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HÖGSKOLAN I JÖNKÖPING

Development as Social Contract

Political Leadership in Indonesia, Singapore and Malaysia.



Master's thesis within Political Science

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Abstract

This thesis will show how authoritarian governments rest legitimacy on their ability to create socio-economic development. It will point to some methods used to consolidate power by authoritarian leaders in Indonesia, Singapore and Malaysia. An authoritarian regime that successfully creates development is strengthened and does not call for democratic change in the short run. It is suggested that the widely endorsed Lipset hypothesis, that development will eventually bring democratic transition, is true only when further socio-economic development requires that the economy transfers from being based on industrial manufacturing to knowledge and creativity – not on lower levels of development. Malaysia and Singapore have reached – or try to reach – this level of development today, but restrictions on their civil societies have still not been lifted.

This thesis describes modern political history in Indonesia, Singapore and Malaysia in a Machiavellian tradition. The historical perspective will give a more or less plausible idea of how authoritarian regimes consolidated authority and what role development policies played in the leaders' claims for authority. The conclusion will give a suggestion on how the political future in these three countries might evolve. It will point to the importance of an active and free civil society as a means to develop the nations further, rather than oppression.

This thesis will try to point to the dos and don'ts for authoritarian regimes. The ideas of Plato, Machiavelli and Hobbes provide the structures and methods that authoritarian regimes apply. It will be shown that a regime will disintegrate when it fails to comply with Plato's and Machiavelli's ideas. Although ancient, Plato and Machiavelli provide methods and structures that seem to carry relevance to the modern history of Southeast Asia.

I will point to how authoritarian rule can be maintained in the long run. What is required from the political leadership, what are their strategies and methods? What makes people to tolerate or topple authoritarian regimes? Why do some authoritarian regimes successfully create development while others do not? These are some of the questions this thesis will try to answer.

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Sammanfattning

Denna uppsats belyser att auktoritära regimer befäster sin legitimitet genom att skapa socio-ekonomisk utveckling. Uppsatsen pekar på de politiska strategier som använts för att konsolidera makt bland auktoritära ledare i Indonesien, Singapore och Malaysia. Uppsatsen beskriver dessa länders politiska historia i en Machiavellisk tradition. Den ger en trovärdig uppfattning om hur auktoritära ledare i dessa länder konsoliderade makt och vilken roll utvecklingspolitiken spelade i att legitimera regimerna. Slutsatserna pekar på vilken roll utvecklingspolitiken kommer spela i framtiden för Indonesien, Singapore och Malaysia samt de politiska anledningarna till varför dessa länder utvecklats så olika.

Det påpekas här att en övergång till demokrati från auktoritärt styre kan vara ett tecken på att den föregående regimen misslyckats med att skapa socio-ekonomisk utveckling, snarare än att landet utvecklats till en "demokratisk nivå". En auktoritär regim som lyckas med att skapa utveckling stärks i sin legitimitet och uppmuntrar inte till att demokrati instiftas på kort sikt. Den vitt hållna Lipset-hypotesen, att socio-ekonomisk utveckling kommer medföra en övergång till demokrati, är sann endast när vidare utveckling kräver att ekonomin övergår till att bli mer kunskapsbaserad. Ett fritt civilsamhälle uppmuntrar till kreativitet och uppfinningsrikedom bland befolkningen. Det argumenteras för att på lång sikt är demokrati en förutsättning för vidare socio-ekonomisk utveckling. Malaysia och Singapore har blivit – eller försöker bli – kunskapsbaserade ekonomier, men deras civilsamhällen är fortfarande hårt hållna.

Här beskrivs de metoder och vilka följder metoderna fått som regimerna och dess ledare använt för att konsolidera makt och/eller skapa utveckling. Uppsatsen pekar på vad som gör en auktoritär regim hållbar på lång sikt. Platon, Machiavelli och Hobbes tillhandahåller en teorigrund för hur regimer kan legitimeras utan demokratiskt innehåll. Det kommer visas att auktoritära regimer kräver att Platons och Machiavellis idéer respekteras.

Uppsatsen pekar på hur auktoritära regimer kan upprätthållas på sikt, vad som krävs av det politiska ledarskapet, vad som får människor att tolerera eller ersätta auktoritära regimer och varför vissa auktoritära stater lyckas med att skapa utveckling medan andra misslyckas.

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Abbreviations

BN: Barisan Nasional, National Front	MRT: Mass Rapid Transport
BS: Barisan Social, Social Front	NEP: New Economic Policy
CPF: Central Provident Fund	NGO: Non-Governmental Organisation
CPI: Corruption Perceptions Index	NOC: National Operations Council
DAP: Democratic Action Party	OPEC: Organization of the Petroleum Exporting Countries
GAM: Independent Aceh Movement	PAP: People's Action Party
GDP: Gross Domestic Product	PAS: Islamic Party in Malaysia
HDB: Housing Development Board	PDI: Indonesian Democratic Party
HDI: Human Development Index	PKI: Indonesian Communist Party
IMF: International Monetary Fund	UMNO: United Malayan National Organisation
ISA: Internal Security Act	UN: United Nations
KAMI: Indonesian Students' Actions Front	UNDP: United Nations Development Program
MAS: Malaysian Airlines	US: United States (of America)
MCA: Malaysian Chinese Association	WTO: World Trade Organisation
MCP: Malaysian Communist Party	
MIC: Malaysian Indian Congress	
MP: Minister of Parliament	

1 Introduction

The three neighbouring countries Indonesia, Singapore and Malaysia share similarities in culture, history and languages, but are geographically, demographically and economically diverse. They gained independence from European empires roughly at the same time in the 1950's and 60's and started out on similar low levels of development. These countries share in common that they all have been ruled by authoritarian regimes for several decades. The ability among these regimes to create development has been mixed. Today, Singapore has emerged as one of the world's most advanced economies, leaving Malaysia and Indonesia far behind on most economic and social development scales.

An interesting aspect about these three countries is that they all have started out as democracies but gradually moved towards more authoritarian modes of government. Singapore is currently the most authoritarian country of the three, according to Freedom House's latest assessment of freedom in the world (2006). But according to UNDP, Singapore has the most advanced socio-economic development, while the most democratic country, Indonesia, has the worst socio-economic development. Indonesia has a long history of dictatorship, but so does Singapore. Malaysia has long history of authoritarian rule.

It seems as if some authoritarian regimes promote social and economic development while others do not. Authoritarian forms of government are seemingly not entirely malign for development, but on the other hand no guarantee for success. The outcome of development from authoritarian regimes is arbitrary. This thesis will try to determine how authoritarian regimes create or destroy development. It is suggested that their legitimacy depends on their ability to create development. A social contract can be valid without democratic consent, provided that the regime creates socio-economic development and provides security for the nation.

Indonesia, Singapore and Malaysia show that democratic transition will only take place if the government fails to create development. Democratic change is not a mark of success, but a result from a failing regime. This "failure" has so far only happened in Indonesia where development remains low, but not in Malaysia or Singapore, where the development is significantly higher.

This makes me wonder how authoritarian rule is maintained. What is required from the political leadership, what are their strategies and methods? What makes people to tolerate or topple authoritarian regimes? Why do some authoritarian regimes successfully create development while others do not? These are some of the questions this thesis will try to answer.

1.1 Disposition

In chapter 2, I will introduce the concept of social contract theory, as described by Hobbes. I will compare Hobbes' social contract with modern development theory. Thereafter I will introduce Plato's and Machiavelli's structures and methods for how political leadership can be regarded as legitimate without democratic consent. Plato supplies the morality and a vague structure of political despotism and Machiavelli its methods. Although ancient and "alien" in an Asian context, these ideas are still valid for Indonesia, Singapore and Malaysia. Later in the analysis, chapter 4, Plato's and Machiavelli's ideas will be compared with the political leadership of Sukarno and Suharto in Indonesia, Lee Kuan Yew in Singapore and Mahathir in Malaysia.

In chapter 3, I will introduce the statistical relationship between democracy and development. Modernisation theory prioritises development over political rights and civil lib-

liberties. Once a certain level of development is achieved, modernisation theory predicts that a democratic transition will happen. But this thesis suggests that the transition to democracy will only occur if the social contract to create development is ignored. If development eventually brings democracy, it only does so at extremely high levels of development – levels that Singapore and Malaysia are trying to reach today.

Authoritarian regimes disguise themselves with democratic elections. To determine what constitutes democracy, authoritarian rule and dictatorships respectively, I give a definition of democracy and how different modes of government can be measured in the first part of chapter 3. The second part of chapter 3 will provide statistics and measurements for the level of development and modes of government in Indonesia, Malaysia and Singapore. Freedom House's measurements are used to determine the level of oppression a regime applies.

The historical account that follows in chapter 4 is an analysis of how I believe a Machiavellian politician would think. The Machiavellian tradition requires that the historical facts are accurate. But it allows the authors to speculate how the individual leaders motivated different actions. I will try to carry on this tradition when analysing the political leaderships of Sukarno, Suharto, Lee Kuan Yew and Mahathir. In my view, the historian C. M Ricklefs (2001) makes a brilliant account of Indonesia's history in a Machiavellian tradition. Carl Trocki (2006) and Martin Haas (1999) do the same for Singapore. Different sources are used in the part concerning Malaysian history. Throughout the text, I will try to compare political actions with Machiavelli's and Plato's ideas on what constitutes successful authoritarian leadership.

1.2 Method

To follow the Machiavellian tradition, I have gathered historical facts and statistics on politics and development. I speculate in what made the leaders to motivate their different actions. I suggest that their main goal is to consolidate authority. As will be shown, providing development is one way of consolidating authority, but it has to be combined with a number of more or less oppressive measures.

Some might perceive the Machiavellian tradition in analysing politics to be a quite cynical approach to find out what motivated a certain action. Machiavelli critically analysed politics and provided more or less logical methods to achieve supreme power. No methods are outlawed and no subjective ethical values bias the analysis. The only "bad" goal a political leader can assume is self-enrichment. Indeed, the historical facts in this thesis suggest that some of these leaders were quite scrupulous when consolidating their authority. The cynicisms are provided by the political leaders themselves, I simply point them out.

I have read several books and news articles on the politics and political history in these three countries. Not all of them have been used and are therefore not referred to in the footnotes. But these books have still given me an enhanced understanding of the situations in these countries and are therefore included in the reference list. Many of the books I have come across and used are published by the Institute of Southeast Asian Studies in Singapore. I am aware of the potential bias their research might have.

On a more personal level, I can add that I have travelled extensively in Malaysia and Singapore. I have lived in Malaysia for half a year as a student. Unfortunately, I have not yet had the privilege to visit Indonesia. I wrote several reports on Malaysian politics while I was in Malaysia and started to study Singaporean politics. This pre-knowledge has been useful

when writing this thesis.

1.3 Aim

I will try to analyse how authoritarian leaders consolidate their power and how development is created in authoritarian regimes. I hope that it will be possible to show how authoritarian regimes are maintained, how authoritarian regimes can be capable in achieving high development and how to determine whether an authoritarian regime either perishes or survives once it has achieved high socio-economic development.

These are the questions that will be answered in chapters 2 and 3:

- What makes authoritarian rule sustainable in the long run? What makes people to tolerate or topple authoritarian regimes?
- How is development created in authoritarian regimes?
- How do authoritarian rulers consolidate authority? What is required from the political leadership, what are their strategies and methods?
- What level of development has been achieved in Indonesia, Singapore and Malaysia?

These are the questions that will be answered in chapter 4:

- What was the political setting that characterised these countries before and during the time authoritarian leaders were in power?
- How have the different political systems evolved?
- How has political leaders reached and remained in power?
- How and on what have the leaders based authority; what character does the political leadership assume?
- How did the leadership respond to societal changes?

These are the questions that will be answered in the conclusion:

- Why did authoritarian regimes in Indonesia fail to provide stable development, while authoritarian regimes in Singapore and Malaysia were successful?
- How can the political future evolve in these three countries?
- Do Sukarno, Suharto, Lee Kuan Yew and Mahathir provide any hints on how authoritarian statesmanship ought to be carried out?

2 Development as Social Contract

A “social contract” in this thesis corresponds to Thomas Hobbes’ classic definition of the concept: A social contract is the idea that a group of people agree to a regime-system in order to avoid a “state of nature” – a situation of perpetual chaos due to the lack of established laws. Hobbes put forward that the ability to provide security justifies the state to have an exclusive right of supreme power over the individual. A government loses its claim for authority when it no longer provides security.

The security agreement is the basic type of social contract. Once the basic need for security is fulfilled, people will have an immediate wish to further improve their life situations. This is where development comes in as a second social contract. The state provides policies aimed at creating higher development for the nation. It is a win-win agreement; the stronger the nation, the stronger the state. According to Hobbes, a regime that successfully creates development and provides security for the nation is legitimate. Whether the regime is democratic or not is irrelevant as long as the social contract to provide security and create development is not broken. A government can successfully honour the social contract no matter if it is authoritarian or democratic. The regime will somehow be replaced if the social contract is broken.¹

This means that democratic transitions are not as positive as normally perceived. A democratic transition is a change in the regime system. According to Hobbes, a regime change happens only when the social contract to provide development is dishonoured. When a democratic transition does not occur, it is likely that an authoritarian regime has successfully created development and has therefore continued to carry legitimacy. Consequently, a transition to democracy is a mark of failure in creating socio-economic development and/or security.

Hobbes’ ideas, established in the 17th century, provide what seems to be a missing link in modern development theory, established in the 1960’s. There is a well established statistical relationship between socio-economic development and democracy. One of the most frequently quoted studies in development theory (Lipset 1960) states that “The more well-to-do a nation, the greater the chances that it will sustain democracy”.² “Well-to-do” refers to the social and economic conditions that can be said to distinguish a modern society, such as high levels of GDP and income per capita, literacy rate, life expectancy, education etc. The statistics say something about the living conditions in a country and its economic performance.³ (UNDP’s Human Development Index will be discussed later.)

The Lipset study suggests that a transition to democracy will happen sooner or later once a certain level of development has been reached. This suggestion is based on the fact that most countries with a high level of development are democracies. Democracy seems therefore to be a logical step towards higher levels of development. Socio-economic modernisation precedes democracy, which in turn is preceded by order and stability.⁴ As a result, order and stability have been the main concerns when setting short-term political priorities in countries with low levels of development. The Lipset-theory makes transitions to democracy deterministic; as a by-product of economic development.

Although the Lipset-theory has been criticized by many, it was widely held during most part of the Cold War that poor and divided societies should not implement democratic rule, but focus on development instead. Human rights issues were seldom prioritised by the two superpowers in their competition for influence. Democracy would automatically come if only development was first created. But, according to the logic of Hobbes’ social contract, the democratisation wave that followed after the end of the Cold War should be

seen as reactions to the failure of the Soviet system, not that democracy is a supreme form of government. Development was low in the former Soviet-bloc, but, in contradiction with the Lipset-theory, some form of democracy was still established in most new countries.

This paper will show that the determinism in the Lipset-theory – that high development is deemed to bring democracy – still holds. So does Hobbes social contract – that the state must supply security and development to continue to carry legitimacy. The next development stage for Malaysia and Singapore is to move in to a knowledge-based economy. As will be argued in the conclusion, it is unlikely that a creative and innovative workforce can be fostered in an authoritarian system. Malaysia and Singapore have to allow a more free civil society if their regimes are to continue to create high socio-economic development and, this way, continue to be seen as legitimate.

Therefore, if development is a social contract that give a regime legitimacy and higher development eventually requires a free civil society, authoritarian regimes will have little choice but to allow a democratic transition. Development gives an authoritarian regime legitimacy over the short-term, but will in the long-term lead to its downfall. Authoritarian regimes have a dilemma; if they do not create development they will disintegrate, but if they provide development they will eventually be replaced in a democratic transition. As Lipset suggested, high development must be achieved before a democratic transition is possible. This might very well be the reason for why several authoritarian regimes, such as Sukarno's and Suharto's Indonesia, use oppression rather than accommodation as governing policies. But other authoritarian regimes, such as Lee's Singapore and Mahathir's Malaysia, use accommodation (creating development) combined with oppression.

This bring some of the questions stated in part 1.3; how is development created in authoritarian regimes? How do authoritarian rulers consolidate authority? How do authoritarian rulers consolidate authority? What is required from the political leadership, what are their strategies and methods? Is there a long-term plan for how the authoritarian regime can continue to carry legitimacy? Plato and Machiavelli give some ideas of what characteristics the political leadership in accommodative authoritarian regimes need to assume.

2.1 Plato and Machiavelli – Political Leadership and its Contents

The previous part suggested that a regime's ability to make policies that create socio-economic development is the social contract that makes it sustainable in the long run. The first questions posed in 1.3 – what makes authoritarian rule sustainable in the long run and what makes people to tolerate or topple authoritarian regimes – have been partly answered. Democratic consent is not necessary if only development is created.

This part will try to answer how the political leadership should act in order to consolidate authority in a legitimate way without democracy. (How do authoritarian rulers consolidate authority? What is required from the political leadership, what are their strategies and methods?) Plato and Machiavelli provide ideas on what constitutes political leadership, how to make it legitimate and what methods are available in the art of politics. Plato's and Machiavelli's ideas have been brilliantly analysed by Sheldon Wolin (1960) whose interpretation I use for this small part.

Modern democratic transition theorists point out that the main problem for authoritarian regimes is that the leadership tends to develop power agendas of their own. From having been a means to provide development, the political monopoly becomes a self-justifying goal.⁵ Such forms of government tend to promote corruption, cronyism and

deterioration of the state institutions by limiting channels of bottom up control, which hamper development. (This problem is similar to the dilemma of short- and long-term legitimacy mentioned above.) The political leaders might turn out to be reformers and democratic institution-builders. But the leader of a large popular group that struggled for political influence could eventually prove to be a personalist, a self-enricher and a power-concentrator.⁶ Plato discussed the same problems some 2500 years ago.

Plato distinguished between rulers and politicians, of which he considered none more favourable than the other. Plato regarded the flux of political life as symptomatic of a diseased polity, while strict political hierarchies produced order.⁷ But politics is still associated with a higher degree of grandeur for Plato, due to its relative difficulty; to be political is to deal with conflict, to rule is to merely impose decrees. Consequently, a regime that seeks to eradicate opposition and conflict or one that does not reform when needed, is not political, but only an administrative force. Plato meant that an authority should be able to administer as well as being coherent to society's needs and changes at the same time. Leadership must be equally firm and accommodative.

Machiavelli suggested how firmness and accommodation to the people's requests should be weighed in the political leadership. He did not rule out that firmness can be applied by violence if necessary. But in order to remain in power in the long-run, violence need to have a limited supply – an “economy” of violence. The state needs to monopolize violence and use it in a minimalist and predictable way.⁸ This was a way to reduce suffering. Machiavelli warned that giving violent powers to the immoral would lead to corruption and disintegration of the state.⁹

Plato's hierarchic order would be based on merit and competence. Wisdom and knowledge would be the attributes of a proper regime. The elite would rule as objective selfless instruments, without personal commitments that would bias their judgements. Plato defined the ultimate ideal political leadership as a system ruled by “philosopher-kings”. But, writes Wolin, Plato was painfully aware that rule by knowledge and wisdom was most likely to be transformed into practise by the most distrustful of power arrangements; authoritarian rule.¹⁰

Plato knew democracy as populist and as a way to allow demagogues into power. Democracy is based on opinion among common men. Opinions, according to Plato, are nothing but “half-truths and correct beliefs imperfectly understood”.¹¹ An opinion is only politically relevant if it represents a general will. A political judgement is all about how to effectively respond to a general tendency.¹² Plato distrusted political systems based on purely democratic input. But on the other hand he never fully came over the problem that men are corrupted by absolute power. Absolute power, or tyranny, is the death of any political society. Machiavelli explained why: A political society is a body that can escape disintegration through its ability to renew itself. A society that stops to evolve is a dying society. The survival of the political system depends on how it responds and adapts to societal change.¹³

Plato did not choose between either democracy or authoritarian rule. He recommended that political elites would be well established and need not worry about re-election, which otherwise could lead into populism. Instead, Plato wished to see some kind of semi-democratic rule, a meritocratic requitment process among the political leaders. Meritocracy is a guarantee that the state-system can renew itself without relying on the supreme leader. Through meritocracy, the system survives its leader.

In order to survive in a changing society, the political elite needs to be coherent and ready to respond to any societal change in an equally accommodative and firm manner. Citizens'

opinions need to “be incorporated into the decisions affecting the community.”¹⁴ But Plato was never very clear on how this should be implemented. Wolin interprets Plato’s ideas as if the leaders need to be able to carry a dialogue with their subjects, but should not be required to follow the whims of the populace. In this dialogue, the rulers will have a chance to explain the rationale behind their actions and at the same time display a civilized conduct. This display will foster the citizens’ character. The intellectual elite leaders must propagate an aura of control and knowledge, like paternalism mixed with enlightened despotism. One result from this whole process is that the leaders will acquire a feeling of the society’s needs and tendencies. By knowing that and acting upon that knowledge – to aim at fulfilling people’s needs – the political leadership can be one step ahead of any popular criticism.

This dialogue between the rulers and the ruled constitutes Plato’s view of the statesman and statesmanship as “the art of dealing with the incomplete”.¹⁵ True statesmanship is a perpetual building process. Paradoxically, Sheldon Wolin writes that for this reason a unified vision of a state is fatal to the politician’s art. “Philosophic and religious differences would become heresies; political disputes a sign of sedition; and economic conflicts a contest between vice and virtue”, all on the expense of creativity and innovativeness.¹⁶ Thus, unity in Plato’s semi-democracy cannot be based on single-mindedness. A certain level of plurality must be allowed if the society is to develop any further. It is for the statesman to create structures where plural interests can be accommodated, while at the same time doing a good enough job to prevent rivals to his authority from gaining any momentum. The people must be convinced that the leadership’s loyalty lies with the people and the society at large, not with a specific agenda or individual interests. People must be convinced that there is a long-term commitment to the nation’s development and security among the political leadership.

Machiavelli, on the other hand, saw political action as manipulative rather than architectonic. Politics and people were to be mastered and controlled. “To possess power was to be able to control and manipulate the actions of others and thereby to make events conform to one’s wishes.”¹⁷ One way to successfully manipulate a mass is to create national unity. Machiavelli put forward that a uniform mass could be more easily manipulated than a differentiated society. But then again, too much uniformity kills off the society in the long run, due to the creative wasteland it renders.

Machiavelli knew that politics are less dependent on morality than pragmatism. Machiavelli put forward that “in a corrupted age greatness could be achieved only by immoral means.” The end does not justify the means, but dictates the means. In order to reach a political goal one has to be both courageous and deceptive, that is, have both “good” and “evil” capabilities according to what the political situation requires.¹⁸ Unity becomes all the more important in this respect. Decisions can only be legitimized if they are recognised as necessary for the common good. If citizens do not identify with what is “common”, they will not approve of the decision. Basing decisions on necessity can only be achieved through unity.

Fostering the populace by acting as a role model was equally important for Machiavelli. But Machiavelli did not settle with having the leader as a role model for others to follow. The leadership’s and the system’s supreme qualities need to become a part of every citizen’s moral values. This will create unity and loyalty to the leadership among the citizens as well as patriotism – a wish to sacrifice oneself for the greater good. This kind of unity can be achieved either through propaganda, education or by external threats. The latter, uniting behind an enemy, is probably the most common way to consolidate authority, show hero-

ism, create patriotism and make the citizens believe in the righteousness of the leadership.

Hobbes too had an idea of unity and that it could be created in a state of nature. In times of chaos, group belonging and its leadership become all the more important to guarantee the individual some safety. Fear of falling victim to chaos makes group-belonging to seem more favourable than to stand alone.

Plato's and Machiavelli's ideas provide a basic (and somewhat vague) theory for how the political leadership should act to consolidate authority and how an authoritarian government can survive itself. Plato's political system – where the government consists of firm absolute authority, constantly changing in accordance with the society, choosing leaders on merit and using development as a social contract – in combination with Machiavelli's methods of manipulation, the limited use of force, role-modelling, unification, rallying around external threats and having the end dictating the means in political judgements, corresponds to the characters of Sukarno's and Suharto's Indonesia, Mahathir's Malaysia and Lee Kuan Yew's Singapore.

3 Development and Democracy – Statistical Indicators and Definitions

This chapter will determine what constitutes high and low levels of socio-economic development as well as high and low levels of democracy. It will answer how different political leaderships have affected Indonesia's, Malaysia's and Singapore's socio-economic development and what level of development has been achieved and what types of government were the best achievers.

3.1 Development

Development in a country can be measured in different ways. The UNDP has a broad definition of development. Economic and social measurements are included in the HDI, Human Development Index. The UNDP defines "human development" as the possibilities for the population in a country to enjoy long, healthy and creative lives. As I understand it, "human development" is virtually the same as "socio-economic development". "The HDI provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income)."¹⁹ A total of 177 countries are included in the HDI ranking. Human rights issues, democracy assessments or equality measures are not included. Human development is defined according to the variables included in table 3-1:²⁰

HDI Global Rank and Country		Life expectancy at birth (years)		Adult literacy rate (% ages 15 and older)		GDP per capita (PPP US\$)	Combined gross enrolment ratio for primary, secondary and tertiary schools (%)
		1970-75	2000-05	1990	2004	2004	2004
25	Singapore	69.5	78.6	88.8	92.5	28,077	87
61	Malaysia	63.0	73.0	80.7	88.7	10,276	73
108	Indonesia	49.2	66.5	79.5	90.4	3,609	68

Table 3-1 Variables on which the HDI is based

Table 3-2 shows the HDI score for Indonesia, Singapore and Malaysia since 1975 to 2004. On the far left is the global HDI rank. Sin- Singapore has been ranked as having high

development since 1990, while Malaysia just recently reached that category. Indonesia is considered as having medium human development.ⁱ

HDI Global Rank and Country		Human Development Index						
		1975	1980	1985	1990	1995	2000	2004
25	Singapore	0.727	0.763	0.786	0.823	0.862	..	0.916
61	Malaysia	0.616	0.659	0.696	0.723	0.761	0.791	0.805
108	Indonesia	0.469	0.532	0.585	0.626	0.665	0.682	0.711

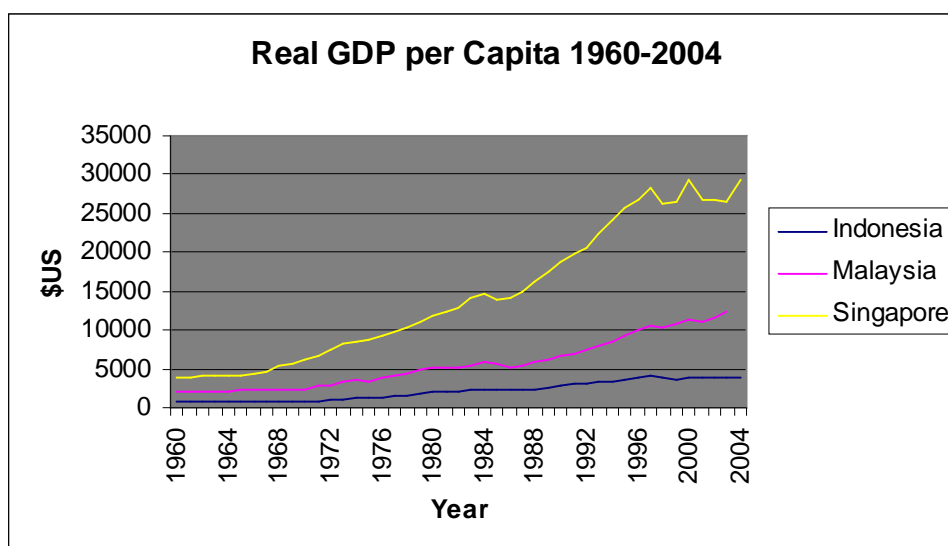
Table 3-2 HDI in Indonesia, Singapore and Malaysia

Indonesia had the highest annual average HDI growth from 1975 to 2004 (at 0,83 % per annum), while Singapore and Malaysia had an equal growth (at 0,65 % per annum). Indonesia is approximately at the same level today as Singapore was before 1975. From that point of view one can say that Indonesia's human development lies more than 30 years behind Singapore, while Malaysia lies more than fifteen years behind. But that does not mean that it will take 30 years for Indonesia or fifteen years for Malaysia to catch up with Singapore on the HDI-scale. If Singapore's and Indonesia's HDI continue to grow at the same rate as before, it would take 112 years before they would meet at the same level. But this is not an accurate forecast. Increasing the HDI beyond 0,9 tend to be harder to achieve than in the lower segments and is consequently a slower process.

3.1.1 Economic Indicators

In the case of Indonesia, Singapore and Malaysia, large differences in economic performance come forward by looking closer at the economic development indicator, GDP per capita over time (graph 3-1). After independence the countries started out on low levels of economic development. But already back in 1960, Singapore had a GDP per capita which was five times higher than that of Indonesia and almost twice as high as Malaysia's. Similar disparities exist today. In 2004 Singapore had a GDP per capita more than seven times higher than that of Indonesia and more than twice as high as Malaysia's.²¹ But Indonesia's relatively slow growth in GDP per capita is deflated by its slightly higher population growth.²² The economic differences established long ago still remain.

ⁱ High human development: HDI of 0.800 or above. Medium human development: HDI of 0.500–0.799. Low human development: HDI of less than 0.500. (UNDP, Human Development Report 2006:275)



Graph 3-1 Real GDP/capita 1960-2004 in Indonesia, Singapore and Malaysia.²³

While GDP per capita gives an idea of productivity and average income, it does not say anything about wealth distribution. The Gini coefficient is a measure of income inequality. A value equal to 0 corresponds to “perfect income equality (i.e. everyone has the same income) and 1 corresponds to perfect income inequality (i.e. one person has all the income, while everyone else has zero income).”²⁴ Indonesia is the most equal of the three. Malaysia has the largest Gini-coefficient in all of Southeast Asia.²⁵

Country	Gini Index	Global Rank
Indonesia	34,3	42
Singapore	42,5	80
Malaysia	49,2	98

Table 3-3 Gini coefficients.

According to the UNDP, 52,4 percent of the population in Indonesia had an average income of less than US\$ 2 a day in 2004. In Malaysia it was 9,4 percent. No such figure exists for Singapore because extreme poverty has been officially eradicated.²⁶

3.1.2 Corruption Perceptions Index

An effective and honest government is necessary for development. This brings us to another measure of development, the CPI, Corruption Perceptions Index. It gives an indication of the level of cronyism, bribery, kleptocratic behaviour and bureaucratic abuse of power in a country. The CPI indicates potential for development rather than development itself.

Transparency International ranked 163 countries in 2006. The index “ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index, a poll of polls, drawing on corruption-related data in expert surveys carried out by a variety of reputable institutions. The CPI reflects views of business people and analysts from around the world, including those of experts who are living in the countries evaluated.” Transparency International defines corruption as “the abuse of public office for private gain.”²⁷ A low score indicates high level of corruption. The differences in CPI between Indonesia, Singapore and Malaysia are huge and show a clear relationship with the GDP per capita in graph 3-1 on the previous page: The less

economically empowered the people are, the more extensive is the corruption (i.e. low GDP/capita gives high level of corruption).

Country	CPI Score	Global Rank
Singapore	9,4	5
Malaysia	5,0	44
Indonesia	2,4	130

Table 3-4 CPI rank and score.

Another measurement for red-tape (bureaucratic inefficiency) is the number of days required to start up a business. According to the World Bank in 2005, the time required in Indonesia to start up a business was 151 days, in Malaysia it took 30 days and in Singapore only six days.²⁸ In this respect, Singapore is perceived as more “business-friendly” than Malaysia or Singapore.

Part 3.1 has given some statistical facts on socio-economic development in Indonesia, Singapore and Malaysia. I will now continue to define “democracy”, “authoritarian rule” and “dictatorship” to give the reader an idea of what level of political oppression has given higher levels of development (in these three countries).

3.2 Democracy and Dictatorship

In this paper a democratic regime is defined according to Dahl’s (1971) distinction between the competing and participational dimensions of democracy. Dahl’s definition serves as a compliment to Freedom House’s democracy assessments, which are discussed shortly. According to Dahl, a “democracy” is a system of government in which:²⁹

1. “there are institutions and procedures through which citizens can express effective preferences about alternative policies at the national level and there are institutionalised constraints on the exercise of power by the executive (competition)”
2. “there exists inclusive suffrage and a right of participation in the selection of national leaders and policies (inclusiveness/participation).”

The first dimension, competition, implies that citizens have a right to freely form political parties and that the media is free. There are effective checks and balances that scrutinize the government’s actions. The second dimension, inclusiveness, means that people have a right to vote in a fair objective voting process. Most adults that live in a country – regardless of language, sex, race, religion, income, ownership, class or descent – have the rights of citizenship to vote and to be elected.³⁰ Consequently, countries that do not fulfil one or both of these requirements are considered to be non-democratic.

From this definition Dahl identified several subtypes among the non-democratic regimes. Those that do not fulfil any of the two requirements above are called “closed hegemonies”. But a country may hold elections with all-inclusive suffrage without providing any options except for the government in place. Such regimes – elections without choices – are called “inclusive hegemonies”, that is, it fulfils the second requirement but not the first. If a regime is said not to include the second requirement but only the first – influence without participation or elite-rule – then Dahl defined it as a “competitive oligarchy”.

The terms “democracy”, “authoritarian rule” and “dictatorship” will be used to determine the mode of government in this paper. A democracy fulfils both of Dahl’s requirement mentioned above. An authoritarian regime fulfils one of them and a dictatorship fulfils

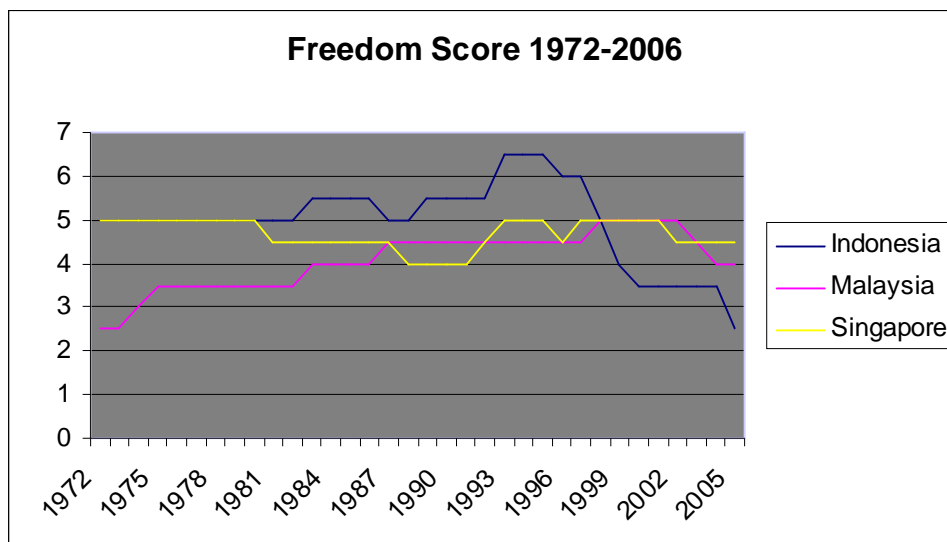
none. These three categories are used to measure the mode of government in Indonesia, Singapore and Malaysia.

Judging from the development measures mentioned in the previous part, Singapore has reached a socio-economic development level where the country, according to Lipset's modernisation theory, should be democratic. Malaysia is on the level to be in the transition zone and Indonesia would still have some way to go. But in reality it's the other way around; Indonesia is today the only democratic country while Singapore is the most authoritarian.

Freedom House has made democracy assessments for most countries in the world since 1972. The ranking shows the level of political rights and civil liberties in a country, which both are necessary ingredients in a functioning democracy. In addition to Dahl's definition of democracy, Freedom House stresses accountability of the government and freedom of the individual. While Dahl gives a general definition of democracy, Freedom House's definitions of political rights and civil liberties supply its contents.

"Political rights enable people to participate freely in the political process, including the right to vote freely for distinct alternatives in legitimate elections, compete for public office, join political parties and organizations, and elect representatives who have a decisive impact on public policies and are accountable to the electorate. Civil liberties allow for the freedoms of expression and belief, associational and organizational rights, rule of law, and personal autonomy without interference from the state."³¹

The requirements for "political rights" are similar to Dahl's focus on the political process. By including "civil liberties" Freedom House points to the individualistic dimension in the democratic concept. The individual's rights and freedom to realise his or her own potential stretches deeper than economic self-empowerment. Civil liberties include freedom of expression, freedom of religion, freedom of the press and freedom of assembly. Complete civil liberties constitute a free civil society. Both civil and political rights are required for a complete functioning democracy.



Graph 3-2 Mode of government in Indonesia, Singapore and Malaysia.

Freedom House's ranking ranges from 1 to 7 and falls in three categories. If a country has a score from 1 – 2,5 it is considered as "free", 3 – 5 as "partly free" and 5,5 – 7 as "not

free”.ⁱⁱ The combined score of civil liberties and political rights indicates the level of democracy.ⁱⁱⁱ Consequently, a score close to one means that the country is “democratic”. Above 2,5 indicates “authoritarian rule” and above five translates to “dictatorship”. Indonesia’s, Malaysia’s and Singapore’s scores from 1972 – 2006 are shown in graph 3-2.³²

3.2.1 Mode of Government in Indonesia, Singapore and Malaysia

As can be seen in graph 3-2, Freedom House ranks Indonesia as the only country fulfilling the requirements for being a democracy, while Malaysia and Singapore are authoritarian. Malaysia’s and Singapore’s governments define themselves as democracies, but it is only Indonesia that lives up to the words true meaning. There are elections held regularly in Malaysia and Singapore, but the opportunities and living conditions for the political oppositions are hard. The election systems have been “rigged” in a manner that makes political opposition practically impossible in Singapore and weak in Malaysia. The same thing applied to Indonesia up until after the overthrow of Suharto in 1998. Today a functioning democratic system is in place in Indonesia, but not in Malaysia or Singapore. Still, development in Indonesia is lagging behind its less democratic neighbours.

In graph 3-2 Singapore shows the most stable pattern and has remained in the twilight-zone between authoritarian rule and dictatorship, but without ever fully crossing the border. Singapore is a parliamentary republic. Lee Kuan Yew was the Prime Minister of Singapore from 1959-1990. He voluntarily resigned at the age of 67. He was succeeded by Goh Chok Tong (1990-2004) who was widely regarded as an intermediate administrator until passing over power to Lee Kuan Yew’s son, Lee Hsien Long, in 2004. However, Lee Kuan Yew remained as Senior Minister after 1990 – a post previously unheard of in most parliamentary systems.

Freedom House summarises the situation in Singapore by saying that “Citizens of Singapore cannot change their government democratically. Singapore’s 1959 constitution created a parliamentary system of government and allowed for the right of citizens to change their government peacefully. Periodic elections are held on the basis of universal suffrage, and voting is compulsory. In practice, however, the ruling [People’s Action Party] dominates the government and the political process and uses a variety of indirect methods to handicap opposition parties.”³³ In graph 3-2, Singapore is an authoritarian regime on the verge to dictatorship. But as will be shown in part 4.2, Singapore fulfils none of Dahl’s two requirements for democracies mentioned in part 3.2. Therefore, Singapore is a dictatorship.

Malaysia apparently started out as a democracy in the first assessment in 1972, but as the New Economic Policy took effect in 1971 and the regime wanted to modernise the country through economic growth, the parliament was weakened while the Prime Minister’s (Mahathir’s) position was strengthened. Mahathir was Prime Minister from 1981-2003 and was one of the brains behind the New Economic Policy. (Malaysia’s New Economic Policy will be explained later in sub-part 4.3.1.1, page 41.)

Freedom House’s verdict of Malaysia is equally harsh as that of Singapore: “Citizens of Malaysia cannot choose their government democratically. Malaysia has a parliamentary gov-

ⁱⁱ Freedom House ranks “political rights” and “civil liberties” separately. In this paper the mean scores of these two variables is used to give an average impression of the depth of democracy in a country.

ⁱⁱⁱ A similar method was used by Larry Diamond, *Economic development and democracy reconsidered*, American Behavioural Scientist, 35, 1992.

ernment within a federal system. [It is a federal constitutional monarchy.] The party that wins a plurality of seats in legislative elections names its leader prime minister. Executive power is vested in a prime minister and cabinet. Mahathir's 22-year tenure was marked by a steady concentration of power in the prime minister's hands. The parliament's role as a deliberative body has deteriorated over the years, as legislation proposed by opposition parties tends not to be given serious consideration. Opposition parties face serious obstacles, such as unequal access to the media and restrictions on campaigning and on freedom of assembly that leave them unable to compete on equal terms with the BN." The BN, Barisan Nasional, is the ruling party in Malaysia.

According to Dahl's definition, Malaysia is an "inclusive hegemony" and therefore an "authoritarian regime" – not a dictatorship. It fulfils the second of Dahl's requirements for democracies, but not the first (see page 11).

In the same graph one can see that Indonesia was under authoritarian rule and even a dictatorship during the Suharto era (1967-1998). It is only since after that the Asian Crisis hit the country in 1998 that democratic reform has picked up and Indonesia's freedom score has improved dramatically. Indonesia is still – similarly to the days of Sukarno and Suharto – a presidential republic, but with enhanced power given to the legislature. Even if the Asian Crisis triggered democratic revolt in Indonesia, it seems in graph 3-2 as if the Asian Crisis tightened the governments' grip slightly in both Malaysia and Singapore.

The fragile democracy in Indonesia is described as follows: "Citizens of Indonesia can change their government democratically. In 2004, for the first time, Indonesians directly elected their president and all the members of the House of Representative (DPR), as well as representatives to a new legislative body, the Regional Representatives Council (DPD). (Before 2004, presidents were elected by the legislature, itself composed of a combination of elected and appointed officials.) ... Beginning in June 2005, staggered, direct elections took place across Indonesia to select regional heads. While voter turnout (65 to 75 percent) was lower than in the previous year's national elections, the polls were generally considered to be free, fair, and relatively peaceful." Indonesia is the only democratic country of the three, but it has a dark history of dictatorship.^{iv}

4 Political Leadership in Indonesia, Singapore and Malaysia

Chapters 2 and 3 have suggested that development and democracy are generally – but not necessarily – dependent on each other. Democratic transition does not necessarily occur in the cases when authoritarian rule successfully provides human development. Rather is it when the authoritarian regime fails to create development that democratic change comes about. Creating socio-economic development becomes the social contract on which the government bases its legitimacy. Hence, the questions what makes authoritarian rule sustainable in the long run; How development is created in authoritarian regimes; How authoritarian rulers consolidate authority; How different political leaderships have affected Indonesia's, Malaysia's and Singapore's socio-economic development; and what level of development has been achieved, have been partly answered.

^{iv} Freedom House motivated Indonesia's move from "partly free" to "free" in 2006 "due to peaceful and mostly free elections for newly empowered regional leaders, an orderly transition to a newly elected president that further consolidated the democratic political process, and the emergence of a peace settlement between the government and the Free Aceh movement." ("Freedom in the World" Indonesia 2006 <http://www.freedomhouse.org/template.cfm?page=15>)

Plato and Machiavelli provide “ancient truths” on successful political leadership. Back in his days, Machiavelli reinvented political science by analysing the leadership’s conduct and recommending what actions would be suitable for different situations. I will try to follow the Machiavellian tradition in describing the political history and the leaderships’ actions in Indonesia, Singapore and Malaysia. I have added my own conclusions throughout the text as of how a Machiavellian politician could have motivated these actions. This is in part a historic account and in part a personal analysis of what motivated political actions in respect to reach power, secure one’s authority and achieve socio-economic development. From a Machiavellian point of view, all the leaders in these countries were quite brilliant. Although they were probably not aware of it Sukarno, Suharto, Lee Kuan Yew and Mahathir all managed to stay in power by using Machiavellian political strategies while striving to achieve a Platonic political system based on a Hobbesian social contract.

I will now continue with the other questions posed in the beginning of this thesis:

- What was the political setting that characterised these countries before and during the authoritarian leadership? How have the different political systems evolved? This will be answered in the historical accounts.
- How have political leaders reached and remained in power? How and on what have they based authority; what character does the political leadership assume? This will be answered in the different parts describing the leaders’ entrenchments. With the help of Plato and Machiavelli I will try to determine what strategies were used by the different leaders reached power and consolidated authority.
- How did the leadership respond to societal changes? Are there any long-term plans for how authoritarian regimes can continue to carry legitimacy? This will be answered by looking at how the different leaders either accommodated or oppressed societal change.

The part on Indonesia deals with two political leaders (Sukarno and Suharto) and therefore looks somewhat different than the parts on Singapore and Malaysia. All these three countries have different colonial histories. In Indonesia, Sukarno is the historical context in which Suharto emerged. Less attention will be given to Indonesia’s colonial heritage and instead focus on the heritage given to Suharto by Sukarno. Lee Kuan Yew emerged from the British colonial powers, while Mahathir became Prime Minister because of his political participation in independent Malaysia. Singapore have parts of their political history in common with Malaysia. When talking about Singapore’s history, it is almost impossible not to include Malaysian history. I apologize for the inconvenience with cross-references between the two parts on Singaporean and Malaysian politics, but if the reader is just patient the whole picture of Singaporean-Malaysian political history will hopefully unravel at the end.

The different parts will first give a short historical background in each country. Then follows a more detailed account of the political history and how the regime systems were made more and more oppressive by the different leaders. I will then try to explain what measures were implemented to create development. I will assume that development policies were a way for the political leadership to consolidate authority and gain legitimacy. Finally, I will try to explain how the different leaders dealt with the societal changes that development brought. Each part ends with a short concluding remark.

Sukarno in Indonesia remained in power during a period of fifteen years (1950-1965). His politics had such large impact on Indonesia that he has to be included in order to under-

stand the setting in which Suharto (1965-1998) came to power and operated for 33 years. Singapore's political history is outlined in part 4.2 and Malaysia's in part 4.3. Lee Kuan Yew was Prime Minister in Singapore for 31 years, from 1959 to 1990. Mahathir was Prime Minister in Malaysia for 22 years, from 1981 to 2003. The time periods are different, but not so different that a comparison between the three would be impossible. As will be shown, Indonesia, Singapore and Malaysia have a lot in common when it comes to politics.

4.1 Indonesian Politics

Here I will describe how democracy was first tried out in Indonesia after independence from Dutch colonial rule in 1950, how the democratic system soon turned into a tool for a president to divide his opponents, how the president's own struggle to remain in power became the priority of his politics with "guided democracy" in 1957 and how his claim for authority finally came crashing down in 1966. The story continues with how an army general could use and transform this system into a power tool for his own corrupt power agenda and how it all once again crashed down in 1998. Today Indonesia is once more back in a democratic trial and error process. So far it has shown promising progress. But the events described here remind us how dangerous weak democracies are; they can too easily be transformed into dictatorships with an enormous cost for the nation. At the same time we will see what kind of political leadership causes authoritarian regimes to fail.

4.1.1 Sukarno's Entrenchment – from Democracy to Authoritarian Rule

Sukarno personalised Machiavellian politics as a manipulative master. Machiavelli put forward that a constant system does not call for any special skill or political knowledge, while "a newly acquired dominion was retained or lost strictly according to the ruler's measure of skill."³⁴ Glory came with the gaining of power, not in administering it. Instead of striving for socio-economic development, Sukarno strived for personal glorification. In the end he used (some kind of) communism to achieve this. He did so because communism was available and had large popular following as a societal trend – not because he truly was a communist. Sukarno had collaborated with the Japanese during the Second World War and was regarded by the Allies as an admirer of Japanese fascism. Sukarno was the one declaring Indonesia independent in 1945 and was imprisoned by the Dutch shortly afterwards. He still symbolised the independence struggle against the Dutch re-colonisation effort between 1945 to 1950.

C. M. Ricklefs writes in a detailed account of Indonesia's history that "Sukarno's lack of personal military experience and power was equalled only by his catastrophic ignorance of economics. He hated stability, order and predictability"³⁵ But even if Sukarno ignored to create development, he mastered the political game. He has been described as wielding a crowd as if he was the "dalang" (puppet-master) in some traditional Indonesian puppet-theatre. Incredibly as it sounds, Sukarno managed to rest his authority on instability and created a balance between competing hostile forces; the army, the communists and religious groups.

Before the Second World War, the Dutch had had Indonesia as a colony, the Dutch East-Indies, during the previous 350 years. A liberation war that lasted for four years followed when the Dutch tried to retake Indonesia after the Second World War. The Dutch formally withdrew in 1950 except from Irian Jaya (also known as West New Guinea) and Indonesia was officially recognised as an independent nation-state. In this setting, Sukarno and the local Dutch-educated elite in Jakarta tried to impose democracy in Indonesia. Sukarno

started as a democratic reformer, but then came to follow the tragic path that Plato warned about; as a despot seeking self-glorification. In the early 1950's there was a widespread belief among the educated elite in Jakarta, then in charge of the government administration, that Indonesia should have democracy. But by 1957 the democratic experiment had failed and the Indonesian republic turned into something that Indonesians were more used to; a police state. Ricklefs (2001) explains that "Indonesia inherited from the Dutch and Japanese the traditions, assumptions and legal structure of a police state. The Indonesian masses – mostly illiterate, poor, accustomed to authoritarian and paternalistic rule, and spread over an enormous archipelago – were hardly in a position to force politicians in Jakarta to account for their performance. The politically informed were only a tiny layer of urban society and the Jakarta politicians, while proclaiming their democratic ideals, were mostly elitists and self-conscious participants in a new urban super-culture. They were paternalistic towards those less fortunate than themselves and sometimes simply snobbish towards those who, for instance, could not speak fluent Dutch. They had little commitment to the grassroots structure of representative democracy and managed to postpone elections for five more years."³⁶

Indonesia seemed to lack any foundations for democracy after the liberation war. There was however a spiring idea of national unity that had come from the hardships during Japanese and Dutch occupations. A parliamentary system based on the Netherlands' model was implemented in 1950. This left the president without much power except ability to form new cabinets based on representation in parliament, a process that required complex negotiations. The democratic system was imposed immediately after military struggle against the Dutch. Elections were postponed until 1955. With the establishment of parliament, conflict was suddenly to be resolved peacefully in negotiations with former enemies. Violence had just recently been the only way to settle political issues. No party held majority in parliament. The political parties seemed to be too divided to agree on anything at all.³⁷

At the same time the government as a state body became increasingly ineffective due to having an enormous bureaucracy mired with corruption and red tape.^v By 1956 the economy as well as the social and political fabric of the nation was starting to fall apart. As the politicians in Jakarta and the government officials used dubious means to manoeuvre for advantage, they showed that the rule of law could easily be ignored.³⁸ Others soon followed their example, which rendered the legal system seem less legitimate. Therefore, the government unwantingly came to rely more and more on the capabilities of the army. But since Sukarno had no military background he had no allies in the army. He and the parliament had come to fear the army's political ambitions and decided to demobilize and to decentralise it.³⁹

Living conditions and infrastructure deteriorated during Sukarno's democratic experiment (1950-1957). Life was still better than under the Dutch or the Japanese, but independence did not bring the prosperity many had expected. General costs of living rose by 100 per cent from 1950 to 1957. From 1961 to 1964 hyper-inflation had reached 100 per cent per year.⁴⁰ The currency (rupiah) was held at artificially high exchange rates. This had a positive effect for Java, which contributed to the economy as a net-importer, while it had the opposite effect for east Indonesia and the other islands which were net-exporters. Java was Sukarno's home-island and the home of the largest share of Indonesia's population. The de-

^v "There were nearly 807 000 permanent civil servants in 1960, representing about one for every 118 inhabitants. Salaries were low and were badly affected by inflation. Inefficiency, maladministration and petty corruption became normal, and this cumbersome bureaucracy became increasingly incapable of doing much of anything." (Ricklefs 2001:291)

mocratic setting allowed anyone to criticize the government's economic policies. Sukarno and the other political leaders were obviously not prepared for this critique, but blamed the economic deterioration on the Chinese community, who, as in Malaysia, were traditionally seen as wealthy.⁴¹ Ethnic and regional sentiments became increasingly infected. The ethnic Chinese were attacked by angry mobs, not for the last time. (Sukarno and Suharto would come to attack the ethnic Chinese later on to galvanise Indonesia's other larger ethnic groups.) The Javanese dominated politics due to their large numbers. The other regions saw the government's policies as beneficial only to Java. Since politics was divided between Java and the outer islands and the bureaucracy was highly inefficient, the army came to be the only functioning state institution that held the nation together.⁴²

For various reasons, some army generals with civilian support in Sumatra and Sulawesi declared no-confidence in Sukarno in December 1956 and wished autonomy from Jakarta. The rebellion triggered Sukarno, with the support of the army command in Jakarta, to declare nation-wide martial law to stem rebellious regional leaders in March 1957. He abolished the democratic constitution from 1950 and made the parliament's parties to depend upon his protection from the army's influence. He reinstated the 1945 constitution which gave the president the only executive power. The parliament agreed to this on the condition that the political parties would not be completely abolished. Sukarno now had the popular parties in his pocket, which were too divided to defend the parliamentary system. The power struggle was now to stand between Sukarno and the regional army leaders. Sukarno could still master the situation because of the army's occasional brutality against rebels, a brutality publicly condemned by Sukarno. This made the army relatively unpopular and Sukarno to appear as the more merciful. The army came to depend on Sukarno to legitimize its authority.

By concentrating undisputed executive power to the presidential post, Sukarno had started what he called "guided democracy" in 1957. At a first glance the political agenda that Sukarno applied under "guided democracy" makes little sense. But it can be seen as a Machiavellian strategy to divide his competition and manipulate the masses so that he could remain in power. As it showed, there would be neither guidance nor democracy.

Sukarno became increasingly radical and took up close diplomatic relations with the communist governments in China and the Soviet Union. The communist party in Indonesia (PKI) had since long pursued a charm offensive upwards to Sukarno and downwards to the communities. The PKI had soon become the largest popular movement, much because of PKI's social projects on community level. Sukarno took on the PKI as his own; he needed its members and encouraged PKI membership.^{vi} But as the membership grew, the more disorganised became the PKI. It seems that Sukarno completely missed the point that PKI had become popular because of their efforts to create development. He adopted their rhetoric, but not the agenda. However, communism served Sukarno well in his wishes to continue the revolutionary spirit from the liberation war against the Dutch which successfully had unified Indonesians over the archipelago. Inspired by Mao's Cultural Revolution in China, Sukarno would use perpetual revolution as a method to keep Indonesia as a unified nation. This seems contradictory, but is similar to the dynamics behind Hobbes' state of nature: In times of chaos, group belonging and its leadership become all the more important to guarantee the individual some safety. Fear of becoming a victim to chaos consti-

^{vi} In 1952 PKI in Jakarta had 100 000 members. By 1965 PKI had 27 million registered members. (Ricklefs 2001:333, 337)

tuted Sukarno's social contract. Sukarno showed how chaos can be used as a political strategy.

Sukarno was the active coherent political leader that Plato had recommended. But he did this only as a part of a Machiavellian strategy to manipulate and influence others. Since Sukarno had little organised power of his own he employed a divide-and-rule strategy. He played the PKI and the army against each other, so that he could remain in power himself. Ricklefs (2001) writes that manipulation, threats, cajoling other powerful men, intrigue and conspiracy became the common fare of politics. The political elite consisted of cliques around influential men. The financial and legal systems became increasingly arbitrary and irregular as bureaucratic norms disintegrated. Local government relied increasingly upon unpaid labour from the peasantry.⁴³ This resembled more the tyrant that Plato had warned that his ideas could produce, rather than his ideal "philosopher-king".

Sukarno's prime rival in domestic politics, the army, had now started to engage in business life. "Regional interests were closely linked to army affairs. In the years since 1952 many regional commanders had forged unorthodox links with outer island interests as a means of financing their units and their personal incomes."⁴⁴ The army enlarged its financial operations after 1957 when negotiations with the Dutch over the Irian Jaya issue had collapsed in the UN. As mentioned earlier, the Netherlands had not withdrawn from that area in 1950. With the warm support of the PKI, Sukarno ordered that all Dutch businesses were to be nationalised. More than 46 000 Dutch citizens were expelled.⁴⁵ The army carried out the task, took over administration and in time they set up their own regional fiefdoms. By doing this Sukarno unwittingly made the army stronger. This move would later contribute to his downfall. The army now stood under its own commanders and started to enjoy some economic independence from Jakarta.

The Irian Jaya issue was settled in 1962. The US pressured the Netherlands to meet the demands of Indonesia, since the US feared that Indonesia might otherwise become a communist state. Third world countries were able to play the two blocks against each other during the Cold War. Sukarno and later Suharto were no exceptions. It was agreed that a referendum would be held later on concerning whether or not the Irian Jaya-territory would join the Indonesian republic. However, this was not regarded as a victory by Indonesia. Ricklefs (2001) scores a Machiavellian point when he writes that if the country would move towards a more peaceful situation "the army feared that martial law would be lifted and military budgets cut; PKI feared that less frenetic politics would block its growth; Sukarno feared that the congenial mass emotionalism of the Irian campaign would come to an end, derailing his return to the revolutionary spirit."⁴⁶

The creation of Malaysia in 1963 gave Sukarno the perfect excuse to maintain the revolutionary momentum. He needed a rally-point for nationalism as well as a diversion that would make it more natural for him to acquire more power in politics. Sukarno declared war against Malaysia in an attempt to unify Indonesia and to consolidate his leadership. The army could look forward to a larger budget and the PKI got a chance to agitate the masses. The confrontation against Malaysia served every actors' own power agenda. Although this created some kind of national unity, the state bodies themselves became increasingly disunited.

Sukarno followed the Machiavellian doctrine that a republic must be exposed to external threats from time to time to unify the masses. Malaysia and Singapore still enjoyed military protection from the British, but had small or no armies of their own. Sukarno gambled that Great Britain would not attempt or support any invasion of Indonesia. Although the British were fighting a communist insurgency in Malaysia, there seems to have been very

little military cooperation with the PKI. The PKI did not have any military forces of their own and many army officers were suspicious of them. Beijing had lobbied Sukarno intensely that he would set up a “fifth force”, a proletarian army. But it never became a sizeable force. The Malaysian threat was still credible to the Indonesian people. Many opposed that Singapore was going to join Malaysia and that the ethnic Chinese would take over the Malaysian economy even more. Random skirmishes between Indonesian and Malaysian troops occurred until 1967, but the confrontation was more of a political and diplomatic scheme than total war.⁴⁷

The Vietnam-war also benefited the PKI. Sukarno played along on these general anti-American sentiments. The PKI seized American businesses in early 1965 and, as a friendship gesture, allowed the army to run them.⁴⁸ In the independence speech in August 1965 Sukarno announced an anti-imperialist Jakarta – Pnom Penh – Hanoi – Beijing – Pyongyong axis. He aggressively withdrew Indonesia from remaining links with the capitalist world (International Monetary Fund, Interpol, World Bank).^{vii} In the same month Lee Kuan Yew tearfully announced Singapore’s separation from Malaysia.⁴⁹ Still, confrontation with Malaysia served an important political purpose and was not ended.

By now Sukarno did no longer manage to remain on top of things. The social contract of promising development and even security for the nation had been severely broken by Sukarno: “The social, political and economic structures of the nation were now near to collapse. Inflation was extreme, with prices rising at something like 500 per cent for the year. By the end of 1965 the price of rice was believed to be rising at an annual rate of 900 per cent. The black market rate for the rupiah against the US dollar plunged from rp.5100 at the beginning of 1965 to rp. 17 500 by the third quarter of the year and rp. 50 000 by the fourth. In the cities, towns and villages, Communists and anti-Communists believed stories of assassination squads being prepared and lists of victims being drawn up. Prophecies, omens and violence spread.”⁵⁰

4.1.2 Suharto’s Entrenchment – from Authoritarian Rule to Dictatorship

Finally, on the night of 30th September 1965, Sukarno’s hostility balance collapsed in a coup attempt. Some army leaders and PKI supporters kidnapped and killed six army generals while 2000 troops occupied the Merdeka square in the centre of Jakarta. It has never been revealed who were in charge of these events. It later showed that Sukarno had been at the location, the army-base in Halim, that was considered to be the coup headquarters. But the murdered generals were all his supporters. On the following morning a relatively unknown general, General Suharto – commander of a Jakarta-based army-group called Kostrad, was able to take charge of the forces in Merdeka square and ordered them to move away, which they did without making a fuss. Sukarno sent a message from Halim that he would assume full control over the army himself. This message was not received by the army as Sukarno had expected. General Suharto dismissed it and instead announced in the radio that he himself had assumed control of the army and would send an army unit to crush the rebellion headquarters in Halim and save the president. If Sukarno had planned this coup to become the undisputed leader of both the political parties and the army he now saw his

^{vii} “In January 1964 Robert F. Kennedy arranged a Malaysia— Indonesia ceasefire. ... Further efforts at Malaysia— Indonesia— Philippines negotiations followed, but broke down in March. In that same month Sukarno announced that the United States could ‘go to hell’ with its aid.” China and the Soviets competed to praise Sukarno after this statement. (Ricklefs 2001:332)

plans spoiled by an army general he had not thought about getting rid of. Yet today nobody knows if Sukarno actually had been kidnapped or was in Halim by his own free will. When General Suharto sent in his forces against the coup-makers in Halim, there were minor skirmishes with some PKI elements. On October 2nd, when the disappearing of the generals had been made public (their dead bodies were found the following day at Halim), a leading PKI newspaper had an editorial in praise of the coup attempt and explained it as an internal army affair. This, says Ricklefs, sealed PKI's fate. "Anti-PKI army officers no longer wanted to restrict or ban PKI: they now saw reason and occasion to annihilate it. Anti-PKI civilians, especially Islamic activists, were in hearty agreement."⁵¹

In this setting general Suharto would outmanoeuvre President Sukarno in a subtle political game for personal power between the two. The subtlety was backed by mass killings and conditions that resembled civil war.

4.1.2.1 How Sukarno lost his claim for Authority

Immediately after the coup, anti-communist youths – KAMI (Indonesian Students' Action Front), burned the PKI headquarter in Jakarta. KAMI was backed up by the army. Although communism was not yet outlawed the army assisted in tracking them down. A human slaughter ensued. Islamic leaders joined in and claimed that killing communists was a religious duty. PKI's top leadership was killed along with at least 500 000 alleged communists. There are no exact figures of the death toll, but this event is generally held as one of the largest mass murders in human history.⁵² The chaos was used as an excuse to settle any dispute among the civilian population, such as old financial scores and ethnic differences which had nothing to do with the political conflict.⁵³ The ethnic Chinese were particularly targeted. By December 1965 more than 10 000 PKI members had been arrested, but other sources state 100 000. Suharto would come to use the coup attempt and PKI-membership as excuses to imprison any opponent well into the 1990's. The killings of the "communists" were never questioned in Indonesian courts during Suharto's rule.

Popular participation in religious groups surged after 1965. Since the army blamed the coup attempt on the PKI, many were anxious not to be associated with the communists and hastened to join Muslim, Christian, Hindu and Buddhist groups. During his tenure Suharto treated Islam and other religious groups with distant respect, but was careful not to allow Islamists into any significant power positions.⁵⁴

But Sukarno was still president and was deeply disturbed by these events. PKI was destroyed and the army was on its way to have unchallenged power. Suharto, leader of the army since the coup, pledged allegiance to Sukarno and encouraged everyone who supported the president to support the army. By doing this he robbed Sukarno from his own attempt to create a "Sukarnoist" party. But Sukarno still tried to organize a grassroots movement for his own personal party. He did this by reshuffling his cabinet and appointed a boss of the Jakarta underworld as Minister for Security Affairs. The ex-gangster then organised anti-KAMI (pro-Sukarnoist) groups. "Pro-Sukarnoist and anti-Sukarnoist youths now fought it out in the capital's streets. ... Sukarno then banned KAMI, but the students and their army mentors ignored this."⁵⁵

In the meantime Sukarno became increasingly alienated and opposed. Sukarno's role in the coup attempt was questioned in the trials against the accused PKI leaders. Hyper-inflation was at 50 per cent a month. The American Embassy was attacked by pro-Sukarnoists in February 1966. "The army encouraged students to demonstrate for the banning of PKI (which by this stage would be merely a reproach to Sukarno, since there was little of PKI left to ban) and for a new cabinet and economic reforms." Of course, none of these

events benefited Sukarno. "Suharto's policy appears now to have been to encourage such violence in Jakarta that in the end Sukarno would have to hand power to him to restore order."⁵⁶ Sukarno was checkmated by Suharto.

On 11 March 1966 three generals acting as Suharto's emissaries persuaded Sukarno to sign a document giving Suharto full authority to restore order, to facilitate the functioning of government and to protect President Sukarno in the name of the Revolution.⁵⁷

4.1.2.2 How Suharto based his authority

While Sukarno based his political game on internal division, Suharto took on a completely opposite tactic. Suharto followed Plato's recommendations in organisation theory and imposed strict hierarchies concentrated to a small elite. But Suharto did not use Plato's meritocracy. He kept the power elite loyal by handing out dubious business deals. During his time as a general he gained followers based on personal respect, but more importantly by using his position to "allow his followers to reap financial rewards for their loyalty with little regard for legality."⁵⁸ He continued with this strategy during the 31 years he remained as president. In the end, the extreme corruption would make Suharto's regime to crumble. Suharto's circle of cronies extended beyond the military. Ricklefs mentions that Suharto's New Order (as opposed to Sukarno's "old order") has been labelled as a kleptocracy; government by thieves.⁵⁹ ^{viii}

Suharto centralised economic, political, administrative and military power to a small elite close to him. "In August 1967 Suharto abolished the four separate armed forces ministries and placed all services directly under his authority. The Sukarno style of encouraging inter-service rivalry was thus replaced by Suharto's policy of centralisation. This more centralised military was also taking over regional government."⁶⁰

Now that PKI had been destroyed, Suharto purged the remaining parties. Parliament size was reduced by the arrest of pro-Sukarno politicians. Suharto then gathered the rest of parliament to ban PKI and forbade Sukarno from participating in politics. Suharto was pronounced president on 12 March 1967. Sukarno was placed in house arrest until his death in 1970. Like the Dutch, Suharto used imprisonment to get rid of political opponents, but in a much larger scale.^{ix} Several purges of the armed forces, religious groups and political parties followed until 1969 when Suharto thought it would be safe to hold presidential elections.^x

The illusion of democracy was maintained while Suharto went on to cripple political opposition. In November 1969 the parliament passed an election law that allowed the government to directly appoint 22 percent of the parliament and 33 percent of the newly instituted Assembly, which parliament would be part of. Furthermore, the government an-

^{viii} The most important group of Suharto's cronies were the Chinese entrepreneurs or *cukongs* (taken from the Hokkien word for boss). They "supplied capital, connections outside Indonesia and business acumen without threatening the Indonesian partners in these deals, for anti-Chinese feelings in Indonesia meant that *cukongs* could never build political support. The Indonesian elite provided them with protection, opportunities, licences, inside information, dubious financial arrangements and, if necessary, the coercive powers of government in return for liberal amounts of money." (Ricklefs 2001:346)

^{ix} As late as 1977, Amnesty International estimated that between 55 000 and 100 000 Indonesians were political prisoners. (Ricklefs 2001:359)

^x "By the end of 1968 there was no longer a credible PKI threat. Despite this, the regime's principal security organisation Kopkamtib continued its surveillance of the citizenry, hampered only by the general inefficiency of the nation's administrative apparatus." (Ricklefs 2001:357)

nounced that government employees could not be members in political parties. Instead, they were told to join Golkar.^{xi} All politicians, no matter of political colour, were scrutinized before the elections to parliament in 1971 by the secret police, Kopkamtib, that stood under Suharto's close surveillance. About 20 percent were disqualified for political unreliability. Except for during elections, political parties were not allowed to operate below city and regional (Kabupaten) level (a strategy used for a short while by Mahathir in Malaysia later on). Golkar, formally not a party, could escape this rule, but it was still running for parliament. The electoral system was in every possible way rigged to Suharto's favour. In the 1971 election Golkar received 62,8 percent of the vote.⁶¹

There were several student protests against corruption throughout the 1970's, but this only encouraged Kopkamtib and the army to tighten its grip further. However, several army officers as well as the growing Islamic community became increasingly critical towards Suharto's kleptocracy.^{xii} For all its flaws, the new order had at least reached durability enhanced by the economic growth that followed. But this was not a political durability. Suharto would become more and more entrenched as executive. By consolidating his position, he also started digging his own grave by showing that his power rested on the threat of excessive violence, instead of the economic use of violence that Machiavelli suggested. Violence was still seen as a legitimate tool to affect policies.

4.1.3 Development under Suharto's New Order

Suharto started his presidency by changing Indonesia's foreign policy in order to have his New Order regime internationally recognised. The Beijing-Jakarta axis was like the PKI quickly destroyed and confrontation with Malaysia was ended in 1967. Malaysia and Indonesia even joined forces to fight communism in Borneo in 1968. Indonesia rejoined the UN (United Nations) and the IMF (International Monetary Fund) to meet the requirements for badly needed Western aid.⁶² Due to the economic policies that followed, Suharto's regime received increased international support. A small group of Indonesian Western-educated technocrats were employed to run economic policies. They adopted open-door laissez-faire strategies, encouraged foreign investment and maximum economic growth coupled with strict internal economic controls.⁶³ Suharto himself seems to have had little to do with the formulation of these policies, but still took credit for it by calling himself "Father of Development".

Economic reforms meant that government expenditure was reduced. Budget cuts for the military were of little concern for the army. It now had a well developed private economy of its own, with oil being its primary source of income. After the oil price-hike in 1973 the army would have an enormous source of income to dispose as it pleased. Much of the oil-incomes disappeared because of corruption. Indonesia was the poorest OPEC state in the mid 1970's, with only half the per capita GNP of OPEC's second poorest member, Nigeria.⁶⁴

Inflation had been cut by 100 per cent in 1967 and had been reduced to 85 percent by 1968. This was an outstanding achievement considering that in the previous year, 1966,

^{xi} Sekber Golkar, Joint Secretariat of Functional Groups. A body established by the army in 1964 to coordinate and encourage army-civilian cooperation. It included several smaller political parties and other organizations.

^{xii} "By this time it was commonly being estimated (on the basis of no firm evidence, it must be said) that corruption consumed 30 per cent of overseas aid and government expenditures." (Ricklefs 2001:368)

“annual inflation was calculated to be in excess of 600 per cent, the money supply was over 800 times the 1955 figure and the government deficit was over 780 times that of 1961 (and 1.8 times the total money supply).”⁶⁵ The rupiah was allowed to float freely, which reduced export and import smuggling. Interest rates were kept high to keep the currency more attractive on the market. Several other reforms followed.^{xiii}

The social problems that the new order had to confront were greater than those faced by the Dutch. This was partly because of population growth and partly because of the chaos that had lasted until then.^{xiv} Nevertheless, Indonesia had a remarkable economic growth during the 1970’s and 80’s. The vast corruption was tolerated since the gains of economic growth began to reach the poor. A new middle class emerged. Inflation was cut to 10-24 percent during the 1970’s. The government came to rest its entire legitimacy on its ability to create development and improve welfare, but also because of its excessive use of violence against Indonesians. Indonesia became self-sufficient in rice production by 1983 due to technological achievements, government policies and the farmers’ hard work. There was almost full school attendance and literacy rates improved dramatically, but with large differences between rural and urban areas. The rate of population growth decreased in a way that made Indonesia to have the most successful family planning program in the world. Indonesia had transformed into a middle-income country, according to the World Bank.⁶⁶

The global recession and fall in oil-prices from 1982-86 was partly absorbed by Indonesia’s booming tourism industry. With tourism on the rise Suharto abolished Indonesia’s corrupt and inefficient customs by outsourcing it to the Swiss Société Général de Surveillance, which brought significant reforms. On the macro-side, several trade tariffs were reduced or abolished in 1986. But Suharto’s cronies in steel, plastics and cotton industries were still being protected.⁶⁷

Indonesia’s middle class was increasing in size, but was still surrounded by millions of poor. Corruption, cronyism and repression of political rights and civil liberties were tolerated out of fear from the poor becoming politically mobilized. The first target would be the *cukongs* (Suharto’s Chinese moguls mentioned in footnote earlier) and the elite. But second to that was the wealth of the middle class. “So compromises were made, illegality tolerated and [the army’s] abusive security approach accepted by the middle class as the price of development.” But the poor too significantly benefited from the new order. Although subjects for extortion, they now had “electricity in villages, more schools and clinics, more rice, more money, moderate inflation and the possibility of better times for their children.”⁶⁸

4.1.4 Suharto – Failing to Accommodate Societal Change

Indonesia was now an anti-communist state at the end of the Cold War under rapid socio-economic development. The government’s economic reforms and ability to control Islamic

^{xiii} “In consultation with the IMF, the technocrats introduced budgetary restraints, high interest rates, stricter export controls and anti-corruption measures beginning in October. Confiscated British and American firms were soon restored to their owners and in February 1967 a new investment law was promulgated to encourage foreign investment.” (Ricklefs 2001:352)

^{xiv} “The Dutch failed to meet the welfare needs of a nation of 60.7 million people in 1930. It is perhaps not surprising, given decades of neglect and the urgent need first to regain control of the nation’s economy in the years after 1965, that the new order government was initially unable to make much contribution to the welfare needs of its population, which reached 119.2 million in the 1971 census and 147.3 million in 1980. Health and education standards remained low, but significantly better than in Dutch times.” In 1990 there was one doctor for every 7700 inhabitants. (Ricklefs 2001:291, 344)

fundamentalism was warmly welcomed by Western powers. Accusations of human rights violations in East Timor, which Indonesia had occupied in 1974 by claiming that it otherwise would fall into communist hands, was by that time ignored.⁶⁹ But with the collapse of the Soviet Union in 1989, Western governments had fewer reasons to tolerate human rights violations. At the same time Suharto stepped up suppression from fears that Indonesia would collapse in a similar way as the Soviet Union did.^{xv} The state system in the Philippines, under a comparable dictatorship as Suharto's, had been overthrown by democratic revolution just recently. Similar developments were under way in South Korea and Taiwan.

To top it all, Suharto had become increasingly paranoid. He chose politicians, financial contractors and army officers based only on loyalty to him instead of competence. Kopkamtib (secret police) had also become too powerful and was abolished in 1988 to be replaced by a new National Stability Maintenance Coordinating Body, more directly under the authority of the president and a few army commanders.⁷⁰

A rebel group in Aceh, GAM (Independent Aceh Movement), ended a long cease fire and started to attack the Indonesian army in 1989. GAM received large popular support as well as having alleged connections with Malaysia and Libya. Local martial law was declared in Aceh. The army used terror as a standard tactic. "Suspected GAM sympathisers were captured, tortured and executed without trial. Bodies were left in public places to intimidate the populace." The rebellion was somewhat stemmed, but at a huge cost for the army's reputation.⁷¹ Similar struggles as GAM's occurred in East Timor that received large moral support from international Catholic groups.

The political void probably explains the enormous surge in religious participation that took place from the 1970's to the 1990's. Islam and other religious groups had always played a peripheral role in Indonesian politics. Now thousands of churches, mosques and temples were built all over the country. The Indonesian population became increasingly Islamified. Next to communists, Islamists had always been the ones regarded most suspiciously by Suharto, albeit with respect. Suharto had his roots in Javanese mysticism, where Islam is mixed with traditional nature religions, shamanism and Hinduism.⁷² In a response to the increasing Islamic sentiments in Indonesia, Suharto suddenly undertook a pilgrimage to Mecca in 1991 and adopted the name hajji Mohammad Suharto.⁷³ Islam was definitely winning ground. Islamic state schools were built and Islamic courts received extended powers to punish those slandering Islam. Women's position in society was weakened.⁷⁴

By this time, the early 90's, Indonesia was internationally regarded as the most corrupt country in the world. Suharto, his family and his cronies had acquired an unimaginable wealth. The whole government body, the police and judiciary system were literally run on bribes.⁷⁵ After Suharto had been replaced, his family's wealth was estimated to hold anything from US\$ 2 billion to quintillions^{xvi} of rupiahs, which even at the lowest exchange rate equals billions of US\$. None of these figures have ever been confirmed. Suharto himself has claimed to have only a small amount of savings. Fifty-six percent of the population was below the poverty line as late as 1997.⁷⁶

A turning point for international pressure on the Indonesian government to impose reforms came in November 1991. The army started to shoot at a funeral procession in East Timor that had developed into a freedom protest in front of world media. Catholic con-

^{xv} Like the Soviet Union, Suharto ruled a vast country with poor communication and infrastructure, multiple ethnic and religious groups, poverty and regional disparities.

^{xvi} One quintillion would be written as 1 000 000 000 000 000 000.

gressmen in the US Senate stopped the Indonesian army from receiving training by the US army and Portugal managed to stop EU-Indonesian negotiations on a trade agreement.⁷⁷ In 1996 the Nobel Peace Prize was awarded to rebel groups/freedom fighters in East Timor.

Suharto and the army responded by stepping up suppression even more. Several newspapers that questioned the government or the kleptocracy were closed down. The army used communism as an excuse to clamp down on increased social unrest throughout the country. Pro-democracy ideas, the internet and globalisation were said to threaten Islam.^{xvii}

By the mid-1990's, international investors had grown tired of the corruption and took their money elsewhere. Foreign direct investment dropped sharply. The army also started to grow tired of Suharto's nepotism, which they thought stained the army. Political parties, notably PDI led by Megawati Sukarnoputri (Sukarno's daughter), gathered momentum among Indonesia's poor. But no one could see how Suharto could be removed by peaceful means. Suharto attempted to limp the PDI by replacing Megawati and used violent groups, which were poorly disguised as followers to Megawati's competitor within PDI, to attack PDI's headquarters. Two days of violent riots followed in Jakarta in July 1996.⁷⁸ Suharto and the army responded violently. With this Suharto wanted to show that the army was a guarantor for peace and the PDI was not.

Annual economic growth remained above 5 percent through the 1990's, but interest rates and inflation were also high. Overseas loans in US\$ had to be repaid in rupiah which now was plummeting rapidly. The government's external debt was more than US\$ 84 billion in 1992, or 67,4 percent of GDP. In 1997 the bubble burst when the Asian Crisis hit Indonesia hard. In January 1998 the rupiah had lost 85 percent of its value and the Jakarta stock exchange plummeted. "Effectively every modern enterprise in the nation was bankrupt, the savings of the middle class were wiped out and labourers were thrown out of work by the millions."⁷⁹

This triggered mass demonstrations. The army killed several student protesters. The economic crisis, the army's brutality, regime corruption and the impossibility to reform "destroyed the last tattered remnants of the regime's legitimacy and social order". Massive riots followed, targeting the "cukongs" and Suharto's family enterprises. More than a thousand people died in massive riots and violent protests all over Indonesia from the 13th-15th of May 1998. There were gang rapes, murder, wild-fires and massive looting. Foreign enterprises and ethnic Chinese took their capital and fled the country.⁸⁰

Suharto announced that reforms would take place and that he would step down after re-elections. But he no longer had any credibility. "His attempt to create a reform cabinet collapsed on 20 May when 14 ministers with responsibility for economic and financial affairs refused to serve under him." Suharto announced his resignation the following day. He was then 77 years old. He has never been convicted for corruption allegations or responsibility for mass murder.

^{xvii} The army "regarded the increasingly vocal Indonesian and international networks of activists, protesters and NGOs involved in issues such as Aceh, East Timor, anti-corruption, environmental protection and legal aid as threats to regime stability, to economic development, and to [the army's] own centrality in national affairs." The "response was to become more repressive. So the diverging trajectories of Indonesian society and the regime — the former seeking greater freedom and the latter intending to concede less — began to gather momentum." (Ricklefs 2001:390)

4.1.5 Indonesia, Sukarno and Suharto – Concluding Remarks

Both Sukarno and Suharto were overthrown by violent means since their entrenchment had made violence the only option available to influence politics. Sukarno and Suharto left Indonesia in a state that best can be described as catastrophic. They are perfect examples of Plato's notion that power corrupts the character of men to become self-enrichers and megalomaniacs. They were both replaced in similar ways – by violent protests followed by destruction and murder – much because of their inability to create sufficient development. Sukarno's ability to create development was negligible, while Suharto did better. But the high growth figures during Suharto's regime should be deflated by the high inflation, interest rates and extreme corruption. Indonesians' relative purchasing power did not increase at the same rate. Suharto was not the Father of Development.

Paradoxically, Sukarno's poor economic policies consolidated his power for a short time; class differences increased and communism gained in popularity. Fear of becoming a victim to chaos constituted Sukarno's social contract. Sukarno showed how chaos can be used as a political strategy. However, this would prove to be a very short-term policy and should not be recommended as a way to consolidate power. Suharto was tolerated as long as he honoured the social contract to create development. But his system where power was expected to be used for personal gain on the expense of the common good eventually caused the whole regime to disintegrate. In addition, Suharto relied on excessive use of violence against Indonesians to remain in power. Although Indonesia is an archipelago, the army was clearly prioritised over the navy and was used against internal threats, not external. Both Sukarno and Suharto made politics in violation of Machiavelli's economy of violence. They relied on oppression to remain in power. The historic records of Sukarno and Suharto show the pointlessness and destruction that follow in the path of oppressive regimes.

As for role-modelling, Suharto in particular, set a bad example for others to follow. His authority was not based on merit or competence, as Plato would have wanted it, but on rewards based on loyalty to his person. This made his regime extremely corrupt and self-centred. Sukarno too was a poor role-model. Sukarno and his fellow politicians made corruption to seem normal. Suharto simply continued in this tradition, as did the rest of the Indonesian nation-state.

A middle class emerged under Suharto's rule, but not fast enough and not large enough. A very large share of Indonesians remained poor. The richer segments of society came to rely on the regime's ability to protect the wealthy from the poorer masses. Protecting the wealthy took the form of oppressing and abusing the poor. The inequalities caused the wealthy to fear their poorer fellow citizens. As the riots in 1998 showed, this fear would prove to be well-founded.

Sukarno used the same tactic, to divide-and-rule, more consciously. Therefore, Sukarno was more political than Suharto in a Platonic sense. Sukarno tried to make internal conflict the very basis of his authority, in a way similar to how Hobbes motivated authority in a state of nature: As stated earlier, in times of chaos group belonging and its leadership become all the more important to guarantee the individual some safety. Fear of becoming a victim to chaos constituted Sukarno's social contract. He never realised that his legitimacy rested on his ability to provide development. Although managing to play his opponents against each other, Sukarno's authority was consumed because of internal rivalries. Sukarno was a brilliant, but destructive, politician. He used societal change to his advantage by playing along on popular communist sentiments. Sukarno succeeded in reacting to social change and used it to divide his political opponents in a way that made them all to depend on him. Suharto also tried to adapt to societal change by converting to Islam as it had

gained popularity. But Suharto reacted to societal change by suppressing it, rather than accommodating it. In the end, none of their attempts were very successful. Sukarno lost power since he simply lost control of events and his power-base became destroyed by violent forces. Sukarno had weak support in the army, but he still gave the army increased economic independence. In the end, the army, with leaders that wished to increase their personal wealth, would grow strong enough to replace Sukarno's civilian regime. Suharto came to power because of this, but eventually lost power because of responding to change by increasing violence instead of accommodating people's needs. Suharto failed because his autocratic reward system (kleptocracy) built on corruption slowly disintegrated. In common for both Sukarno and Suharto, and most importantly in this thesis, is that they were toppled by protestors upset by the fact that the government had been unable to supply sufficient socio-economic development. Sukarno and Suharto both broke the social contract and were therefore replaced.

Indonesian unity was achieved during the struggle against the Dutch. But people were unified to the idea of the nation, rather than the state system. This was a problem for both Sukarno and Suharto. Sukarno made an attempt to create unity and create loyalty to his leadership by declaring war on Malaysia. Suharto used oppression to force Indonesians to be loyal to the state. What can be said for sure is that in the end there was national unity against them. Indonesians joined together to topple the leaders, not to support them.

4.2 Singaporean Politics

Politics in Singapore is a very different story from Indonesia. The Indonesian republic is huge, consisting of more than 17 500 islands and 223 million inhabitants. Singapore consists of one small main island with less than 5 million inhabitants. The political challenges become very different in this setting. The smaller size of a city-state allows the political leadership to have a holistic view of the nation, which is likely to be more accurate than in an enormous nation-state like Indonesia. Plato's ideas become all the more applicable to Singapore because of this, not the least because Plato's Greece was entirely made up of city-states. Indeed, if looking at only their ideas on how to govern a republic, it could seem as if Lee Kuan Yew was Plato's student. As will be shown, all of Plato's ideas mentioned in part 2.1 are included in Lee Kuan Yew's politics as well as most of Machiavelli's.

The government in Singapore rests its legitimacy entirely on its ability to create development for the citizens. So far the regime in Singapore has performed spectacularly well on the development account. Singapore is, in almost every respect, one of the world's most modern and well-developed countries. But, as will be shown, Singapore is a one-party state with all the characteristics of a dictatorship. It is more similar to a corporation than a political society.

Singapore has been an international trade and distribution centre for several centuries. It is located on the shortest trade-route halfway between India and China, which has made the harbour to become its foremost – if not only – natural asset. Singapore was annexed as a British colony in 1819, when Stamford Raffles decided to build his ideal version of an ordered society on the island. The British hegemony was broken when the Japanese swiftly invaded both Malaya and Singapore in early 1942. When the Second World War had ended the European powers were no longer in position to claim authority in Asia. The Japanese (as well as the colonial powers) had in many ways, consciously and unconsciously, firmly established a determination among the Asian peoples not to allow foreign exploitation. The collapse of the British Empire was first denied by many, especially among the British themselves but also among the population in the colonies, of which an over-whelming

majority were non-British. Imperial ambition was not lacking, but the war-torn British economy simply did not allow a rebuild of the Empire. The British still kept a large naval and army base in Singapore. While Malaya was made ready for independence, Singapore was to remain a Crown colony until 1963. Singapore then merged with the Malayan peninsula and two states on Borneo (Sabah and Sarawak) to form the Federation Malaysia. As a consequence Malaya changed name to Malaysia in 1963. Singapore has parts of its history in common with Malaysia. Singapore would become independent after it separated from the federation in 1965.

4.2.1 Before Lee Kuan Yew – A spiring Democracy

A transition towards democracy did not seem too far away in the plurality that made out the political landscape in Singapore after the Second World War. Political groups were led by Singapore's English-educated elite on the one hand and the Chinese-educated on the other. Most political colours were represented. Some groups were divided according to racial alignments, notably the communists of which most were Chinese. The Chinese communists was the most numerous group. None of these groups, not even the English-educated, favoured British colonial rule. This was motivated by the fact that, throughout the Empire, the British discriminated the locals from participating in the colonial administration. As the local population became more educated, they also became more politically aware. Still, they were deprived of work and opportunity and bitterly hit back at this obviously racist and hypocritical colonial regime.⁸¹

The outbreak of civil war in 1948 against the MCP (Malaysian Communist Party) in Malaya affected Singapore, since both Malaya and Singapore were under British rule. (The civil war in Malaya will be explained further in next part on Malaysian Politics.) The MCP was respected by most groups in Singapore because of their struggle against the Japanese during the war. Furthermore, Singapore's population consisted almost exclusively of propertyless workers. It was a "proletarian metropolis".⁸² With dismantling the colonial empire on the agenda, the British realised that a democratic election in Singapore could only result in the socialists or even the communists coming to power. The British had no interest in leaving behind a government on which they had limited influence. British corporations were still heavily involved in Malaya's industries that all were centred in Singapore.

The most important impact that the war against communism had in Singapore and Malaya, was the introduction by the British of the ISA, Internal Security Act. The government was given the right to arrest anyone on the allegation of causing a threat to national security. The ISA required no evidence for an arrest and made it possible to keep a prisoner in custody for up to two years, but with possibility for renewal. Both Lee Kuan Yew and Mahathir in Malaysia would later use the ISA to get rid of political opponents. The ISA effectively put the lid on political rivalry as well as civil society in Singapore and remained even after martial law had been lifted in 1960. Carl Trocki (2006) writes that "for most Singaporeans, the lifting of the Emergency Regulations ... were perennial priorities. Those seeking political office campaigned for their repeal, but once in office, most found them useful tools."⁸³

Using the ISA, the MCP was made illegal and socialist groups were restricted. The British were forced to implement the ISA regulations against Singapore's labour unions. Workers in Malaya and Singapore refused to be "bullied back into accepting pre-war pay scales and working conditions. The outbreak of hostilities between the Chinese-dominated left and the colonial government was a major setback for the evolution of democracy in Malaya and Singapore."⁸⁴

The ethnic Chinese made out almost 90 percent of the population in Singapore and 40 percent in Malaya around 1950. The Chinese socialists dominated the political scene. But none of the ethnic groups were completely homogeneous politically or socially. Different political colours were found among all ethnic groups. Politically, the Malays, Chinese and Indians were split mainly between the English-educated minority and those who were traditionally educated. Since the great majority in Singapore were ethnic Chinese, the major political rift stood between the English-educated Chinese elite and the Chinese-educated Chinese elite. Lee Kuan Yew was to be found in the former group. It is generally true that the English-educated had greater managerial skills and better relations with the British, while the traditional Chinese elite (local trade bosses) had stronger popular support.

In the 1954 elections the PAP, People's Action Party, was a small group consisting of English-educated Singaporeans. The PAP only put forward five candidates. Carl Trocki (2006) writes that the PAP pushed for immediate independence, a socialist system and an immediate end to the ISA and Emergency Regulations. Their leftist stance rendered them some popularity. The PAP represented socialism, egalitarianism, multiracialism and supported a merger with Malaysia. The PAP nurtured their leftist support in order to have a chance at the election polls. At the same time Lee Kuan Yew, a lawyer, had well developed connections with conservative groups in Singapore as well as with the British colonial government. He had himself a bourgeois background and despite sometimes giving the British harsh public criticism he was never to be arrested under the ISA, which other politicians were for doing the same.⁸⁵

The British reasoned that to include Singapore in the Malaysian Federation would effectively stop the socialists from taking over the island. UMNO (United Malayan National Organisation) had taken over parliament in Malaya and made clear that the Malays would receive special racial preferences. The British as well as the PAP pushed for a federation where Singapore would be included. It was argued that the Singaporean economy depended on the Malayan federation as a market as well as for natural resources and food. Furthermore, it was argued in Singapore that its inclusion would prevent Malaysia from developing its own ports so that the island could remain to be the major trading centre of the region. The British hoped that the political forces would become more even and that the federation could save Singapore from radical socialists. The PAP hoped to limit the Malay's position and with a multiracial agenda eventually win them over.⁸⁶ Another important reason for Singapore to join the federation was that the British would withdraw their military support by 1963. (The merger with Malaysia is explained further in part 4.3.1)

In the 1956 elections the PAP supported a popular leftist leader, David Marshall of the Labour Front, for Prime Minister. The PAP did this to gain the trust of the unions and leftist organisations. Trocki (2006) writes that once Marshall had been elected, the PAP did everything they could to discredit him and to show their own abilities. With the next election in 1959 a new constitution was implemented. It made Singapore a municipality within the Commonwealth instead of a colony, which would give the elected government extended powers for internal politics. By this time the PAP had developed an agenda that appealed to all Singaporeans. Lee and his party had support from the labour unions, had firm links with the socialists, which in turn had won over the traditionalist Chinese elite who, in their turn, had the trust of the masses. This was nevertheless a fragile chain to base support on. Like Sukarno in Indonesia, the PAP sought to make the communist popular movements into its own. Apart from this Lee also had healthy personal relations with several important British officials. "The PAP appealed to the people and promoted workers' rights, a policy of democratic socialism, abolition of the Emergency Regulations and an end to colonialist exploitation."⁸⁷ Lee Kuan Yew became Prime Minister in 1959 when the PAP had won 43

out of 51 parliamentary seats.⁸⁸

4.2.2 Lee Kuan Yew's Entrenchment – from Democracy to semi- Dictatorship

The PAP immediately deviated from their socialist program as soon as they had been elected. A few months before the 1959 election they had hinted of a more conservative economic policy in their party journal, called the "Petir". The election promise of improved workers' rights would come with the economic development in the 1970's. But the promise to completely abolish the ISA is yet today unfulfilled.

Prime Minister Lee Kuan Yew and his clique of English-educated officials made out the top core of the PAP. But almost half of the elected MP's were Chinese-educated left-wingers. Much of the grassroots movement was dominated by the unions. The PAP leadership did not have mass popular support of their own. Therefore, "new laws were introduced to break the left-wing forces that had gotten the PAP into office." The unions had to re-register and be approved by the government to be legal. One by one the radical union leaders were charged for misuse of funds. Strikes were made illegal. The PAP became the only vehicle available for most union members, it took over the union's administration and incorporated the organisations into the party.⁸⁹

This created a rift between the labour unions and the PAP government. Former PAP supporters created the BS, Barisan Social (Social Front), and came to compete with the PAP candidates in the 1961 communal elections. The PAP lost a few seats to the BS. The PAP had tried to split the BS by accusing its leadership for being "Chinese chauvinists". Because of this the Malay and Indian members, although a minority and could not affect elections too much, became increasingly wary of the BS. But the PAP still faced a real political threat in the BS. This triggered the PAP to make its coup, "Operation Cold Storage", in February 1963. The ISA was still not abolished and the government used it to suddenly arrest 150 journalists, labour activists, student leaders and opposition politicians all at the same time. There were no trials and the BS's leaders were confined to prison.⁹⁰

This made UMNO in Malaysia confident that the PAP would not allow Singapore to fall into the hands of leftist radicals. Merger with Malaysia was a priority for the PAP, since it would make the PAP the only viable option for Singaporeans. Most Singaporeans realised that the BS would stand small chances to gain any support in Malaysia and would therefore weaken Singapore in Malaysian politics. At the same time UMNO, with its racial policies, would stand small chances in Singapore. Merger with Malaysia seems to have been part of the PAP's plan to gain hegemony in Singapore and from there get a firm foothold in Malaysia.

With the support from the British and the UN, the PAP organised a referendum in Singapore on how to join Malaysia. "The ballot offered only three choices, all of which were 'yes'. All offered membership in the Federation, only on slightly different terms. It was impossible to vote 'no'. ... The PAP had launched a massive propaganda campaign to support its preferred option." In the end, 70 percent of the vote favoured PAP's suggestion on how to join Malaysia.⁹¹

Immediately after the creation of the Malaysian Federation in late August 1963, the PAP announced that an election would be held for the newly formed Singapore State Assembly. With less than a month of preparation the election caught both the BS and UMNO unprepared. The BS, with most of its leaders in jail, got 32 percent of the vote, the PAP received 47 percent and UMNO none. Albert Lau (1991) writes that this instantly soured rela-

relations between Kuala Lumpur and Singapore.⁹²

Lau (1991) mentions three more reasons that made the honey-moon with Malaysia extremely short. The first one was that the PAP contested for seats in the other Malaysian states in the Malaysian national elections in April 1964. Lee Kuan Yew and UMNO's leader, Tunku Abdul Rahman, had a "gentleman's agreement" not to meddle in each others political spheres. PAP now dishonoured this agreement, even if they had a formal right to participate. Another reason was the racial riot that broke out in Singapore on Mohammad's birthday celebration in July 1964. UMNO was blamed to have agitated the large Malayan crowd that had gathered in central Singapore. Anti-PAP leaflets had been distributed during the celebrations which ended in bloodshed. A total of 23 people were killed and hundreds were injured. The final reason was the PAP's multiracial politics in Malaysia, which struck against UMNO's core values.⁹³ (These events will also be explained in the next part on Malaysia.)

The riots in Singapore served the PAP well. They now had an even better excuse not to abolish the emergency regulations and the ISA. No matter if it was planned or not, the Malaysian adventure had unified Singaporeans to support the PAP, which had been seen as the only possible representative for Singapore's interests in the Federation. After Malaysia divorced from Singapore the PAP was the only legal political party and the only legal union organisation. Being in full control of parliament, the PAP could now start to amend laws as they deemed suitable for their cause; to achieve complete political hegemony in Singapore. Furthermore, the PAP now used Singapore's independence to spread the propaganda that the country was under constant threat, internally and externally. "Internally, Singapore may be said to have ceased the practise of politics as they are usually understood in a political society. ... Legislation was enacted that made it virtually impossible for an independent group to amass the financial and public resources to field a credible opposition party."⁹⁴ Externally, the tiny city-state was subject to the ups and downs of global trade and to shaky politics in its neighbouring countries, especially Indonesia. Singapore was perceived as a David among Goliaths. In addition, the many racial riots that targeted the ethnic Chinese in both Indonesia and Malaysia served an important purpose to galvanise the Singaporean nation through fear.

Trocki writes that after 1965 the PAP moved quickly to achieve complete state-hegemony. They did this by shutting down Singapore's civil society. The PAP's "power was reflected in every agency, from housing to education, to economic development, to labour organisation, to traffic control, to control of fertility, to cultural expression, to religion. In every aspect of life such as dress, habits of cleanliness and hairstyles also became matters of state concern."⁹⁵ Singapore had moved from having a relatively free vibrant civil society into a strict semi-dictatorship with fascist tendencies in less than a decade.

4.2.2.1 How Lee Kuan Yew based his authority

Singapore had a historic dependency on global trade. But the incomes from the harbour alone were not sufficient for the plans that PAP had to build up their idea of Singapore. Instead, the economy was to be driven by export-oriented manufacturing industries. As in Suharto's Indonesia, development made out the social contract that would make the population to tolerate the government. But equally important as building up the economy was to build up an effective state-machine that could guarantee social stability. "With the threat of further arrests, constant surveillance and continuous pressure on the left and any other NGO, the PAP was able to disable any possible opposition permanently."⁹⁶ Being a lawyer, Lee's weapon of choice came to be lawsuits. The PAP amended the constitution in order to stop the formation of any opposition or criticism. For example, the PAP has

admitted that from 1971 to 1993 eleven opposition politicians were bankrupted by the government in lawsuits against them.⁹⁷ This tactic is still very successfully applied. There still is no organised alternative to the PAP.

Lee Kuan Yew and the PAP implemented technocratic rule based on elitism and meritocracy. Suharto in Indonesia used a similar strategy at this time, using a group of highly skilled economists to run the Indonesian economic policies. But Suharto placed out officials on the basis of closeness to him and allowed their careers to depend on how they made use of a corrupt system. Lee Kuan Yew did the opposite and chose government officials as well as PAP MP's on the basis of merit and skill. Government salaries were made extremely high as a guarantee to prevent officials from accepting bribes. Corruption was punished harshly. This made the whole state bureaucracy extremely loyal to the PAP and its leadership. In the 1970's and 1980's the government offered top salaries and benefits and was considered as the most attractive employer among all Singaporeans.⁹⁸ The resemblance to Plato's meritocracy and elite-rule could hardly be clearer than this.

Lee Kuan Yew has to be credited for regarding his leadership with a long-term responsibility in a way that neither Sukarno nor Suharto in Indonesia ever did. Meritocracy makes it possible for the system to survive the leader. Of course this is an important aspect of Plato's thought on what constitutes statesmanship. An objective replacement system for the leadership will prevent a self-enricher or megalomaniac from reaching power. According to Plato, meritocracy removes conflict and replaces it with knowledge. PAP's meritocracy required that Singapore produced a self-renewing elite group. The replacement of the leadership would be based on merit, instead of a political struggle in which no one could guarantee the outcome. But with meritocracy it is possible to favour an appropriate candidate. Because of having the best qualifications the same person is constantly given opportunities in top positions. Indeed, this strategy characterised the career of Lee Kuan Yew's son, Lee Hsien Long, who became Prime Minister in 2004. Based on merit, he out-qualified any other competitor for the position. Plato would have applauded this system since it gives the "wisest" leader legitimacy without need for democratic consent. Machiavelli on the other hand, would have seen this as the death of the political art and political society, even though meritocracy this way becomes a perfect tool for manipulation that forces the citizens into conformity.

Another aspect of this long-term plan to remain in power was the multi-racial policies that many supported. Most Singaporeans wished to remove the explosive potential that ethnic hatred had in Indonesian and Malaysian politics. The ethnic Chinese had repeatedly been the most harassed group in both of these countries. Furthermore, ethnic political parties had been the PAP's opponents before 1963. If the Singaporeans would divide among ethnicity the PAP would quickly lose its followers. It was therefore a priority to remove ethnically based residential strongholds. The "kampongs" (traditional villages) were to be replaced by million-programme housing (HDB flats) which would spread out ethnic groups equally all over the island. This effectively stopped the formation of any community based party. In 1989 parliament adopted a quota on the number of minorities allowed to live in HDB flats.⁹⁹ This too is a strategy recommended by Plato, since it prevents populists from challenging the "wise" leadership.

Between 1965 and 1982 not a single opposition politician was elected to parliament, mostly because of the lack of alternatives. When one opposition MP was finally elected in 1982, many PAP MP's felt as if the sky had fallen. From 1968 the PAP vote had averaged at 75 percent, although there had not been any alternative available. Trocki (2006) writes that this indicates that "there was an opposition in the populace, but it could not become organised".¹⁰⁰ The unproportionality of PAP's hegemony was most clear in the 1991

elections, when it received only 61 percent of the vote, but 98 percent of the parliament seats. In response to this the PAP organised “town-walks” and community councils where PAP politicians would get input from the citizens. However, since imprisonment and lawsuits remained real threats to the people there was no such thing as open criticism.¹⁰¹ Still, this is yet another resemblance with Plato; it is the exact function of the dialogues between the rulers and the ruled that Plato spoke of.

One serious flaw in Singapore is the lack of independent media. During his early days Lee was in favour of a free press as a scrutinizing tool on government affairs. But he changed his mind after he had come to power himself. In a statement by Lee from 1956, “he outlined what happened when a leader repressed the media and voices of dissent: “Then an intimidated press and the government-controlled radio together can regularly sing your praises, and slowly and steadily the people are made to forget the evil things that have already been done, or if those things are referred to again they are conveniently distorted and distorted with impunity because there will be no opposition to contradict.’ These words are an impressively accurate description of the situation in Singapore today.”¹⁰² Lee is this way an example of Plato’s notion that power corrupts a person’s moral values.

The statement from 1956 contradicts the PAP’s later policy on press freedom. “Lee saw the correspondent’s function as the passive recording of government statistics and announcements, just as the duties of an amanuensis consisted of copying documents.”¹⁰³ Singapore’s local media was quickly made into a puppet to the PAP. Lee effectively put all Singaporean newspaper under strict surveillance.^{xviii} Private persons were forbidden to own shares in news corporations.

But the foreign press that circulated in Singapore remained a problem. In 1985 Lee stated to – or threatened – a foreign journalist that “I will hit you where it hurts. Then we will see your commitment to a free press. ... Don’t forget, I can hurt you more than you can hurt me.”¹⁰⁴ Lee’s strategy was to amend the press act in Singapore. The PAP literally sued the pants off any foreign news corporation with offices in Singapore that were deemed to meddle with internal affairs, i.e. criticising the government. Among these were the International Herald Tribune who had 17 000 Singaporean subscribers in 1990. After having published articles critical against Singapore’s state-system, targeting the political leadership, the newspaper was forced to pay US\$ 250 000 to Deputy Goh and US\$ 214 000 to Lee & Son. The same was repeated in 1994 after the Tribune had accused the PAP of practising “dynastic politics”. This time the newspaper had to pay up US\$ 665 000. This strategy has repeatedly been used against newspapers and magazines such as The Economist, Asiaweek, Far Eastern Economic Review and Time.¹⁰⁵ This has had the effect that foreign news media corporations have shut down their Singaporean offices.^{xix} In 2007, when Singapore is

^{xviii} The “Newspaper and Printing Presses Act of 1974, effectively ended the private ownership of any newspaper by requiring all newspaper companies to go public with two types of shares—ordinary and management. The latter could only be issued to selected Singapore citizens and to government-approved organizations. Both shares were equal in power for votes on financial and administrative matters, but management shares had 200 times the voting power of ordinary shares on matters of editorial policy and staffing. The act also forbade newspapers to receive any foreign funds without government approval. Further, the government acquired management shares in the Straits Times Group and in the two main Chinese-language newspapers, enabling government nominees to sit on the company and editorial boards, together with PAP members already in place.” (Haas 1999:88)

^{xix} “In early 1987, after the State Department expressed regret over the restriction imposed on the Asian Wall Street Journal, Singapore threatened to boot all American journalists and newspapers out of the country. The threat was carried out when correspondents of Dow Jones & Company (Asian Wall Street Journal, Far Eastern Economic Review, and Wall Street Journal) were not allowed visas to enter the country from 1987

trying to attract internet and media industry, this legacy is probably a strong deterrent for foreign internet and media corporations to set up Singaporean branches. Malaysia would, in this respect, actually seem to be a better alternative since restrictions against freedom of expression so far has not punished foreign news corporations to this extent.

4.2.3 Development under Lee Kuan Yew

Since the 1960's the entire island of Singapore has been socially and physically transformed. Full employment was reached early on, poverty has been completely eradicated, crime rates are low, it seems as if no one are home-less, corruption is virtually non-existing, the island's infrastructure is state of the art, the business climate is extremely favourable and the government has a world-wide reputation for honesty and integrity. In short, Singapore is one of the most modern and well-developed countries in the world.

With the exclusion from Malaysia in 1965 many Singaporeans thought that the island's economic future seemed bleak. It was largely based on trading and distributing goods manufactured in Malaysia. The PAP therefore prioritized the creation of domestic large manufacturing industries, rather than developing the existing small trading firms. This would provide jobs for the working class that until now had been largely in the hands of traditional Chinese traders. This economic policy was part of creating and organising the PAP's mass support. But the traditional Chinese-educated elite supported this policy too. There was a consensus that the economy needed development, although in the long-run it would result in them having less influence on the working masses.

Preferential treatment to attract foreign investments was implemented in 1965 in the same way as the British had done when Singapore was a colony. The most important difference was that the PAP reinvested the revenues in Singapore instead of taking it out of the country. After that the infrastructure had been upgraded, foreign manufacturers that were looking for cheap labour started to come to Singapore and solved the unemployment problem. The PAP had already replaced the unions and could "guarantee labour peace and negotiate a reasonably attractive wage and benefit package for the workers."¹⁰⁶ This way it was also possible for the government to keep inflation down, which, despite extreme growth, averaged at "only" four percent annually from the 1960's to 1990. At the end of Lee Kuan Yew's premiership, Singapore had a foreign exchange surplus of nearly US\$ 100 billion.¹⁰⁷

As unemployment disappeared and price of labour increased, there were rising demands to increase labour productivity, knowledge and skills. The government played a crucial role in educating the labour force as well as providing workers' rights. An amount of 40 percent of the employees' annual salaries goes to the state welfare foundation, CPF, Central Provident Fund.¹⁰⁸ Many of the infrastructure projects, such the HDB-flats, the rapid transit system (MRT), roads, water sewerage and electricity were financed through this system. Although not fully transparent, the absence of corruption and the reliance on meritocracy has no doubt contributed to the success of the CPF's projects.¹⁰⁹

However, the people of Singapore are hostages to government expenditure. Infrastructural development is closely linked to whether the local municipality supports the PAP candidate or not. Voting for an opposition politician can, for example, result in that a local MRT station is not built. In 1985, the PAP "announced that the upgrading of services at government housing would be provided last to constituencies that elected non-PAP candidates."

to 1993. ... The U. S. News and World Report closed its office in Singapore in apparent protest." (Haas 1999:28)

Later on, in 1997, Prime Minister Goh “went beyond the usual PAP claim that constituencies voting for the opposition would be the last to receive needed government-financed improvements by issuing a threat that such constituencies might become ‘slums’.”¹¹⁰ (This implies that Dahl’s second requirement for democracies – participation – mentioned in part 3.2, is not fulfilled.)

The national infrastructure projects, notably the harbour and Changi Airport, have made Singapore a regional transportation hub. As air-travel started to take off, so did tourism. In the 1960’s and 70’s shopping malls and hotels started to mushroom in central Singapore. Thanks to being an international transport centre, Singapore could offer tax-free merchandise unavailable in its neighbouring countries. This attracted the middle and upper classes of those countries to travel to Singapore more frequently as well as making the island a favourable stop-over for other travellers. Domestic demand increased too as it now was possible to purchase more status items.¹¹¹ In recent years Kuala Lumpur too has realised the positive effect travel and shopping have to the economy and has started to take up competition with Singapore.

Unlike Suharto or Mahathir, Lee has never been alleged of cronyism. Of course, the system in Singapore would make such an allegation impossible in the first place. There are however strong tendencies pointing to nepotism.^{xx} Many of the state owned corporations and foundations in Singapore are controlled by members of Lee’s family.¹¹² Only the most naïve would doubt the fact that Lee Hsien Long became Prime Minister in 2004 thanks to his daddy. Suharto and Mahathir practised cronyism without demanding any performance in return except for loyalty. Meritocracy demands that the one who gets a job actually delivers. The fact that news-media is forbidden to report on nepotism within the government indicates that nepotism and cronyism is more common than normally perceived. Widespread nepotism makes corruption a part of the system in Singapore, but meritocracy removes most of its adverse effects, at least in theory.

Today, many of the government corporations are under siege from the demands from the World Trade Organisation (WTO), foreign investors and international financiers that Singapore privatize these firms and deregulate the markets. But the government’s control of the economy is the very structure which has made Singapore what it is today. But then again, to become an international centre for finance requires that the domestic market is opened up and that greater scrutiny is allowed in the business sphere. To extend Singapore’s free trade agreements in the World Trade Organisation would imply that scrutiny will be allowed to a greater extent not only in the government’s corporations but also the whole economy and government apparatus. Gary Rodan (2004) writes that in the end, this would imply that Singapore’s society would be even more exposed to the winds of the global economy, thus jeopardising PAP’s social contract to provide development.¹¹³

4.2.4 Lee Kuan Yew – Accommodating Societal Change

As in most developed countries, the population’s material wealth has pacified the masses. For Singaporeans, “the nation and its leaders have established a society that is tolerable, even agreeable, because the citizens’ needs are being met. Most groups in Singapore are

^{xx} “In 1996, controversy raged after public disclosure that Lee Kuan Yew and B. G. Lee each was offered S\$ 700,000 apartments at from 5 to 12 percent below the standard prices by a housing developer. One problem was that Lee Kuan Yew’s brother was a director in the corporation selling the properties, and a second problem was that notification of the sale was delayed beyond the time limit required by regulations of the Stock Exchange of Singapore regulations.” (Haas 1999:33)

content to leave politics alone, as long as they do not face repression and are allowed to live their lives in more opulence than in surrounding countries. Notwithstanding its unique qualities, by almost any balanced judgment Singapore has succeeded in meeting the needs and demands of its population.”¹¹⁴

However, the author of this quote only takes into account the wonderful possibilities that consumerism have brought to the people in Singapore. What is more alarming in the long run, is that “at higher levels of the educational system, Singapore does not produce innovators.”¹¹⁵ This problem is symptomatic in societies of strict control. People learn to fear and to follow orders, not to think. Strict controls on civil society bring lack of creativity and innovativeness. Singapore embodies Machiavelli’s dying society. In that case, development has already peaked. In the current setting, Singapore will never be the birth-place of cutting-edge innovation, technology, culture, music and theatre or other activities that require creative skills and an objective analytical process.

The access to modern consumerism, living a modern life and increased “Western” behaviour among the population were, in Lee Kuan Yew’s eyes, signs of public moral decay. Even though he himself had an English education and did not speak Mandarin as his mother tongue, the PAP trumpeted a new moral system called “Asian Values”. For Lee it was a way to fence off Western democratic ideas. At the same time China had opened up and boomed as an economy. The PAP now saw their traditional Chinese elites as the people that would establish Singapore as the gateway to China. Although having a sizeable Indian and Muslim population, Singapore’s “Asian Values” have a clear “Chineseness” over itself and is based on Confucian values. Suddenly, external changes caused Chinese traditional ideas to take over the previous multi-racial politics. (The Asian Values also have strong resemblances to Hobbes’ Leviathan as well as Plato’s Republic.) Christopher Lingle and Kurt Wickman (1999) points to five general tendencies in the “Asian Value”-doctrine:¹¹⁶

- “Asians are said to put ‘society before self,’ suggesting an ‘extreme individualism’ in the West that is to be avoided.”
- “Asian society is portrayed as being based on the ‘family network,’ wherein low divorce rates and care for the elderly guarantee family stability. These networks form the basis of independent family business and, at the same time, promote an interest in advanced education among the younger generation.”
- “The stability of Asian societies is seen as the outcome of cooperation among different social groups, making it possible to avoid high-level social tensions. The resulting stable social environment is cited as an explanation of high levels of savings and investment as well as the ethic of hard work.”
- “The social contract in the ‘Asian values’ context is basically a ‘trust contract’ between the government and the citizens, wherein ‘virtuous’ governments guarantee that only fair rules are applied, and the citizenry follows these laws. One cornerstone of this philosophy is that only government officials are able to have a balanced view of the entire social process. Individual citizens are mistrusted, since they are assumed to act on special interests that may not promote the general welfare of society.”
- “The wider commitment of the government is to guard citizens from information that can destabilize society and contribute to social tension. Hence, curbs on press freedom are to ensure that the press behaves responsibly, and access to

information is limited so that citizens will not form bad attitudes or habits (e. g., Western liberalism, pornography).”

Lingle and Wickman concludes that “the ‘Asian values’ concept of Singapore, in our opinion, is nothing more or less than an ideological justification for an approach to provide ultra stable economic, political, and social structures. The ruling party seeks to control the public by depicting a sense of national insecurity and a dread of the unknown based upon a fear of government retribution. The government seeks legitimacy by judiciously marrying a Western democratic vocabulary with a particular set of traditional values that it claims are uniquely Asian.”¹¹⁷

4.2.5 Singapore and Lee Kuan Yew – Concluding Remarks

Politics in Singapore has been replaced by technocracy – a management system by an expert elite. The leadership is assigned on merit rather than democratic election. The political process has turned into a recruitment process. Singapore is not a political society, but embodies Machiavelli’s dying society. Almost all visible forms of civil society have been eliminated. The ruling party, the PAP (People’s Action Party), is inseparable from the state system. This one-party state has all the political characteristics of a dictatorship. Nonetheless, the population in Singapore enjoys physical comfort and material wealth superior to any of its neighbours and some Western democracies. Today, the Singaporean government uses their own brilliant example to attack Western democracy. The Leviathan from Singapore indeed shows strength and its system is admired by many for its success in creating development. But it has come to the cost of a muted civil society and deprivation of human rights. Singapore suffers from intellectual and cultural sterility. Under the current system, Singapore will not become the creative, innovative technological powerhouse that the government hopes for. Creativity is not encouraged and in some respects not even allowed.

In the Platonic definition, Lee Kuan Yew was a ruler, not a politician. The PAP avoided the flux of political life by simply forbidding it from existing. But they still managed to react and act on societal change. The “town-walks” for example, even if seen as a ploy, is actually a method recommended by Plato to give the political leadership a feeling of the society they operate in. Indeed, the PAP with its many projects has been the sole determinant of societal change, on the internal level. The PAP has been a firm administrative force while trying to accommodating, or rather determining, societal change. At the same time, Machiavelli’s economy of violence has been maintained.

Plato’s rule by merit and competence has been driven to perfection in Singapore. But the system is far from transparent. Still, it has so far shown itself as benevolent. What is good for the PAP is good for Singapore. But with nepotism and cronyism as elements in the meritocratic system there is no guarantee that the future leadership continues to be benevolent. One main concern is that there are no peaceful channels available for the people to change the leadership if it one day turns out to be cruel and uncaring. But still, the population’s fear of losing their economic status will guarantee continued stability. If individuals fear to lose their economic gains in a democratic transition, Singaporeans’ tolerance of abuse from their government would be quite high as long as the economic gains are maintained.

The “Asian Values” is an excuse to impose absolute power over the individual and is not totally dissimilar to fascism. The PAP’s method to take legal action against opponents seems to be a contradiction to the “Asian Values”. Cooperation between state and society will only happen on the terms of the government. The PAP uses force rather than cooperation. The PAP needs to keep Singapore’s large middle class under control so that de-

democratic revolution will not happen as it did in Taiwan or South Korea, which followed the Lipset-scenario for democratic transitions. It seems as if the government has started to fear its own population. The question then pops up: Is the PAP committed to Singapore or to itself?

The many lawsuits against foreign media and the threats that constituencies electing opposition politicians, have showed that the PAP prioritises its own position, not the country's future potential as a knowledge-based economy. Singapore has a stale regime-system. It will not change easily due to the PAP's entrenchment into every aspect of society. Furthermore, Singapore fulfils none of Dahl's requirements for democracy, mentioned in part 3.2. The limited civil liberties and muted press imply that there is no political competition, the many lawsuits against political opponents imply that there is no participation. Singapore is a (benevolent) dictatorship.

4.3 Malaysian Politics

Malaysian politics has mostly concerned relations between the country's ethnic groups. History bears the stamp of assigning social functions according to ethnicity (during British colonial rule), ethnical antagonism, racial riots and more lately allegations of corruption and cronyism among the political and business elite.

Malaysia was a European colony for several centuries.^{xxi} British Malaya was established in 1808. The British rule was interrupted by the Japanese occupation 1941-45. After the Second World War, the British returned and retained Malaya until its independence in 1957. Malaya changed name to Malaysia in 1963 when Singapore and North Borneo (Sabah and Sarawak) were included in the Malaysian Federation.

Like Indonesia, Malaysia is a multi-racial society. Divisions between ethnic groups have defined political alignments to a greater extent in Malaysia. Today, the majority consists of a politically constructed ethnic group called bumiputras (65,9 %) consisting of Malays and indigenous peoples. A bumiputra is required to be Muslim. The other two large groups are ethnic Chinese (25,3 %) and Indians (7,5 %). But a census in the 1930's showed that the Chinese group was larger than the Malay. As in Indonesia and Singapore, the Chinese holds the lion share of the economy. Since independence, it has been the government's mission to make wealth-distribution more equal. As a response to bloody racial riots in 1969, the government implemented an affirmative action plan in 1971 for the largest ethnic group, the bumiputras. The bumiputras consist of Malays and Muslim indigenous peoples. The word is mostly translated as "Sons of the Soil". The bumiputra majority was to benefit from preferential treatment. Prime Minister Mahathir was the foremost champion for affirmative action for the bumiputras before and during his early tenure, but gradually became more and more critical towards it.

Because of the racial tensions and divisions, Malaysia is a state without a nation. Unity has been pushed aside to give room for ethnicity. Political parties have been focused on serving the interests of specific racial groups. In a way, Mahathir bought himself his premiership with the affirmative action plan by giving the majority advantages on the expense of the minorities. This divide-and-rule strategy has actually worked quite well for Malaysia. It has

^{xxi} The Portuguese established a trading post in Melaka in 1511. The Dutch East Indies Company conquered the city in 1641 and lost it to a rebellion in the early 1800's. The British conquered Melaka and most of Malaya in 1808 and later North Borneo.

created stability and development, but came at the expense of national unity, a crippled civil society and enhanced authoritarian rule.

4.3.1 Before Mahathir – Racial Politics

Racial tensions have been built up ever since the British governed what today is Malaysia. The British imported labour from China and India since they officially regarded the Malays as less hard-working. The different ethnicities were kept apart and worked in different spheres of the economy. Historians claim that, generally, the Chinese settled in the mining cities (notably Kuala Lumpur), the Indians at the rubber plantations, while the Malays were left to traditional farming.¹¹⁸ After 1910 Malays were allowed to work in the British colonial administration and gained a first foot-hold in the Malayan bureaucracy. Ethnic Chinese and Indians were not accepted as administrators until the 1950's.

The Japanese invaded Malaya in December 1941 and quickly ousted the British. Opposition against the Japanese was most notably carried out through the MCP, the Malayan Communist Party, which was dominated by the Chinese. The ethnic Chinese were especially targeted by the Japanese because of their financial support to China in the fight against the Japanese occupation in Manchuria. Some estimate that as many as 40 000 Chinese were killed in Malaya and 25 000 in Singapore directly after the Japanese had established themselves there.¹¹⁹

After the Second World War the British's priority was to rebuild England. The structures that once made out the colonial empire had ceased to exist. The communists, MCP, were at first the only organised military group in Malaya after the war. They were given authority by the British to find and arrest Japanese collaborators. But this quickly turned into a racial conflict between Chinese and Malays.¹²⁰ This made the British government to declare a state of emergency in Malaya and Singapore in 1948. They introduced martial law and implemented a new law called the ISA (Internal Security Act, see part 4.2.1). The communist guerrilla had been put down by 1951. The British then made clear that Malaya ought to be declared independent sooner rather than later.¹²¹

One demand that the British had in order to allow Malayan independence was that the government would receive broad support across the ethnic groups. The British suggested to create an egalitarian Malayan Union, where all the races were to be equal. This received mass criticism from the Malays. A census in 1931 had showed that the Chinese population – the immigrants – for the first time was larger than the Malays.¹²² The Chinese already dominated the economy and it was feared that they would come to dominate all of Malaya. Malayan agitators refused the Union suggestion on the basis that they were being “extinct” by the Chinese. The Malays, who traditionally were politically unorganised immediately found a common rally point to form a Malay party, UMNO (United Malayan National Front). They opted for special rights and affirmative action for the ethnic Malays. To meet the requirement for independence, UMNO joined together with MCA (Malayan Chinese Association) and MIC (Malayan Indian Congress) to form a coalition party called BN (Barisan Nasional, National Front).¹²³ BN has been ruling Malaysia ever since independence in 1957.

UMNO, holding a two-third majority in parliament, managed to limit Chinese influence in politics and continued to deny many ethnic Chinese a Malayan citizenship. During colonial days the Malays were the only group allowed higher positions in the state administration. Because of their historical position in state administration, the Malays gained the upper hand in politics. A majority of the parliament members were Malays. The ethnic Chinese were left out of political participation, but were widely seen as dominating the econ-

economy. The exclusivist citizenship in Malaya worried the Chinese population in Singapore. Lee Kuan Yew, Prime Minister in Singapore, and his party PAP (People's Action Party) had several reasons to join the Federation Malaysia in 1963 (see previous chapters on Singapore). The former British-owned Borneo provinces, Sabah and Sarawak, were also included. Sabah and Sarawak were regarded as an ethnic counterweight against Singapore's large and relatively affluent Chinese population.¹²⁴ Still, the Malays feared that the centre-stage of events would be moved from Kuala Lumpur to Singapore, if Singapore was to joining the federation which they did in 1963.

The formation of Malaysia caused Indonesia to declare war upon Malaysia. Both Indonesia and the Philippines claimed Sabah and Sarawak as theirs and opposed the inclusion of Singapore since they did not want to see the ethnic Chinese to gain the upper hand in Malaysia. The confrontation was used to galvanize citizenship in both Malaysia and Indonesia. (See previous parts on Indonesia.)

The MCA's position as the leading Chinese party was threatened now that the PAP and Lee Kuan Yew meddled in Malaysian politics. This could weaken BN and in the end UMNO. But since UMNO still had a majority in parliament they could stop PAP's motion that parliament should be represented according to ethnic proportionality. At the same time the decision was made to abolish Chinese and Indian languages in education and only use Malay and English. PAP received increased support after this as Indians and Chinese lost confidence in the MIC and MCA. Lee Kuan Yew's PAP now adopted their multi-racial slogan "Malaysian Malaya" instead of the exclusivist "Malayan Malaysia" that they accused UMNO to stand for. The political campaigns for the national election in 1964 became increasingly racial and there were occasional reports of spreading ethnic violence, such as the ethnic riots in Singapore (see 4.2.2). With the excuse to keep national peace the parliament decided to throw out Singapore and the PAP from Malaysia in 1965. Nevertheless, the PAP continued its activities in Malaysia by starting up a new filial party, DAP (Democratic Action Party).¹²⁵ The DAP is today the second largest opposition party next to an Islamic party called PAS.

When the Indonesian confrontation had ended in 1967, Malaysian politics could concentrate more fully on internal issues; ethnic differences. In May 13th 1969 the DAP had won the local elections in Kuala Lumpur and organised a celebration procession through the city's streets. Parts of the procession deviated from the planned route and went into the Malay quarters carrying provocative anti-Malay slogans. The same evening UMNO organised a counter-demonstration, which quickly deteriorated into violent racial riots that lasted for three days. The fight stood between the Malays and the Chinese. About 200 people were killed (although some estimate the death toll to more than 1000). There was widespread destruction in Kuala Lumpur.¹²⁶

As an effect, martial law was once again declared all over Malaysia and the ISA regulations came in handy. Parliament was suspended. Racial demagogical statements continued to flourish and worsened the situation. The government warned that if such statements were not dampened it would be difficult to maintain democracy in the future. A provisional government, NOC (National Operations Council), took over control until 1971 when parliament reconvened and a policy that was supposed to eradicate ethnic class differences, the NEP (New Economic Policy), was adopted.¹²⁷ Mahathir was part of the NOC and was one of the brains behind NEP.

DAP never came to govern Kuala Lumpur despite winning the elections in 1969. Local elections in Kuala Lumpur and Penang – the two most economically significant cities and with large Chinese populations – have never been allowed since then. Today it is widely

recognised in Malaysia that UMNO does not want to risk losing control of these economic centres to a Chinese party.

4.3.1.1 NEP – New Economic Policy. Affirmative Action in Malaysia

After the racial riots in 1969 a new social contract to guarantee stability was formed called the NEP, New Economic Policy. It had two main goals: To eliminate poverty among all races and to restructure society so that ethnicity no longer would be associated with financial status. The government made clear that they wanted to achieve this through economic growth and development, not redistribution of capital. It was simple logic that everyone can improve their lot if the entire economy grows. Affirmative action for Malays, bumiputras, was introduced to prevent ethnical class differences. A goal was set that bumiputras should control 30 percent of the economy by the year 1990. The ownership ratio between bumiputras, non-bumiputras and foreigners was to change from 2:24:60 to 30:40:40.¹²⁸ It was hoped that the bumiputras share of the economy would grow on the expense of foreign ownership, not the ethnic Chinese. The government started to subsidize bumiputra-owned companies, introduced quota-based admissions for higher management and university education, gave discounts for loans and discounts when buying property based on ethnicity.¹²⁹ None of the subsidies and quotas were available to other races than the bumiputras until the year 2000, when Indians got access to some of the benefits. By 1990 the bumiputra ownership had reached 18,7 percent of the economy, which was below the goal but still a remarkable achievement. The 30 percent ownership-goal was first postponed to 2010 but has now been set to 2020.¹³⁰

NEP's biggest drawback is that it has further alienated Malaysia's ethnic communities from each other. The most beneficial result from the NEP is that there have not been any racial riots in Malaysia and the country has enjoyed a spectacular economic growth ever since it was implemented. To question the legitimacy of the NEP is political taboo in Malaysia. During election times the parties in BN never wait long to remind Malaysians that racial riots can happen again if other parties that are critical to the NEP gain the upper hand in parliament.¹³¹ It has been suggested that it is BN and foremost UMNO that depends on the NEP, not Malaysia.

4.3.2 Mahathir's Entrenchment – Enhancing Authoritarian Rule

Mahathir was Prime Minister from 1981 to 2003. In 2004, Freedom House summarised Mahathir's legacy by saying that he "stunted democratic institutions, weakened the rule of law by bullying the press and political opponents, and fostered allegations of cronyism with his state-led industrial development. In addition, he was a polarizing figure at home and abroad, criticizing Malaysia's conservative Muslim leaders for failing to promote a more modern brand of Islam while rankling outsiders with anti-West and anti-Semitic views. ... Mahathir increasingly used Malaysia's draconian Internal Security Act (ISA) against opponents. ... The government's use of the ISA and other security laws not only chills political debate but also raises broader civil liberties concerns over detention without trial."

During Mahathir's time as Prime Minister, Malaysian chose their leaders in "elections that are free but not entirely fair, in part because of restrictions on basic rights that tilt the playing field toward the ruling party. ... Mahathir Mohammad's 22-year-tenure was marked by a steady concentration of power in the prime minister's hands. ... The ruling National Front coalition gives itself significant advantages in elections through its selective allocation of state funds to supporters, use of security laws to restrict the rights to free expression and peaceful assembly, and partisan use of broadcast media. ... Freedoms of assembly and association are severely limited." Political rallies were banned in 2001, but opposition

rallies were allowed again in late 2003. “University students are legally barred from being active without their schools’ permission in any NGO, political party, or trade union. The Universities and University Colleges Act also bans political rallies and meetings on campuses.” Academic freedom is restricted “by sanctioning faculty and students who take part in antigovernment activities.”¹³²

I will now try to give a more detailed view of how Mahathir managed to do all that Freedom House has “credited” him for.

4.3.2.1 How Mahathir based his authority

Mahathir had been holding several minister posts before he was elected Prime Minister in 1981. He was already a seasoned politician and known as an advocate for affirmative action for the Malays. He had “impressed everyone with his conscientiousness and single-minded commitment that vaulted him over equally able contenders to supreme leadership in 1981.”¹³³ Mahathir has been described as a workaholic and tried to imprint a similar work ethic on Malaysians. Mahathir reached his position based on merit, but he would later use more of cronyism than meritocracy when constructing his base for authority.

Mahathir was educated as a medical doctor. His political leadership was characterised by that he seemed to look at his premiership as a doctor-patient relationship. He used several medical allegories when defending and later, after his resignation, criticising the NEP. He first motivated affirmative action by giving the ethnic Malays “crutches”, but later opposed it by saying that if the crutches were not removed it would end with a wheel-chair instead.¹³⁴

It did not take long before Mahathir had opportunity to concentrate power to the executive chair. His first struggle stood against the Agong (king) in Malaysia. In 1959 it was decided that the king is elected among and by the nine state Sultans for five-year terms. The Agong had rights to interfere in appointing ministers and state executive council members. The Agong had to give his royal assent to legislative bills and had the right to change it before having it gazetted. Mahathir made parliament to amend the constitution in the 1980’s by making the Agong to assent the bill by proxy. The Sultans opposed this, but had to surrender after that Mahathir had engaged on a successful popular campaign where he explained the undemocratic nature of the Agong’s rights and accused the Sultans for living extravagant lives on the expense of Malaysians.¹³⁵ This was a victory for democracy as much as a victory for Mahathir. As it turned out, Mahathir – not democracy – would make the most use of it.^{xxii}

Mahathir continued with concentrating power within UMNO to his person. He purged UMNO’s top leadership several times.¹³⁶ He made UMNO more hierarchic to avoid factional splits. He chose his allies based on loyalty to him rather than merit. Mahathir used the NEP to achieve this loyalty. Business men – mostly, but not only bumiputras – with close ties to Mahathir were awarded high positions in public companies that were privatized in the 1980’s. He tried to create a loyal elite powerbase among Malaysia’s wealthiest by rewarding them and their companies with lucrative contracts, which in turn made them to depend on the good will of Mahathir.¹³⁷ This was motivated with the NEP. The NEP had a goal to create bumiputra-capitalists and to extend the bumiputra middle class. As a way to

^{xxii} Unification against the sultans to the benefit of Mahathir was used again in 1992. The Sultan of Johor had repeatedly abused his power and had used violence against some individual citizens in Johor. Malaysians across the ethnical groups were shocked by the Sultan’s behaviour. Parliament abolished all Sultans’ immunity against the law and further reduced their constitutional rights. (Cheah 2002:220-222)

achieve this, Mahathir adopted a policy of ethnical favouritism not that different from Suharto's cronyism.

The most common criticism against Mahathir seems to have concerned allegations of cronyism. This strategy is more similar to Machiavelli's notion that in corrupt times only immoral means are efficient rather than Plato's meritocracy. Mahathir adopted pragmatism, not idealism. Because of this, Mahathir was more of a Machiavellian manipulative politician than a Platonic statesman.

The same strategy – cronyism – was adopted by Tun Daim, UMNO's treasurer, as well as Anwar Ibrahim, Finance Minister who later became Deputy Prime Minister. Mahathir, Daim and Anwar privatised several government companies from the late 1980's into the crisis in 1997. In a competition for influence among themselves they quickly appointed cronies to lead these companies.¹³⁸ Corporate leaders were primarily responsible to their respective political protector rather than stock holders. At the same time as Mahathir, Anwar and Daim competed for influence among the business elite, they were united in the struggle against more Western-oriented politicians within UMNO. This made Mahathir to realise Anwar's strong support within UMNO, a support which he had created with the help of "money politics", i.e. cronyism.¹³⁹

Together they successfully met allegations of election frauds within the party after Anwar had been appointed deputy president of UMNO. A legal process filed by opposition parties followed on allegations of election fraud and corruption in parliament. The process clearly gave signs that the executive (Mahathir) decided over the judiciary power. Judges were not supposed to meddle in politics, said Mahathir, which they had done when opposition politicians frequently used the courts to change the government's policies. By rallying UMNO MP's to his leadership, he managed to amend the constitution in 1988. The amendment had the effect that the courts depended on parliament statutes instead of being an independent site of power. The courts could no longer scrutinize the government. As in Singapore, the government was henceforth to decide what cases would be on trial.¹⁴⁰

In Mahathir's and Anwar's public alliance they wanted to represent a new kind of Islam mixed with capitalism. But the weakness of this alliance and the scrupulous character of politics became clear when the Asian Crisis hit Malaysia in 1997. Anwar used the crisis to push for reformation of the NEP and several other issues. He criticised Mahathir on several issues and supported an IMF plan for recovery, which recommended lifting some of the policies in the NEP. This sealed Anwar's fate. Mahathir replied by using Anwar and his cronies as scape-goats. Mahathir and Anwar accused each other of corruption, which rendered them both much disgrace in the eyes of the public. But Anwar was also accused for homosexuality, which is illegal and morally condemned in Malaysia. This took away some attention from the corruption charges. The couple that previously had supported each other were now bitter enemies. Anwar was arrested, sentenced to jail and was released in 2004. Anwar is now leading an opposition party, called Gerakan, in an alliance with DAP. Mahathir blamed the Asian Crisis on Anwar's cronies for being incompetent and replaced them all after Anwar's imprisonment in 1998.¹⁴¹

Mahathir used Malaysia's ISA, Internal Security Act, to detain Anwar, to intimidate other political opponents and to clamp down on outspoken journalists. The Asian Crisis triggered enhanced oppression in Malaysia. As mentioned earlier, the ISA is a rest from the communist insurgency in the 1950's. It makes it legal to arrest anyone for disturbing the national peace and be held without trial for up to two years. To propagate for abolishing the NEP is a crime according to the ISA in Malaysia. Mahathir used ISA for mass arrests in the 1980's, notably in October 1987, when hundreds of regime critics from all spheres

of society were detained.¹⁴² It resembled how Singapore's "Operation Cold Storage" was carried out in 1963 (see 4.2.2). The arrests were to prevent mass riots, but were obviously a way for Mahathir to consolidate his power. Similarly as in Singapore, the government uses the ISA to restrict press freedom. Newspapers and magazines need to attain printing permits from the government. As a result, many newspapers practise self-censorship in fear of losing their printing permissions. Outspoken newspapers have been closed down, but the internet is so far free from these restrictions.

The next political opponent within UMNO that threatened Mahathir was the party's treasurer, Tun Daim. Daim was replaced in 2001 after the loss making MAS (Malaysian Airlines) had been bought back from his protégé, Tajudin Ramli. MAS was re-nationalised at a price tag worth more than twice the market price. The heavily indebted Light Rail Transport in Kuala Lumpur was also bailed out by Daim without any requirements to change the company's leadership. This put pressure on the Mahathir administration. Daim was sacked and new leadership in the companies he had privatized was appointed by Mahathir.

Mahathir was able to concentrate power to him by reducing political competition within UMNO. Mahathir strengthened his personal elite power base in a similar way that Suharto had done, by cronyism, but seemingly to a lesser extent. Like Suharto and Lee, Mahathir's children are also engaged in large business corporations with close ties to the government.¹⁴³ Corruption is widespread in Malaysia, but the bureaucracy has not been built on it as in Suharto's Indonesia.

With the NEP, Mahathir applied politics that have similarities with Sukarno's strategy to divide-and-rule. Mahathir made the following statement in 1995:

"It is when every race is equally dissatisfied that one can be sure that every one is having a fair deal. Then there will be relative harmony. ... it is quite impossible to ensure that every race will be satisfied. If this can be made then race becomes irrelevant. At this stage racial politics would become superfluous. Until then it is better to recognize the fact of race and to provide as much fairness as possible for all. This is what Malaysia has done."¹⁴⁴

This quote shows how Mahathir used the NEP as a divide-and-rule strategy. He made the majority to depend on the state for affirmative action and the minority to depend on the state for protection from the majority. Like Plato and Machiavelli implied, unity and complete consent among the citizens would make Mahathir's political leadership superfluous.

4.3.3 Development under Mahathir

Malaysia developed from a poor agricultural-based economy into a newly industrialised middle income country during Mahathir's time as Prime Minister. With the latest development plan, issued in 2006, Malaysia has a goal to become a modern industrialised country by 2020. The five-year development plans have most likely contributed to the economic growth in Malaysia. The latest plan, the 9th Malaysia Plan, is estimated to correspond to 9,4 percent of Malaysia's yearly GDP from 2006 to 2010. The annual growth rates for the coming years are predicted to be close to that figure. As in Singapore, government expenditure has been a large part of the GDP growth since 1971.

NEP has been incorporated into the national development plans since 1971 when the second plan was published. The government plans have invested huge amounts in infrastructure, which has proved to be quite useful. But some projects seem to have been aimed at increasing the country's prestige (such as the Petronas Towers or Proton – the national car). The modernisation has been concentrated to urban areas. The population in rural ar-

eas, where most bumiputras live, have not benefited from these projects to the same extent as the urban population. The Malaysian government claims that poverty has been reduced from 29 percent of the population in 1980 to 5,7 percent in 2004. But, according to the UNDP, 9,3 percent of the population lived under US\$ 2 a day in 2004. The latest development plan has a goal to halve poverty by 2010 to 2,6 percent. The Chinese labour force is more well-educated and has higher incomes than the bumiputras and the Indians. The 9th Malaysia Plan reveals that the bumiputras has the largest income difference, Gini-coefficient (see 3.2.1), among ethnic groups in Malaysia. Since Malaysia has the largest Gini-coefficient in Southeast Asia, the bumiputras also has the highest income inequalities among all other peoples in Southeast Asia.¹⁴⁵ In this respect, the NEP has definitely failed in making a more economically equal society.

Critics of the NEP claim that Malaysia has achieved this development in spite of the affirmative action, not because of it. They say that it is UMNO rather than Malaysia that depend on the NEP to keep the ethnic Malays loyal to the party. UMNO claims that NEP guarantees the safety of the other ethnic groups. But critics say that subsidies and quotas bring inefficiency and reduce productivity. Instead of supporting companies with the greatest potential to make it big globally, the government has given support based on racial and personal preference. Despite all subsidies there are no bumiputra grand-entrepreneurs, which was one of Mahathir's goals with the NEP. Racial belonging should not be given priority over skills and knowledge. The NEP gives benefits to bumiputras irrespective of financial situation. Poor Chinese and Indians do not receive any of the benefits that rich bumiputras do.¹⁴⁶ It seems to me as if the NEP is a mild form of Apartheid.

Anwar is one of the critics and says that the NEP must come to an end sooner rather than later. He claims that the NEP scares off foreign investment, creates corruption and cronyism as well as making the judicial system unpredictable.¹⁴⁷ Mahathir also criticises the NEP. He says that the bumiputras have become too dependent on affirmative action and takes benefits for granted. The NEP has reduced working moral and is therefore contra productive.¹⁴⁸ At the end of his premiership Mahathir abolished quotas for higher education. Bumiputra students had been giving Mahathir harsh criticism since the Anwar affair. Mahathir responded that university admissions would henceforth be based on merit. Students and teachers have to sign a pledge of allegiance to academic pursuits instead of wasting time and effort on politics.¹⁴⁹

Although himself practising cronyism, Mahathir made attempts to stem corruption in the lower bureaucracy by making civil servants more vulnerable to public complaints.¹⁵⁰ Freedom House writes that "Malaysian corruption is relatively isolated to elite circles. Corruption is marked in the police force; political corruption, particularly bribery and cronyism, is common in the ruling BN coalition."¹⁵¹

The Asian Crisis affected Malaysia badly, but did not render the country bankrupt which it more or less had done in Indonesia. Mahathir blamed the crisis on Western currency speculation and incompetent leadership in several Malaysian corporations. But he had himself contributed in assigning this leadership. The IMF explained the Asian Crisis by saying that it resulted from "high current account deficits, huge money supply in circulation and the tendency of local banks to under-regulate themselves." Banks had long been forced to bail out non-performing bumiputra companies and other "firms linked to cronyism, nepotism and corruption to those in power."¹⁵² Anwar agreed to this criticism and wanted to reduce money supply and increase fiscal transparency. Malaysia had a currency reserve of US\$ 200 billion when the crisis struck. Malaysia rode out the crisis without taking loans from the IMF or the World Bank.

4.3.4 Mahathir – Trying to Accommodate Societal Change

Mahathir responded to societal change in the way that Plato and Machiavelli recommended; trying to accommodate citizens' needs in order to acquire legitimacy for his authority. Mahathir changed policies, adapted to new situations, embraced enemies and dropped old friends. In time he would contradict his own views in order to survive as a politician. That he changed view on affirmative action for the ethnic Malays is one example of that. Still, he did not directly oppose it, but only criticised some of its adverse effects.

Cheah (2002) writes that Mahathir “had started his political career as an exclusivist Malay nationalist but gradually transformed himself into an inclusivist multi-racial Malaysian nationalist.”¹⁵³ After the Asian Crisis, he suddenly started to stress that national unity, i.e. multi-racialism, would be the only way forward for Malaysia. This can be seen as a result from the faltering support he received among the bumiputras. Mahathir received massive criticism after the Anwar-affair which was characterised by unprecedented smearing campaigns from all directions. Bumiputras, that are required to be Muslims, dissociated themselves from Mahathir and UMNO. As a consequence, an Islamic opposition party, PAS, gained followers. In combination with the economic crisis the bumiputra population became increasingly unsatisfied with UMNO and Mahathir. UMNO made a very poor election in 1999. His authority was questioned within UMNO. Had it not been for BN's supporting parties, MCA and MIC, Mahathir would have been left on his own. This made Mahathir to court the Chinese voters. In June 2001 he held an unusually harsh speech in parliament where he said that the Malays are lazy, ungrateful, Anwar's followers are “scum” and that PAS tries to create an Islamic state.¹⁵⁴ This did little to help Mahathir in gaining support. But in Mahathir, Malaysia had now a rally-point for unification across the racial barriers in the exact same way that had happened to Sukarno and Suharto: He had unconsciously united Malaysians in their criticism against him.¹⁵⁵

To his credit, one has to say that although the post as Prime Minister at the end of Mahathir's rule more easily than ever before could be transformed from authoritarian power into dictatorship, he chose to take Malaysia out of the Asian Crisis and then stepped down in 2003 at the age of 78. He was replaced by his deputy Abdullah Badawi, who so far seems to be a moderate administrator, but he has allowed Islamic fundamentalists to gain ground. Today, it seems as if Mahathir's criticism of the affirmative action has made Malaysia to slowly move to have a more tolerant political atmosphere. But there is a threat that Islamic fundamentalism will take over more and more. The International Herald Tribune recently reported that “religion has become a means of reinforcing the racial basis of politics.”¹⁵⁶ Like Indonesia, Malaysia is too experiencing an enhanced islamification of society and politics.

4.3.5 Malaysia and Mahathir – Concluding Remarks

Mahathir's political actions and strategies indicate that he had a similar view of manipulative politics as Machiavelli. Like Sukarno, Mahathir applied divide-and-rule strategies – by dividing the ethnic groups with the NEP. Like Suharto, he concentrated power to the executive chair and adopted cronyism. Like Lee Kuan Yew, he used the ISA regulations to rid himself of political opposition and restrict civil society. But he also prioritised socio-economic development policies as a way to legitimise his leadership.

Mahathir built Malaysia on NEP as a social contract, which implied that a large group of citizens would be favoured over the minorities. The minorities accepted the NEP as long as it avoided a state of nature. The majority accepted it as long as it improved their socio-economic situation. During his early political leadership Mahathir thought he could base

his entire political support on the bumiputra population and simply intimidate the ethnic minorities into consent. The frequent racial rioting that took place in Indonesia served as warning examples in both Mahathir's and Lee Kuan Yew's claim for authority.

The NEP is not a complete success. Malaysia and the bumiputras have the highest Gini-coefficient in all of Southeast Asia. A part of NEP's goal was to make wealth-distribution more equal. In this respect, the NEP is a failure. But it has been effective in providing security, although much because of internal fear between the ethnic groups. It is likely that Malaysia's development is in spite of – not because of – the affirmative action. Furthermore, the NEP has contributed in alienating the different ethnic groups from each other.

Mahathir did not use meritocracy to the extent Plato recommended. Meritocracy gained ground after the Asian Crisis and was used to threaten those who had gained from affirmative action, e.g. bumiputra students, corporations, Mahathir's cronies and other politicians. Self-enrichment among the power elite seems to be more extensive than in Singapore, but not as much as in Indonesia. Even if Mahathir was described as a workaholic, he failed to implement the same work-ethic on the Malaysians. The smearing campaign during the Anwar-affair cost Mahathir much of his and UMNO's political credibility and let PAS to gain momentum.

Mahathir became the leader of UMNO because of hard work and his own merits. He was definitely an able leader. It is therefore strange that he did not recognise meritocracy and real competence when he chose leaders himself. He chose leaders within UMNO and in privatised corporations based on how easily he could manipulate them. This way, Mahathir made Malaysia more corrupt in his effort to establish his own authority.

On the development account, Mahathir's legacy remains positive. Malaysia has become a more modern country under Mahathir's tenure, with improved living conditions for most Malaysians. But this should be weighed against his concentration of power to his position in politics as well as relying on corruption and cronyism for elite support. Still, Mahathir was a masterful Machiavellian manipulator and – although not a "philosopher-king" – he was the coherent, firm accommodative statesman that Plato had preferred.

5 Conclusion

Several conclusions have already been made in the text (particularly parts 4.1.5, 4.2.5 and 4.3.5). Here I will point to what I find the most important.

When comparing the political history of Indonesia, Singapore and Malaysia it is possible to see that development is the social contract on which these governments rest their legitimacy. Democratic consent is not necessary as long as socio-economic development is maintained. The population will tolerate authoritarian rule as long as the government creates development. But if the contract is broken and there are no channels available to change the leadership via the political system, which democracy otherwise allows, it can result in violent bloodshed with an enormous cost for the nation.

A social contract based on development implies that the government survives on the citizens' fear from losing economic gain. It is feared that a regime change can bring political insecurity and jeopardize property and ownership rights. Singapore has shown that opposing the government ends with personal bankruptcy. Indonesia and Malaysia showed that the middle class' fear of losing their economic possessions made them accept oppression. For people who have attained a certain level of development, democracy is not worth risking individual property.

Malaysia and Singapore are therefore completely left out to what determines further socio-economic development; the global economy. In the next global recession, it is likely that the people in these countries will be increasingly dissatisfied with the political situation. Peaceful political oppression is only sustainable if there are no bumps in the road to enhanced development. Some kind of change, either enhanced authoritarianism or increased liberties, will happen by the next recession in Malaysia and Singapore. Since the government in Singapore so far has reacted in accordance with what the economy requires for further development, a future recession will probably make the PAP less oppressive. In Malaysia, regime criticism is already increasingly tolerated. But Singapore is less fit than Malaysia to accommodate political change in a global recession. The PAP is entrenched in every aspect of the Singaporean state, but UMNO has not made the same entrenchment in Malaysia. Despite its relatively higher level of development, Singapore will have more difficulties in adjusting to a knowledge-based economy than Malaysia. The muting of civil society has created a cultural and creative vacuum in Malaysia and Singapore. As further development in these countries imply that they transform from manufacturing into knowledge-based economies, a free civil society and an atmosphere that encourages innovativeness become increasingly important. Otherwise, it is likely that development in both Malaysia and Singapore already have peaked.

Appointing leaders based on merit guarantees that a state-system will survive the personal leader. Meritocracy is an effective replacement for democracy in the short run, but not in the long run. In the short run, a tyrant or a self-enricher will not come into power in a meritocratic system. Plato's architectonic statesmanship thrives in a meritocratic system. But nepotism or cronyism offset this guarantee. Nepotism makes it possible that a leader comes into power based on personal contacts, rather than the objective recruitment process that meritocracy otherwise is. Suharto's regime was a perfect example of what negative effects nepotism has for a country. If Singapore's system is to survive in the future, the practise of nepotism has to stop. Otherwise, it is possible that a less benevolent personalist leader uses the state-system in Singapore for his personal gain.

In the long run, a meritocratic system kills off creativeness and initiative in society. In politics, meritocracy promotes conformity and single-mindedness. A knowledge-based economy, where innovation and cutting-edge technology are the prime components, cannot come about if the political system restricts civil society. In a restricted society, people learn to fear and to accept others thinking for you – not to think independently. Singapore has to allow scrutiny and freedom of expression if it is to stand a chance to promote further socio-economic development.

Indonesia is now a democracy, but its development levels are alarmingly low. A democratic regime also rests much of its legitimacy on its ability to provide socio-economic development. Imposing democracy in countries with low levels of development can be extremely dangerous for the future development of the country. As Sukarno and Suharto showed, a weak democracy can too easily allow a potential power-concentrator to make a transition to dictatorship, with the prime goal to keep himself in power. Fast socio-economic development is less likely to take place in weak democracies. For Indonesia, reforms to reduce corruption are the absolute priority in order to create conditions for future development. But the only ones who can do that are the corrupt officials themselves. In addition, Indonesia's large debt to foreign creditors is bleeding the country instead of allowing the government to invest it back in infrastructure projects. But in a corrupt system such investments will disappear. If the democratic government does not manage to provide development, it is likely that Islamic fundamentalists will take over the country more and more. Similar events, pointing to enhanced Islamification, is also taking place in Malaysia. Indonesia's

democracy, regrettably, stands little chance to survive.

Looking at Indonesia, Singapore and Malaysia gives an indication of how authoritarian regimes should or should not act in order to remain in power. China has for a long period of time looked at Singapore and tried to use PAP's methods and development policies to render the communist regime in Beijing some legitimacy, since they are ideologically bankrupt. The political leaderships of Sukarno, Suharto, Lee Kuan Yew and Mahathir are instructive in order to determine whether an authoritarian regime will crumble or survive. The miserable legacy of Sukarno and Suharto shows the dangers of authoritarian regimes. Mahathir and Lee show the possibilities for enhanced authoritarian rule if only development policies are carried through correctly.

Sukarno and Suharto failed to create stable development because they made the supreme authority of their regimes as the main goal, using excessive violence, fear and oppression as methods. Their main concern was not to better the situation for the citizens, but to remain in power and enrich themselves, no matter the cost for the nation-state. Their own behaviour combined with low wages among government officials created a paralysing corruption in the civilian state institutions. The army's financial independence made it into an increasingly important state institution. An army is per definition a destructive force. Under Suharto, the army in Indonesia was not used to defend the country from external threats, but to oppress the citizens into obedience. Sukarno's politics were based on an internal conflict-balance between political actors. Both Sukarno and Suharto were corrupt, destructive, selfish and oppressive. They proved that such characteristics are not capable of carrying neither a long-term political system nor long-term development.

Lee Kuan Yew and Mahathir on the other hand had socio-economic development as political goals. A large share of Singapore's and Malaysia's economic growth consist of government expenditure and foreign direct investments. Although it has not been the direct topic in this thesis, I question whether the large economic growth rates in many Asian countries are results from increased productivity in the private sectors' value-adding process or from increased domestic demand. Economic growth is still largely driven by external factors and foreign investments as well as government spending.

Singapore's meritocracy have reduced corruption and contributed in making government infrastructural investments highly successful. Malaysia's development programs have suffered from incompetence and corruption due to Mahathir's cronyism. The nepotism in Singapore indicates that corruption in Singapore might be larger than usually perceived. The corporations run by the PAP are closed for scrutiny and this way encourage corruption, but harsh penalties for corruption makes it hardly worth the risk. Still, the fact that the government choose to take legal action against anyone who criticize the government for nepotism, indicates that this is a real problem and the government has a real fear that the extent of it could be revealed. Nevertheless, the high-wage policy offsets corruption, since it probably brings internal competition among PAP officials. The high-wage policy has successfully created an internal social control in the government sphere and, most likely, among the population at large.

Finally, this comparison shows that Plato and Machiavelli can be used to understand Asian politics. Some things seem to be universal to build power in authoritarian systems, such as manipulation, a balanced use of force and intimidation, divide-and-rule strategies, building legitimacy on accommodation, role-modelling leadership and ways to create unity through fear, external threats and patriotism. But in the same way, I am convinced that Confucius and other Asian philosophers can be used to analyse Western politics.

This paper has hopefully given a better understanding of the natures of authoritarian rule. If democracy is to survive in the 21st century, it has to prove itself as supreme in creating further development for the populations in democratic countries. If authoritarian regimes prove to create higher socio-economic development than democracies are able to compete with, then democracy will perish and authoritarian modes of governments will reign in the future. Development policies is indeed a social contract.

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Footnotes

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