Although the time factor involved strongly argues against this measure, still society, especially the user sector, has a basic right to know what such a technology is all about.

The Future: A Challenge

Agriculture, especially the cultivation of crops, is perhaps the earliest of the many reflections of man's interaction with his environment. Through the ages, he slowly came to realize that the productivity of his fields and waters depended not only on his sweat but more so on the generosity of the environment which provided the basic ingredients for the welfare of his favorite crops. In time his tribe increased and consequently the pressure to step up the productivity of his arable land and fishing grounds to meet his needs intensified. This started the agricultural revolution which was designed to enhance the capacity of his land to provide the basic needs of his ever-increasing numbers. His basic weapon in the revolution was technology. Except for certain regions of the earth, the revolution is still raging, especially in developing areas where the population is increasing at a tremendous rate while trying to reach the industrialized state. The Philippines is undergoing this experience.

Today, Philippine agriculture is undergoing a massive transformation from the traditional or conventional to the modern outlook. This modernization, which is most evident in the cultivation of major crops, is technology-intensive. That this is essential is not debatable. The process has started and must continue until that elusive level of adequacy is attained. What should not be neglected during the process, however, are the interactions of technology with the environment. How much technol-

ogy can the soil, for example, absorb so as to optimize yields and still maintain its integrity or capacity to support man? The basic problem of effective technology is how to please man and the environment. In other words, an imbalance would be dangerous. Unfortunately, such dangers are relatively unknown.

In conclusion, then, it may in the long run be beneficial to start now the exploration towards the identification of the agriculture-environment balance. This does not imply a deceleration of the transformation process, but rather it would suggest that a more integrated or systematic approach be used when designing programs to accelerate crop production in pace with projected demands of the population. The basic challenge, then, of Philippine agriculture in the near future is to optimize yield with the effective use of technology and at the same time to preserve the life-supporting capacity of the environment.

Moreover, technology which is not too dependent on foreign control should be developed. It is high time for developing countries to harness their resources and develop such technologies as they can cooperatively support through time. As spectators, developing countries have, perhaps, observed that in the industrialized nations the extent and rate of recent technological advances are apparently overtaxing the ability of their institutions to control and shape quality human environments. It is perhaps in their own self-interest that industrialized nations actively advocate, promote and subsidize the transfer of their technology, for they are likely to reap most of the benefits. Hence, developing nations must exercise more caution in the adoption or rejection of technological changes from advanced sources and will have to face the problem of choosing the proper course of technological development.

The Formation of New Classes in Southeast Asia: The Corporate Comprador

Ernst Utrecht

The Corporate Comprador

For their operations in countries other than those of their parent companies, transnational corporations (TNCs) need the close co-operation of certain groups of people among the elites in the host countries of their subsidiaries. For instance, for the operations in Indonesia of its Jakarta subsidiary, P.T. Indomilk, Asia Dairy Industries Pty of Melbourne needs the goodwill and support of a number of local people, Indonesians, who are in a position to exert influence on the Indonesian government in order to obtain the required licences and to introduce the top manager of the subsidiary, an Australian, in the Indonesian business world. These local people also have to pave the way for peaceful relations between the subsidiary and the local labour force. In most of the host countries, it is only these local elites who get a share in the huge profits the foreign companies make. The TNCs pay them fees, commissions or bribes. We call them *compradors*, and because of their dealings with foreign corporations the term '*corporate* comprador' is most appropriate.

In Marxist literature, by compradors are meant indigenous persons who voluntarily serve foreign (capitalist) interests. Those who involuntarily co-operate with or are exploited by foreign interests, like the workers of a foreign-owned factory, are, of course, not compradors.

Compradors belong to the indigenous upper-class ruling a country whose economy largely depends upon foreign investment. Some authors, however, make a distinction between a 'comprador class' besides the 'national bourgeoisie'.

In order to carry out their operations most effectively, TNCs need the co-operation of corporate compradors. Therefore, in countries where such a social class does not yet exist, they simply create it.

Social Classes

Social classes are groups of persons (social agents) defined principally but not exclusively[1] by their place in the economic sphere. The economic sphere is determined by the production process and the distribution of the social agents into social classes by the relations of production.

The basis of the production process is the labour process, which generally designates man's relation to nature. The labour process always appears in a historically determined social form and, therefore, exists only in its unity with relations of production.

In a society which is divided into classes, the production relations consist of a double relation which encompasses men's relations to nature in material production. First, there is the relation between men and other men, the class relation, and secondly, there is the relation between the agents of production and the object and means of labour, the productive forces. These two relations concern the relation of the non-worker, the owner, to the object and means of labour and the relation of the immediate producer, the direct worker, to the object and means of labour.

These relations involve two aspects: that of the economic ownership and that of the possession. By economic ownership is meant the real economic control of the means of production, that is, the power to assign the means of production to given uses and so to dispose of the products obtained, while possession means the capacity to put the means of production into operation. Because the owners have real control of the means of production, they thus exploit the direct workers by extorting surplus value from them in various forms. This ownership, however, is to be understood as real economic ownership. Control of the means of production has to be distinguished from juridical ownership, which is sanctioned by the law and belongs to the super-structure. Although the law generally ratifies economic ownership, it is possible that the forms

[1] In their analyses of social classes Marx, Engels, Lenin and Mao Tse-tung have not limited themselves to the economic criteria alone. They also refer to political and ideological criteria. See, for instance, Nicos Poulantzas, *Classes in Contemporary Capitalism*, London 1975, p. 14:

The economic place of the social agents has a principal role in determining social classes. But from that we cannot conclude that this economic place is sufficient to determine social classes. Marxism states that the economic does indeed have the determinant role in a mode of production or a social formation; but the political and the ideological (the superstructure) also have a very important role. In fact, wherever Marx, Engels, Lenin and Mao analyze social classes, far from limiting themselves to economic criteria alone, they make explicit reference to political and ideological criteria.

of juridical ownership do not coincide with real economic ownership. For instance, according to Lenin the big farmers belong to the rich peasantry, even though they do not have formal, juridical ownership of the land, which belongs to the rentier capitalist. These big farmers have real control of the land and the means of labour, of which they are, thus, the effective economic owners.

The relation of the direct producers, the workers, to the means and object of labour defines the exploited class. This relation can take on different forms, according to the different modes of production in which it occurs. In pre-capitalist modes of production, which still prevail in the primitive and agrarian sectors of the economy of most Southeast Asian countries (for instance, the economy of the Dayak people in the interior of Kalimantan (Borneo), the economy of the tribes in Indonesian West Irian and Papua New Guinea, the economy of the tribes in the interior of Mindanao Island in the Philippines), the direct producers are not entirely separated from the object and means of labour. In feudal modes of production, which also still prevail in certain sectors of the economy of most Southeast Asian countries (for instance, the economy of West Malaysia (Malaya), the economy of Java), even though the landlord has both juridical and economic ownership of the land, the serf has possession of his plot of land, which is more or less protected by customary law, like in Indonesia the *adat* law. The serf cannot be simply dispossessed by his landlord. In the feudal mode of production, exploitation occurs in the form of direct extraction of surplus labour. So economic ownership and possession are distinct in that they do not both depend on the same relation between owners and means of production, whereas in the capitalist mode of production the direct producers, the workers, are completely dispossessed of their means of work, of which the capitalists have the actual possession. Marx speaks about the 'naked worker' the worker possesses only his labour power, which he sells as a commodity, and this fact determines the generalization of the commodity form. Thus, the capitalist extracts surplus labour not in a direct way, but rather through the medium of labour embodied in the commodity, that is, by amassing surplus value.

Nicos Poulantzas gives the following summary:

> The production process is defined not by technological factors, but by relations between men and the means of production. It is defined therefore by the unity of the labour process and the relations of production. In societies divided into classes, there is no such thing as 'productive labour' as such, understood as a neutral term. In every mode of production

divided into classes, productive labour is labour corresponding to the relations of production of that mode: it is that labour which gives rise to a specific form of exploitation. In such societies, production always stands for division, exploitation and struggle between classes. Thus in the capitalist mode of production, productive labour is that which (always on the bases of use-value) produces exchange value in the form of commodities, and so surplus value. It is precisely in this way that the working class is economically defined in the capitalist mode of production: productive labour relates directly to the division between classes in the relation of production.[2]

The Rise of New Social Clases in Southeast Asia

From the foregoing, we may conclude that social classes are formed principally by modes of production and relationship to means of production. So changes in these modes and in ownership of production almost inevitably bring about changes in the social structure of a society.

Southeast Asia, which comprises a vast area with a large variety of cultures, has frequently undergone changes in the social structures of its many different societies as a result of interference by alien economic and political groups with different modes of production and relationship to means of production. It was about twenty centuries ago that the first people with a different culture came to settle in the region. They came from South Asia, to be precise, from Southern India, and established the first feudal realms in Southeast Asia.[3] We may assume that Hinduism introduced feudalism to this part of the world.

Gradually these Hindu kingdoms became indigenous: they were Vietnamized, Cambodianized, Siamized, Malayanized and Indonesianized. The biggest of the indigenous kingdoms was the 14th century realm of Majapahit, which, according to its own historians, stretched out from Southern Thailand and Cambodia to present day's Papua New Guinea.[4] However, the feudal system was only exerted in the coastal areas, in particular where the ruler had his court. In the interior the old 'village republics'[5] continued their existence.

[2] Poulantzas, "On Social Classes", *New Left Review*, 78 (March-April 1973), p. 30.

[3] G. Coedès, *The Indianized States of Southeast Asia* (translated from the French: Les États hindouisés d'Indochine et d'Indonésie), Hawaii 1968.

[4] Th. Pigeaud, *Java in the Fourteenth Century*, The Hague 1960, 4 volumes.

[5] V. E. Korn, *De dorpsrepubliek Tnganan Pagrinsingan* (The Village Republic of Tnganan Pagringsingan), Santpoort 1933.

In the domains of the king and his vassals the peasantry did not own land and was forced to produce mainly for the courts. In these parts of the realm one could find the mode of production and type of landownership that has been described in Karl Wittfogel's *Oriental Despotism*.[6] However, in the village republics, which fortunately encompassed the biggest part of the kingdom's territory, the peasants enjoyed full ownership of the land and could even keep the surplus of their produce for themselves. In a number of coastal towns commodities produced by free peasants as well as the king's serfs were delivered to traders, who exported these goods to South Asia, the Middle East (the Levant) and Europe.[7] These towns harboured quite independent 'strategic groups',[8] which usually consisted of traders and artisans. The *sahbandar*, a 'trade commissioner' and 'port authority', and in some towns also a 'consul for foreigners', appointed by the king, represented the merchants at the king's court.[9]

In the 17th and 18th centuries, the position of the *sahbandar* and his merchants was strengthened by the great European trading companies, like the British East India Company (EIC) and the Dutch Verenigde Oost-Indische Compagnie (VOC), and the Spanish galleon traders and

[6] Karl A. Wittfogel, *Oriental Despotism: A Comparative Study of Total Power*, New Haven 1957. A brilliant study on the Asian mode of production and sharp criticism of Wittfogel's work is Gianni Sofri, *Ueber asiatische Produktionsweise* (On the Asiatic Mode of Production), Frankfurt 1972.

[7] See for the 'early Asian trade', which was pre-capitalistic, J. C. van Leur, *Indonesian Trade and Society*, The Hague/Bandung 1955; M.A.P. Meilink-Roelofsz, *Asian Trade and European Influence in the Indonesian Archipelago between 1500 and about 1630*, The Hague 1962; Niels Steensgaard, *The Asian Trade Revolution of the Seventeenth Century. The East India Companies and the Caravan Trade*, Chicago/London 1974. Van Leur, *Indonesian Trade*, p. 133:

> The international trade of southeast Asia was a small-scale peddling trade. The traders, shipping out with their goods by dozens on long voyages the periodicity of which was governed by the semi-annual monsoon winds, were pedlars with valuable high-quality products. They went out either as independent pedlars, perhaps in companies, or as traders on *commenda*.

[8] According to Hans-Dieter Evers, strategic groups are groups of strategic importance for political development, conflict situations, reform or revolution in their own societies. Civil servants, the military, teachers, professionals and Chinese businessmen seem to have been major strategic groups in modern Southeast Asia. See Evers, "Group Conflict and Class Formation in South-East Asia", in Hans-Dieter Evers (ed.), *Modernization in South-East Asia*, Singapore/Kuala Lumpur 1973, p. 114.

[9] For the *sahbandar* see Ernst Utrecht, *Sedjarah Hukum Internasional di Bali dan Lombok* (History of International Law in Bali and Lombok), Bandung 1962.

merchant houses in Manila.[10] We may conclude that foreign trade in the 17th and 18th centuries helped create a new social class of middle traders, a petty bourgeoisie of Asian origin, engaged in the collecting trade of commodities and the distributive commerce of consumer goods supplied by the foreign merchants. The foreign trading houses were very much in need of such a comprador class, and it happened in a number of places, for instance Malaya and the Indonesian archipelago, that they even imported the middle traders from elsewhere, in particular from China, when no local middle traders were at hand or could be trusted. Thus, most of the collecting and distributive commerce in Southeast Asia, from Thailand to the Philippines, fell into the hands of Chinese.[11]

In the Northern and Central Philippines early Spanish colonialism produced the class of *encomenderos*, foreign landowners, who in a later period brutally exploited the Filipinos, the indigenous inhabitants, in their large *haciendas*.[12]

In the 19th century, Western private companies as well as enterprises owned by the colonial governments established big plantations — rubber, tea, coffee, tobacco, sugar, etc. These foreign enterprises, which made use of sophisticated modern technology and very cheap indigenous wage-labour, created another new indigenous social class: the large masses of low-paid agricultural wage-earners, the plantation coolies, who during the economic crisis of the 1930s, together with the low-paid urban workers — another group of persons often exploited by imported Western capital — and the millions of sharecroppers — victims of land fragmentation and feudal land policies —, became Southeast Asia's *Lumpenproletariat*.[13] The numbers of these poorest among the poor have considerably increased after national independence was attained.

[10] See for the galleon trade William Lytle Schurz; *The Manila Galleon Trade*, New York 1939 (reprinted in 1959).

[11] See for the Chinese in Southeast Asia the still valuable study by Victor Purcell, *The Chinese in South East Asia*, Oxford 1951 (new edition, 1965). An excellent analysis of the Indonesian situation has been given by W. F. Wertheim, *Indonesian Society in Transition*, The Hague/Bandung 1969, pp. 147 ff. and 172 ff.

[12] The Spaniards established the *encomienda* system in all their colonies from Cuba and Mexico in the Americas to the Philippines in the Western Pacific. See J.H. Parry, *The Spanish Seaborne Empire*, Harmondsworth 1973, pp. 163-83; L.B. Simpson, *The Encomienda in New Spain*, Berkeley 1950.

[13] A similar development occurred in Latin America. See for a comparison André Gunder Frank, *Lumpenbourgeoisie: Lumpendevelopment*, New York/London 1972.

as a result of continued exploitation by feudal as well as neo-colonial forces.

Wherever an indigenous commercial bourgeoisie, many among them compradors of the Western trading houses, came to rise,[14] it tended to shake the position of the older feudal classes. At a later stage of development, after this new social class had expanded its activities also in manufacturing and plantation agriculture — in other words: an indigenous class of plantation owners had acquired some landed property —, in some places it even managed to supersede the older feudal classes, at least economically. However, when in the beginning of the 1900s the colonial administrations introduced indirect rule, the older feudal classes regained part of their lost political and social positions.

In the 1920s the strategic group of Western-educated indigenous intellectuals emerged.[15] They originated from three existing social classes: the feudal classes and the gentry, the new commercial bourgeoisie, and the social strata of middle peasants and clerks at the offices of the colonial governments and the Western private enterprises. Despite their different lines of descent, these intellectuals, as the bearers of colonial nationalism, pursued one common goal: the political liberation of their country from colonialism. In the Philippines such a group of Western-educated intellectuals, the *ilustrados*, already existed before the American-Spanish War of 1898.

A left-wing group among the intellectuals, however, wanted more than only political independence and aimed at changes in the social structure. They wanted to annihilate the comprador class. A number of these left-wing intellectuals took part in the 1926 uprising against the Dutch colonial administration in Sumatra and Java. They were killed or deported to the Dutch concentration camps in the former Netherlands New Guinea (now Indonesia's West Irian).

Post-colonial or National Compradors

The national elite in most of the new states of the developing world consists of four elite social classes: the now more or less powerless remnants of the older feudal classes and the gentry, the bureaucrats and the higher echelons of non-military politicians, the military politicians and

[14] A brief analysis in Wertheim, *Indonesian Society in Transition*, pp. 44-51.

[15] For Malaysia see W.H. Roff, *The Origins of Malay Nationalism*, Kuala Lumpur/Singapore 1967; for Indonesia, Fritjok Tichelman, *Stagnatie en beweging* (Stagnation and Movement), Amsterdam 1975.

military managers,[16] and the higher echelons of the national commercial bourgeoisie. The last one can be sub-divided into two different groups: the group of more or less independent national entrepreneurs and that of the corporate compradors. Compradorial groups, however, are also to be found among the members of the three other elite social classes. For instance, many military (business-) managers are corporate compradors, like the top managers of the Indonesian state-owned oil company of Pertamina.

Who is a corporate comprador?

At the time the colonial administrators had to part with their overseas territories, they tried to leave behind a comprador class that could be relied on to defend the interests of the big corporations. Wherever it could be realized, 'state sovereignty' was handed over to compradors, who then became the staunch opponents of those — usually called 'the communists' — who pursued a change in the existing social structure. In this connection we have to remember the struggle for land of the Huks in the Philippines, the 1946-57 guerrilla in Malaya, and the Madiun revolt in Indonesia which was provoked by the anti-communist Hatta government. In many states which attained national independence after 1945, we find governments in the hands of a comprador class that is politically or even financially backed by a foreign subversive agency like the American CIA or a consortium of TNCs. In societies in the developing world where at the time of the attainment of independence no strong class of compradors existed, TNCs of foreign subversive agencies created such a social class or a compradorial strategic group, or buttressed potential comprador groups.

In Indonesia, for instance, we find among the post-colonial or national compradors people like the head of state and his wife, a number of cabinet ministers, other high-ranking government officials, a number of military leaders, functionaries of the seven political parties, and indigenous as well as Chinese businessmen, who all closely co-operate with the subsidiaries of TNCs and the representatives of so-called 'foreign aid' givers. Among all these corporate compradors the military managers are the most powerful. The military occupy most of the key positions in the country's civil administration and the state-owned com-

[16] Since 1959 the military elite in Indonesia clearly consists of two groups, the so-called 'field officers' and the 'managers'. See Ernst Utrecht, "The Indonesian Army as an Instrument of Repression", *Journal of Contemporary Asia*, Vol. II, No. 1 (March 1972), pp. 56-67.

mercial enterprises. Indonesia has its own typical class of military managers, most of them corporate compradors, who excel in abuse of authority and corruption.

It has to be mentioned, however, that the Indonesian military elite gained economic power only after two decades of fierce struggle between left and right-wing politicians, in which struggle the military eventually supported the counter-revolutionary side. Indonesia was the only country is Southeast Asia where right after national independence a substantial group of left-wing politicians was able to induce a bourgeois regime — Sukarno's government — to commence a gradual transition to a more or less socialist society.[17] This process — Sukarno's 'Guided Democracy' based on his doctrine of 'Indonesian socialism' — came to a halt after a military intervention, in which some 500,000 communists and other advocates of socialism were mercilessly butchered by murderous special troops of the Indonesian Army.[18]

After the military take-over of 11 March 1966, the Jakarta generals had no other choice than to re-open the country's doors wide to foreign investments, because the socialist way would have brought back to power the arch-enemies of the military, the communists. Since 1967 many military managers have been involved in a new mode of production. They function as brokers and consultants to foreign investors, helping them to go through the various procedures required to obtain official licences to set up an office in Jakarta or some other Indonesian city, to employ local staff and labourers, to import intermediate goods, to export raw materials as well as finished products, and to transfer the high profits to financial institutions abroad. They are well paid for these services, and in this way they help the Suharto government in selling out the country's raw materials. Export of crude oil has become Indonesia's main source of income. Until recently, however, a major part of the oil revenues went into the pockets of a small clique of military around the former president-director of Pertamina, President Suharto and the corrupt

[17] See Oey Hong Lee, *Indonesian Government and Press During Guided Democracy*, Zug 1971.

[18] Relevant literature on the 1 October 1965 coup in Jakarta: B·R.O'G. Anderson and Ruth McVey, *A Preliminary Analysis of the October 1, 1965, Coup in Djakarta*, Ithaca 1966; Lucien Rey, "Dossier of the Indonesian Drama", *New Left Review*, March-April 1966; W.F. Wertheim, "Indonesia before and after the Untung Coup", *Pacific Affairs*, Vol. 39, No. 1-2 (Fall-Winter 1966), and "Suharto and the Untung Coup — The Missing Link", *Journal of Contemporary Asia*, Vol. I, No. 2 (March 1971); Kwesi Prah, *The Social Backgrounds of Coup d'Etat*, Amsterdam 1974.

First Lady, Mrs. Tien Suharto. As a result of mismanagement and corruption, Pertamina went almost bankrupt, and it will take the Indonesian government some seven or eight years to pay the company's US$9 or $10 billion debts.[19]

Whereas Indonesia is ruled by military corporate compradors, Singapore's corporate compradors are civilians, who still have complete control over the military. Singapore's economy is mainly based on the activities of foreign runaway industries seeking cheap labour, and of the traditional *entrepot* trade.[20] Wages are kept extremely low and it is made impossible for the Singaporean worker to go on strike for better social conditions. The Singapore government, which is dominated by corporate compradors, does its utmost to facilitate the operations of foreign investors.

For instance, managers of Australian companies in Singapore which were not too hard hit by the 1974 economic recession had shown their willingness to increase the wages of their low-paid workers by 20-25% (at that time prices had increased by 30-40%). But leaders of labour unions as well as government officials then strongly advised them not to do so and wait for 'the new regulation on wage increases to be issued by the government'. The argument was that wage increases should occur 'integrally'; increases of wages in only a number of firms, while most other companies could not afford them, would create labour unrest. In fact, it is the Japanese, Hong Kong Chinese and many American companies that continue the hard line and refuse to make any sacrifice on their huge profit. Less profit, they argue, would deprive their enterprises of the possibilities of re-investment and expansion. It is precisely this argument that induces Singapore's corporate compradors, who are obsessed with the idea of 'rapid economic growth for Singapore', to prevent what they call 'premature increase of wages'.

This same policy of keeping wages as low as possible has been adopted by corporate compradors in Malaysia, the Philippines and South Korea. These compradors try to make their country a place where TNCs can find the cheapest labour in the region. In other words, they compete in selling out their own workers at the lowest possible prices. In order to

[19] See Ernst Utrecht, "United States of Indonesia ? The Pentagon and the Generals", *Arena*, 42 (June 1976), pp. 70-84.

[20] Iain Buchanan, *Singapore in Southeast Asia. An Economic and Political Appraisal*, London 1972; Ernst Utrecht, *Industrial Estates and Australian Companies in Singapore*, The University of Sydney, Transnational Corporations Research Project, 1976.

achieve that aim, they usually deny the workers the right to improve their social conditions. In Indonesia, the Philippines and South Korea the law officially forbids workers to go on strike, while in Singapore and Malaysia there are so many restrictions on the activities of the labour unions that strikes are virtually impossible. In all these countries the corporate compradors have succeeded in setting up repressive governments, which do not hesitate to put workers behind bars. In fact, one may say that throughout Southeast Asia in many cases the corporate compradors are much harder oppressors of the local labour force that the TNCs whose interests they serve.

Contradictions Inside the National Elite

As a result of differences in their modes of production and relationship to means of production, the various groups — military, businessmen, bureaucrats, etc. — within the national elites in all Southeast Asian countries have contradictory interests. These economic contradictions usually become insoluble conflicts. In Indonesia, for instance, there will never be a solution of the inevitable conflict between the more or less independent national entrepreneurs, that is, the national commercial bourgeoisie who enjoy economic ownership, and the corporate compradors, that is, the representatives of the foreign interest groups within the national state who only exert possession (of foreign economic ownership). In 1966, at the instigation of the corporate compradors who wanted to make Indonesia a very attractive place for foreign investments and, therefore, wanted to curb the high rate of inflation at the time, the Indonesian government implemented a rigorous tight-money policy: most public utilities were deprived of their state subsidies, imports of raw materials for domestic industries were no longer subsidized, credits to national entrepreneurs were discontinued. In addition to this, the local markets were flooded with cheap imported goods, mostly from Japan, Hong Kong and Singapore. On the other hand, foreign investors were given the most favourable conditions: the restoration of nationalized estates to their foreign owners,[21] the immediate announcement of a new act providing for favourable transfer of profits and special tax facilities for new foreign capital investment, and the official prohibition for the Indonesian worker to strike.

[21] In 1958, in retaliation to continued Dutch occupation of West Irian (at that time officially called Dutch New Guinea), the Sukarno government had nationalized all Dutch property in Indonesia.

This unbalanced economic policy, which is determined by the corporate compradors and which is seriously damaging the interests of the independent (non-compradorial) national commercial bourgeoisie and very much promoting the interests of the foreign companies and their compradors, has put many an Indonesian non-compradorial national entrepreneur in a perilous economic position. Already in 1970, only four years after the military established their 'New Order', national production for domestic purposes was paralyzed for more than 60%, while the corporate compradors were earning millions of dollars by serving their newly found neo-colonial masters. It is in particular among the Moslem group of independent national entrepreneurs — the rising class of Moslem businessmen — that feelings of hatred for the military, who run the country's economy, and the TNCs have reached boiling point. During the last three or four years the conflict between Moslems — who have been incited by their own Moslem elite (businessmen and landlords) — and part of the military elite has become irreconcilable. Well informed sources in Jakarta expect that sooner or later certain Moslem groups will stage a revolt against Suharto or another militay regime.

Also among the Jakarta military themselves there is much discontent. Not all the senior officers of the Army share in the benefits of the corporate compradors' embezzlement of the country's riches. Inside the Indonesian Army there are groups who seek to change the present military leadership as well as the Army's structure. It is quite possible that these dissidents among the military will join the discontented Moslems in an uprising against the regime, or that these Moslems will support a coup d'état triggered off by military dissidents.[22]

In Malaysia and the Philippines, where so far the military leaders have not been involved in running their country's economy but are already fostering feelings of distrust against the corporate compradors, a military take-over of state power seems in the offing. Although President Marcos, who after his ascension to the presidency in 1965 has become his country's richest US comprador, is a former military, establishment of full military rule in the Philippines in the near future is likely. Inside the Philippine Armed Forces there is much dissatisfaction, while the neo-colonial masters in Washington are not satisfied with Marcos either.

The position of the military in most countries of the peripheral world

[22] For the growing discontent among the Moslems in Indonesia see Ernst Utrecht, "Politieke onrust onder de modlems op Java" (Political Unrest Among the Moslems in Java), *Indonesia, Feiten en Meningen* (Indonesia, Facts and Views), Vol. III, No. 1 (March 1976).

is continuously threatened by deteriorating economic conditions, which are the consequence of neo-colonial exploitation by the world's metropoles.[23] The military in these parts of the world have to undertake efforts to safeguard their interests, and they usually do this by a take-over of government and the subsequent establishment of a military dictatorship. Because in such countries democratic institutions are either absent or only poorly developed, the military in most cases are able to take over state power very easily. In countries where a military take-over is the only alternative to an expected 'take-over by the communists' or by radical nationalists, the American CIA or agencies of TNCs are prepared to support the new military dictatorships. Classical examples are South Vietnam, Cambodia, Chile. According to unconfirmed sources, the CIA is now paving the way for a military dictatorship in the Philippines. And in Thailand, rightists and military, after three years in eclipse, re-emerged on 6 October 1976 in Thai politics and society.[24]

The Role of the State

The state in post-colonial societies seems to become the main instrument through which neo-colonial forces establish and safeguard their influence and interests in these societies. Therefore, TNCs and foreign agencies like the CIA always support compradors controlling the state machinery in these societies or help compradorial groups to take over state power.[25]

[23] André Gunder Frank, *Capitalism and Underdevelopment in Latin America*, Harmondsworth 1969; Samir Amin, *Accumulation on a World Scale, a Critique of the Theory of Underdevelopment*, New York 1974, 2 volumes.

[24] According to Thailand's new Prime Minister, Thanin Kraivichien, Thailand will not return to full democracy for 16 years. For the first four years the country will have a wholly appointed national assembly, the next four years an elected national assembly and an appointed senate will share power, over the third quadrennium the elected assembly will be pre-eminent, and in the last there will be the final run-in to full democracy.

According to Martin Woollacott in *The Guardian* of 14 October 1976, 'Clamping such a straitjacket on Thai society will seem to many Thais a recipe for splitting the nation rather than uniting it'. Other commentaries predict a 'second Vietnam' in Thailand in the near future.

[25] See E. L. Wheelwright in Introduction to Wheelwright and Ken Buckley (ed.), *Essays in the Political Economy of Australian Capitalism*, Sydney 1975, p. 8:

...in the contemporary world, national capitalism is an impossibility; that bourgeois nationalism involves an alliance between the bourgeoisie and the working class; that this is a temporary phenomenon for the bourgeoisie splits, and in order to save itself and the capitalist order of things, more and more become the accomplices or *compradors* of foreign capitalists; and that finally, the local and foreign capitalists join hands in their control of the state, which they then use as an instrument of repression against the working class.

Hence, the extent to which the policies of a government of a developing country are determined by compradorial groups marks the nature of the state in post-colonial societies. In general, we discern three elements in the post-colonial state.

Hamza Alavi has pointed to two of them. The *first* element: the colonial states were 'equipped with a powerful bureaucratic-military apparatus and mechanisms of government which enable them through its routine operations to subordinate the native social classes. The post-colonial society inherits that overdeveloped apparatus of state and its institutionalized practices through which the operations of indigenous social classes are regulated and controlled'. The *second* element: the state's prominent place in post-colonial society is rooted not only in the colonial legacy, but also in the contemporary production process. 'The state in the post-colonial society directly appropriates a very large part of the economic surplus and deploys it in bureaucratically directed economic activity in the name of promoting development'.[26]

John Saul mentions a *third* element: in advanced capitalist countries the state is the power centre of the dominant classes and, in this respect, comes to have an important ideological function. The state's function of providing an idealogical cement for the capitalist system is one which has evolved slowly and surely in the imperial centres, in step with the latter's economic transformation. In post-colonial societies this hegemonic position *must be created*, and created within territorial boundaries which often appear as quite artificial entities once the powerful force of direct colonial fiat has been removed.[27]

It is the inherited powerful bureaucratic-military apparatus and mechanism of government, mentioned by Hamavi, that are used by the corporate compradors, on the one hand to protect their own interests and that of their neo-colonial masters, the TNCs and other foreign agencies and, on the other hand, to suppress every popular movement which resists neo-colonial exploitation. A stereotypical example of such a government is Singapore's PAP[28] government under leadership of Lee

[26] Hamza Alavi, "The State in Post-Colonial Societies — Pakistan and Bangladesh", *New Left Review*, 74 (July-August 1971), pp. 61-2.

[27] John S. Saul, "The State in Post-Colonial Societies: Tanzania", in Ralph Miliband and John Saville (ed.), *The Socialist Register 1974*, London 1975, p. 351.

[28] People's Action Party. The PAP occupies all 69 seats in the Singapore Parliament. It achieved this 'brilliant' result only after many political adversaries were jailed or otherwise intimidated. See Thomas J. Bellows, *The People's Action Party of Singapore: Emergence of a Dominent Party System*, New Haven 1974.

Kuan Yew. During one decade this government has developed into a highly effective repressive regime.[29] And also, the inherited governmental machinery is often used by the corporate compradors solely to distribute in the name of 'promoting development', as Hamza Alavi has rightly observed, the country's economic surplus among the foreign agencies as well as among themselves. Stereotypical examples of such regimes are the Suharto government in Indonesia[30] and the Marcos regime in the Philippines.

Gunnar Myrdal uses the term 'soft' state to indicate the state in the developing world.[31] He means by it the inadequate administrations in the new states in Latin America, Africa and Asia which give both the new class of administrators and the rising commercial bourgeoisie ample opportunity to manipulate the administrative procedures to their own personal benefit. On the one hand, the soft state can damage the interests of the TNCs because of its inability to protect them from calamities like inflation, corruption and political upheavals, but on the other it provides them with the corrupt avenues they need to get out of the host country the huge profits they seek. As long as the corporate compradors have not taken over the state machinery — in other words, they have not yet acquired a 'monopolistic position' —, the soft state is very much to their advantage. This is the case in Malaysia, the Philippines and Thailand.

[29] FUEMSSO (with an Introduction by Malcolm Caldwell), *Singapore, Behind the Economic Miracle*, London 1976; University of Singapore Students' Union, *Trade Unionism in Singapore*, Singapore 1976.

[30] In Indonesia even the arrests of opponents of the regime are carried out in the name of *pembangunan* (reconstruction, development). Over 100,000 political prisoners are detained without trial in concentration camps. The release of the prisoners 'would be a serious threat to *pembangunan*'.

[31] Gunnar Myrdal, *Asian Drama*, New York 1968, 3 volumes.