



Aalborg Universitet

AALBORG UNIVERSITY
DENMARK

Capitalist Development in Contemporary Southeast Asia

Neoliberal Reproduction, Elite Interests, and Authoritarian Liberalism in the Philippines and Malaysia

Juego, Bonn

Publication date:
2013

Document Version
Accepted author manuscript, peer reviewed version

[Link to publication from Aalborg University](#)

Citation for published version (APA):

Juego, B. (2013). *Capitalist Development in Contemporary Southeast Asia: Neoliberal Reproduction, Elite Interests, and Authoritarian Liberalism in the Philippines and Malaysia.*

General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal -

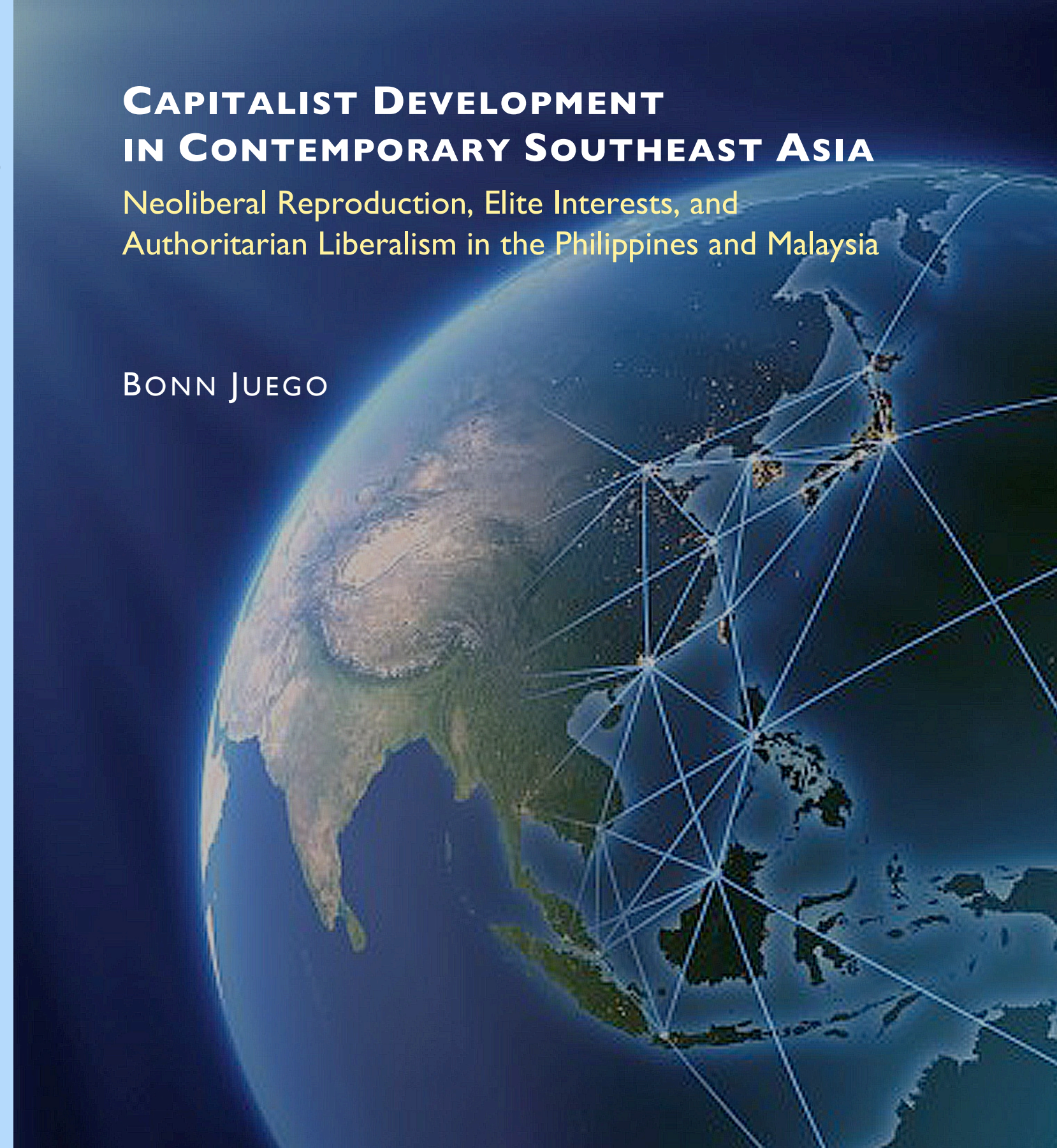
Take down policy

If you believe that this document breaches copyright please contact us at vbn@aub.aau.dk providing details, and we will remove access to the work immediately and investigate your claim.

CAPITALIST DEVELOPMENT IN CONTEMPORARY SOUTHEAST ASIA

Neoliberal Reproduction, Elite Interests, and
Authoritarian Liberalism in the Philippines and Malaysia

BONN JUEGO



CAPITALIST DEVELOPMENT IN
CONTEMPORARY SOUTHEAST ASIA
BONN JUEGO

A thesis submitted to the
Doctoral School of Social Sciences at Aalborg University, Denmark
in partial fulfilment of the requirements for the degree of
Doctor of Philosophy

March 2013



**CAPITALIST DEVELOPMENT
IN CONTEMPORARY SOUTHEAST ASIA**

**NEOLIBERAL REPRODUCTION, ELITE INTERESTS, AND
AUTHORITARIAN LIBERALISM IN THE PHILIPPINES AND MALAYSIA**

Bonn Juego

A thesis submitted to the
Doctoral School of Social Sciences at Aalborg University, Denmark
in partial fulfilment of the requirements for the degree of
Doctor of Philosophy

March 2013

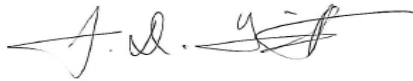
DECLARATION

I solemnly declare that this PhD thesis is my own research work and that this has not been submitted to any university or institution for a degree award. All sources used and cited in this work are duly referenced and acknowledged.



Bonn Juego
PhD Candidate

Attested:



Johannes Dragsbaek Schmidt
Supervisor

DANSK RESUMÉ

Afhandlingens formål er gennem analytiske, begrebslige, empiriske og teoretiske overvejelser at bidrage til en nytænkning og forståelse af den moderne Sydøstasiens politiske økonomi. Byggende på en kritisk metode afdækkes den historisk specifikke kapitalistiske udvikling herunder den neoliberale globalisering i regionen gennem en sammenlignende undersøgelse af udviklingen af to forskellige samfundsøkonomiske formationer i Filippinerne og Malaysia. Hovedargumentet bygger på den erkendelse at en forståelse af regionens specifikke type kapitalistisk udvikling kræver en analyse af struktur-aktør dynamikken i globale og lokale akkumulationsregimer, som bygger på en metodisk dialektisk antagelse af både sammenhænge og modsigelser mellem processer, interesser, og former som er afgørende for den kapitalistiske akkumulation. Studiet undersøger især dialektikken mellem den fremherskende neoliberale reproduktion (dvs. reproduktionen af de institutioner og relationer, der er forbundet med neoliberal kapitalisme), den dominerende elite klasses interesse (dvs. de dominerende lokale og transnationale politisk-økonomiske klasser med interesse i profit maksimering, ophobning af rigdom og koncentration af magt), og en hybrid social form for autoritær liberalisme (dvs. en politisk-økonomisk samfundsorden, hvor en neoliberal økonomi opererer indenfor en autoritær politisk styreform). Den empiriske undersøgelse viser, hvordan elitens interesser former, mægler, forhandler eller modsætter sig den neoliberale reproduktionsproces og samtidig producerer og fremmer den sociale form for autoritær liberalisme. Endelig fremhæves det at den elite interesse-bårne proces via neoliberal reproduktion, som forstærker den autoritære liberalisme, er fyldt med indbyggede strukturelle modsætninger og aktør konflikter der både er latent og åbenbar.

Analytisk benytter afhandlingen et teoretisk grundlag byggende på en kritisk politisk økonomi ramme til at analysere specifikke forhold i den hegemoniske proces, interesser og former af den kapitalistiske udvikling i Sydøstasien, herunder Filippinerne, og Malaysia – en sådan teoretiske ramme kan også anvendes til at undersøge andre eksisterende og potentielle, eller mod-hegemoniske processer, interesser og former. Begrebsmæssigt, introduceres og udvikles de centrale begreber i neoliberal reproduktion, elitens interesser, og autoritær liberalisme, som er afgørende for at forstå den nutidige form for kapitalisme i Filippinerne og Malaysia. Empirisk fastsættes de ligheder, forskelle og dermed særtræk i den kapitalistiske udvikling på grundlag af disse begreber i sammenhæng med de særlige lokale akkumulationsregimer i Filippinerne og Malaysia, der i sammenligning omfatter faktorer som politisk historie, økonomisk specialisering, klasseformation, og sociale institutioner. Den empiriske redegørelse belyser gennem en række cases: arten af kapitalistisk mangfoldighed, som er betinget af den ulige udvikling i den globale kapitalisme; elitens forståelse og brug af den neoliberale ideologi og neoliberaliserings-processen; eksistensen af interne konflikter mellem elite interesser ved siden af politik-virksomheds alliancer i forsøget på at generere akkumulationen af herskende klasses interesser i disse specifikke neoliberale regimer; og graden af indlejring af institutioner og praksisser for autoritær liberalisme i forskellige socio-økonomiske og politiske sammenhænge. Teoretisk, som et resultat af disse analytiske, begrebslige, og empiriske bestræbelser, producerer undersøgelsen en kritisk teoretisk ramme – bestående af en synergi mellem klassisk marxisme, Robert Cox inspireret metode af historiske strukturer, og social konfliktteori - som et bidrag til en forklaring af kapitalistisk udvikling, der på samme tid, udfordrer, kritiserer, eller underbygger etablerede teorier, litteratur, og diskurser, der tilbyder forskellige fortolkninger af emner og fænomener som globalisering, stat-kapital relationer, regime formationer, stats-omstrukturering, elite dynamik, socio-politisk forandring, institutionelle reformer og økonomisk udvikling.

Samlet set, har undersøgelsens analytiske, begrebslige, empiriske og teoretiske bidrag betydning for den samfundsvidenskabelige forskning, især inden for udviklingen af politisk økonomi. Dermed har det normative konsekvenser for visioner og strategier i forhold til alternative fremtider og social forandring.

ABSTRACT

The study attempts to contribute to an understanding of the political economy of contemporary Southeast Asia in *analytical, conceptual, empirical, and theoretical* terms. It offers a critical explanation of the *historical specificities of capitalist development* in the region through a comparative examination of the evolution of two diverse domestic socio-economic formations of the Philippines and Malaysia against the background of neoliberal globalization. It argues that an understanding of the distinctiveness of capitalist development in the region demands an analysis of the *structure-agency dynamics* in global and local accumulation regimes which entails a comprehension of the dialectical relationships (i.e., the interrelations and contradictions) between processes, interests, and forms in/of capitalist accumulation. In particular, the study examines the dialectics between the prevailing *process* of neoliberal reproduction (i.e., the reproduction of the institutions and relations associated with neoliberal capitalism), the *interests* of the dominant elite class (i.e., stakes of dominant local and transnational political-economic classes with vested interests in accumulation of wealth and power), and an emerging social *form* of authoritarian liberalism (i.e., a political-economic regime whereby a neoliberal economy operates within an authoritarian polity). The empirical examination of the studied cases shows how elite interests shape, mediate, negotiate, or resist the process of neoliberal reproduction, producing and encouraging the social form of authoritarian liberalism. Importantly, it highlights the reality that the elite interests-driven process of neoliberal reproduction which reinforces authoritarian liberalism is replete with *structural contradictions* and *agential conflicts* in both *latent* and *manifest* ways.

Analytically, the study devises a framework using a *critical political economy approach* to analyze the specificities of the hegemonic process, interests, and form of capitalist development in Southeast Asia, the Philippines, and Malaysia – a framework which may also be utilized to examine other existing, prospective, or counter-hegemonic processes, interests, and forms. Conceptually, it introduces and develops the key concepts of *neoliberal reproduction, elite interests, and authoritarian liberalism* that are essential in understanding the contemporary shape of capitalism in the Philippines and Malaysia. Empirically, it establishes the similarities, differences, and hence specificities of capitalist development on the bases of these concepts in the contexts of the peculiar local accumulation regimes of the Philippines and Malaysia whose points of comparison include factors such as political history, economic specialization, class formation, and social institutions. The exposition of the empirical cases illuminates: the nature of *capitalist diversity* under conditions of combined and uneven development in globalizing capitalism; the realpolitik of the *elite capture* of the neoliberalism ideology and the neoliberalization process itself; the existence of *elite conflicts* alongside political-business alliances in the drive for accumulation of dominant classes in specific neoliberalizing regimes; and the *degree of embeddedness of the institutions and practices of authoritarian liberalism* in different socio-economic and political contexts. Theoretically, as an outcome of these analytical, conceptual, and empirical endeavours, the study produces a *critical theoretical framework*—derived from a synergy between classical Marxism, Coxian method of historical structure, and social conflict theory—as a contribution to an explanation of contemporary capitalist development which, at the same time, challenges, critiques, or substantiates established theories, literatures, and discourses that offer various interpretations of issues and phenomena like globalization, state-capital relations, regime formation, state restructuring, elite dynamics, socio-political change, institutional reforms, and economic development.

Overall, the study's analytical, conceptual, empirical, and theoretical contributions have implications for social science research, especially in the area of the political economy of development. Consequently, it has normative implications for the vision and strategies for alternative futures and social change.

*There is no royal road to science,
and only those who do not dread
the fatiguing climb of its steep paths
have a chance of gaining its luminous summits.*

— Karl Marx (1872), 'Preface to the French Edition'
Capital, Volume One

CONTENTS

Dansk Resumé	iv
Abstract	v
List of Figures	xiii
Historical Exchange Rates	xiii
Acronyms and Abbreviations	xiv
Acknowledgments	xix
INTRODUCTION	1
Main Objective	1
Research Problematique and Argument	2
Sketch of the Study's Flow of Discussion	4
Normative Valuations	5
CHAPTER I: THE ANALYTICAL FRAMEWORK	7
A Critical and Comparative Approach to the Political Economy of Development in Southeast Asia	
A REVIEW OF THE POLITICAL ECONOMY OF SOUTHEAST ASIA, THE PHILIPPINES, AND MALAYSIA: CONTEXT, CONTENT, CRITIQUE	8
THE POLITICAL ECONOMY OF SOUTHEAST ASIA	8
Development Theory	8
<i>Modernization Theory and the Doctrine for Political Development</i>	9
<i>Dependency School</i>	11
State Theory	15
Theories of State-Market-Society Relations	18
<i>Neoclassical Economics</i>	18
<i>Weberian Historical Institutionalism</i>	20
<i>Marxist Social Conflict Theory</i>	21
THE POLITICAL ECONOMY OF THE PHILIPPINES	24
<i>Patron-Client Relations</i>	25
<i>Neocolonial Analysis</i>	26
<i>Neoliberal Ideology</i>	27
<i>Weak State</i>	28

CONTENTS

THE POLITICAL ECONOMY OF MALAYSIA	32
<i>Malaysia's Polity</i>	32
<i>Mahathirism</i>	36
<i>State-Class Relations</i>	38
THEORETICAL FRAMEWORK: CRITICAL POLITICAL ECONOMY	41
Classical Marxist Political Economy	41
Coxian Method of Historical Structure	42
Social Conflict Theory	44
Critical Political Economy Approach	45
CONCEPTUAL FRAMEWORK: PROCESSES, INTERESTS, FORMS	47
Heuristic Device: Three Forces in Capitalist Development	47
Level of Analysis	49
Specificity of Capitalist Development in Southeast Asia	50
<i>Neoliberal Reproduction</i>	51
<i>Elite Interests</i>	53
<i>Authoritarian Liberalism</i>	53
Comparative Analysis	54
EMPIRICAL METHODOLOGY	56
Chapter-by-Chapter Empirical Method	56
Sources of Data and Point of Reference in the Analysis	59
TOWARDS A CRITICAL POLITICAL ECONOMY FRAMEWORK OF ANALYSIS	61
CHAPTER II: PROCESS	63
Neoliberal Reproduction	
THE CONCEPT OF 'NEOLIBERAL REPRODUCTION'	66
CRISES AND NEOLIBERALISM	70
The Constitutive Role and Functional Character of Crises	70
<i>Born out of the crises of the 1970s</i>	70
<i>Evolving through crises: from crisis to crisis in the last 40 years</i>	72
<i>Multiple Crises: RIP Neoliberalism (1980s-2008)?</i>	74
1997 Asian Financial Crisis: Specificities of Causes and Effects	75
<i>Causes: Complex, Structural, and Historical</i>	75
<i>Neoliberalization: Converging and Diverging Tendencies</i>	78

CONTENTS

The 2008 Global Economic Crisis and the Responses for Continued Neoliberalization	80
<i>The World Bank, IMF, and their G-20 Allies</i>	81
<i>ADB and ASEAN</i>	83
<i>The ASEAN 2015 Project Towards a Single Market</i>	84
<i>UN Commission of Experts</i>	84
<i>Global Justice Movements</i>	85
Regional-Global Crises and Neoliberal Reproduction	86
NEOLIBERALIZATION IN THE PHILIPPINES	88
Crisis-Restructuring Cycles: From the US Colonial Legacy of Capitalism and Elitism since Independence to the Marcos Regime and Beyond	88
Aquino’s Crisis-Ridden Capitalist Development and Structural Adjustments	91
The Ramos Administration’s Intensified Neoliberalization	93
The 1997 Asian Crisis at the Conclusion of Ramos’ Neoliberal Reforms	98
Estrada’s Political Populism and Economic Neoliberalism	101
Arroyo’s Market Economy in a Strong Republic	104
Neoliberal Continuity under Aquino III’s Inclusive Growth Vision	112
NEOLIBERALIZATION IN MALAYSIA	114
Legacies of Colonial Capitalism: Ethnicized Division of Labour, Laissez-faire, the ISI Experiment, and the 1969 Race Riots	114
New Economic Policy: Capitalism with Ethnicized Characteristics	118
Mahathir Setting Malaysia’s Neoliberalization Process in Motion	122
National Development Policy and the New Power Bloc: Further Neoliberalizing the Way Forward to Vision 2020	129
The 1997 Crisis and the Political Economy of Mahathir’s Crisis Response	133
Mahathir’s Last Hurrah and An Appraisal of His General Impression of the Neoliberalization Project	137
Abdullah’s National Mission and Fragile Attempts at Neoliberal Reforms: Provocative, Conflictive, Thwarted	139
Responses to the Global Economic Crisis of 2008 and Signs of Continued Neoliberalization Project under Najib’s New Economic Model	142

CONTENTS

CONCLUSIONS: COMPARING NEOLIBERAL REPRODUCTION IN THE PHILIPPINES AND MALAYSIA	146
CHAPTER III: INTERESTS	153
Elite Interests	
THE CONCEPT OF ‘ELITE INTERESTS’	156
Elites as Class	156
Interests vis-à-vis Ideology	158
State, Local Elites, and International Capital	159
The <i>Ideology</i> of Neoliberalism and the Vested <i>Interests</i> of the Elites	160
Elite Interests in the Process of Neoliberalization in Southeast Asia	163
CONFLICTING ELITE INTERESTS IN THE NEOLIBERALIZATION PROCESS OF THE PHILIPPINES	165
<i>Philippine Case 1: The NBN-ZTE Deal</i>	169
<i>Context</i>	169
<i>Conflicting Agents</i>	170
<i>Points of Conflict</i>	174
<i>Philippine Case 2: The NAIA-3 Dispute</i>	176
<i>Context</i>	176
<i>Conflicting Agents</i>	177
<i>Points of Conflict</i>	182
CONFLICTING ELITE INTERESTS IN THE NEOLIBERALIZATION PROCESS OF MALAYSIA	184
<i>Malaysia Case 1: The PKFZ Fiasco</i>	189
<i>Context</i>	189
<i>Conflicting Agents</i>	190
<i>Points of Conflict</i>	195
<i>Malaysia Case 2: The Scorpene Submarine Scandal</i>	197
<i>Context</i>	197
<i>Conflicting Agents</i>	199
<i>Points of Conflict</i>	202
CONCLUSIONS: COMPARING CONFLICTING ELITE INTERESTS IN THE NEOLIBERALIZATION OF THE PHILIPPINES AND MALAYSIA	204

CHAPTER IV: FORM	207
Authoritarian Liberalism	
THE CONCEPT OF ‘AUTHORITARIAN LIBERALISM’	209
Philosophical and Theoretical Underpinnings	211
<i>Kirkpatrick Doctrine</i>	212
<i>Asian Values</i>	212
<i>World Bank’s Effective State</i>	213
The Political Economy of Carl Schmitt’s Authoritarian Liberalism	214
‘ <i>The Concept of the Political</i> ’: <i>An Anti-Political Politics</i>	215
<i>Authoritarian Liberalism: A Curious Blend of Illiberal Politics and Liberal Economics</i>	218
<i>The Anti-Political Concept of ‘The Political’</i>	221
State Transformation Debate: from Developmental State to Regulatory State	222
<i>Developmental State</i>	222
<i>Regulatory State</i>	223
The Authoritarian-Liberal State	224
AUTHORITARIAN LIBERALISM IN POST-9/11 SOUTHEAST ASIA: SECURITIZATION AGAINST DEMOCRATIZATION	227
Global War on Terror over Local Historical Specificities	228
Authoritarian Liberalism Installed, Democratization Stalled	229
From Developmental Statism to Neoliberalism	231
Towards a Democratic Security-Development Policy	234
INSTITUTIONALIZING AUTHORITARIAN LIBERALISM IN THE PHILIPPINES	235
The Commissioners for Charter Change	239
Constitutionalizing Authoritarian Liberalism: Governance in a Neoliberal World	240
<i>Market-led Development through Market-driven Social Relations</i>	241
[a] <i>‘Market! Market!’: The Institutionalization of the Capitalist Ethos</i>	241
[b] <i>The Neoliberal Offensive: An Ideological Assault on Workers</i>	243
[c] <i>Neoclassical Economics Redux, Neoliberal Policies Institutionalized</i>	243
[d] <i>A Project for Capitalist Modernization</i>	246

CONTENTS

<i>A Strong Republic, But Not Democratic</i>	248
<i>[a] Public Sector Reform for and with Markets</i>	249
<i>[b] Parliament for Markets</i>	250
<i>[c] Republicanism Against Democracy</i>	251
Concluding Remarks	252
MANAGING AND DEEPENING AUTHORITARIAN LIBERALISM IN MALAYSIA	254
Mahathir's <i>Wawasan 2020</i> : Economic Heterodoxy and Anti-Democracy	256
Abdullah's <i>Islam Hadhari</i> : Capitalism with Islamic Characteristics and Failed Political Reforms	261
<i>Conceptually</i>	264
<i>Pragmatically</i>	264
<i>Empirically</i>	265
Najib's <i>1Malaysia</i> : Political Doublespeak and the Economic Strategy for Global Competitiveness	266
<i>As an electoral campaign and a political agenda</i>	267
<i>As a socio-economic development strategy</i>	269
<i>As a crisis response</i>	271
Concluding Remarks	274
CONCLUSIONS: COMPARING AUTHORITARIAN LIBERALISM IN THE PHILIPPINES AND MALAYSIA	276
CONCLUSIONS	279
Important Contributions of the Study	279
ANALYTICALLY	279
CONCEPTUALLY	280
EMPIRICALLY	281
<i>Specific Points of Comparison</i>	281
<i>Specific Dialectical Relationships</i>	283
THEORETICALLY	283
Implications for Social Sciences	284
Normative Implications	285
REFERENCES	287

LIST OF FIGURES

1	Three Forces in a Historical Structure	43
2	Three Spheres of Activity	43
3	Three Forces in Capitalist Development	47
4	Specific Process, Interests, and Form in Contemporary Southeast Asia	48
5	Level of Analysis: A Focus on the Hegemonic Structure	49
6	Another Possible Level of Analysis: Counter-Hegemonic Structure	50
7	Conceptual Framework: Specificity of Capitalist Development in Contemporary Southeast Asia	51
8	Framework of Analysis: Dialectical Relationship of Processes, Interests, and Forms	279
9	Prevailing Process, Dominant Interests, and Emerging Form in Southeast Asia's Capitalist Development	280
10	A Sketch of the Specificities of Capitalist Development in Contemporary Southeast Asia, the Philippines, and Malaysia	283

HISTORICAL EXCHANGE RATES

Philippine Peso (PHP) and Malaysian Ringgit (MYR) per US Dollar					
<i>on 31 December</i>					
	1995	1997	2000	2008	2010
PHP	26.22	39.90	50.01	47.52	43.84
MYR	2.54	3.89	3.80	3.31	3.08
<i>Sources: Bangko Sentral ng Pilipinas (BSP) and Bank Negara Malaysia (BNM)</i>					

ACRONYMS AND ABBREVIATIONS

1MDB	1Malaysia Development Berhad
1MP	First Malaysia Plan
2MP	Second Malaysia Plan
3MP	Third Malaysia Plan
4MP	Fourth Malaysia Plan
5MP	Fifth Malaysia Plan
6MP	Sixth Malaysia Plan
7MP	Seventh Malaysia Plan
8MP	Eighth Malaysia Plan
9MP	Ninth Malaysia Plan
10MP	Tenth Malaysia Plan
ACA	Anti-Corruption Agency
ADB	Asian Development Bank
ADP	Aéroport de Paris
AEDC	Asia's Emerging Dragon Corporation
AEPF	Asia-Europe People's Forum
AFTA	ASEAN Free Trade Agreement
AHI	Amsterdam Holdings, Inc.
APEC	Asia Pacific Economic Cooperation
APT	Asset Privatization Trust
ARCA	Amended and Restated Concession Agreement
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
ASNB	Amanah Saham Nasional Berhad
BCIC	Bumiputera Commercial and Industrial Community
BIT	Bilateral Investment Treaty
BLR	Base Lending Rate
BN	Barisan Nasional
BNM	Bank Negara Malaysia
BO	Build-Operate
BOT	Build-Operate-Transfer
BRICS	Brazil, Russia, India, China, South Africa
BSP	Bangko Sentral ng Pilipinas
CCM	Companies Commission of Malaysia
CCT	Conditional Cash Transfers
CDRC	Corporate Debt Restructuring Committee
CENIS	Center for International Studies, Massachusetts Institute of Technology
CMMP	Capital Market Master Plan
COMELEC	Commission on Elections
ConCom	Consultative Commission
CONCORD	Constitutional Correction and Development
CPC	Criminal Procedure Code
CPJ	Committee to Protect Journalists

ACRONYMS AND ABBREVIATIONS

CPP	Communist Party of the Philippines
Danaharta	Pengurusan Danaharta Nasional Berhad
Danamodal	Danamodal Nasional Berhad
DAP	Democratic Action Party
DBM	Department of Budget and Management
DCNS	Direction des Constructions Navales
DOTC	Department of Transportation and Communications
DTI	Department of Trade and Industry
ECLA	Economic Commission for Latin America – United Nations
EDSA	Epifanio de los Santos Avenue
EOI	Export-Oriented Industrialization
EPIRA	Electric Power Industry Reform Act
EPU	Economic Planning Unit
ERP	Economic Resiliency Plan
ESP	Economic Stimulus Packages
ETP	Economic Transformation Programme
EUR	Euro
EVAT	Expanded Value-Added Tax
FDI	Foreign Direct Investment
FIC	Foreign Investment Committee
FIDH	Fédération Internationale des ligues des droits de l’Homme (International Federation for Human Rights)
FMPRC	Ministry of Foreign Affairs of the People’s Republic of China
Fraport	Fraport AG Frankfurt Airport Services Worldwide
FTZ	Free Trade Zone
G-20	Group of Twenty
G7	Group of Seven
G8	Group of Eight
GATT	General Agreement on Tariffs and Trade
Gerakan	Gerakan Rakyat Malaysia (Malaysian People’s Movement)
GLC	Government-Linked Corporation
GOCC	Government-Owned and Controlled Corporations
GPA	Government Procurement Agreement
GTP	Government Transformation Programme
GSIS	Government Service Insurance System
HICOM	Heavy Industries Corporation Malaysia Berhad
HLFC	High Level Finance Committee
HPAE	High Performing Asian Economy
ICA	Industrial Co-ordination Act
ICC	International Chamber of Commerce
ICSID	International Centre for Settlement of Investment Disputes
ICSID Convention	Convention on the Settlement of Investment Disputes between States and Nationals of Other States
ICT	Information and Communications Technology

ACRONYMS AND ABBREVIATIONS

IFI	International Financial Institution
IMF	International Monetary Fund
IMP	Industrial Master Plan
IPCMC	Independent Police Complaints and Misconduct Commission
IPE	International Political Economy
IPP	Independent Power Producer
ISA	Internal Security Act
ISI	Import-Substitution Industrialization
IWK	Indah Water Konsortium
JAFZI	Jebel Ali Free Zone International
KDSB	Kuala Dimensi Sdn Bhd
KLIA	Kuala Lumpur International Airport
KLIFD	Kuala Lumpur International Financial District
KLSE	Kuala Lumpur Stock Exchange
KPB	Konsortium Perkapalan Berhad
KPPLB	Koperasi Pembangunan Pulau Lumut Bhd
LEDAC	Legislative-Executive Development Advisory Council
LIBOR	London Interbank Offered Rate
LRT	Light Rail Transit
MACC	Malaysian Anti-Corruption Commission
Malaysia Inc.	Malaysia Incorporated
MARA	Majlis Amanah Rakyat (Council of Trust for the Indigenous People)
MAS	Malaysia Airlines
MCA	Malaysian Chinese Association
MDGs	Millennium Development Goals
MIAA	Manila International Airport Authority
MIC	Malayan Indian Congress
MIDA	Malaysian Industrial Development Authority
MILF	Moro Islamic Liberation Front
MISC	Malaysia International Shipping Corporation
MLAR	Market-Led Agrarian Reform
MMC	Malaysia Mining Corporation
MNC	Multinational Corporation
MNLF	Moro National Liberation Front
MOF	Ministry of Finance
MOT	Ministry of Transport
MP	Malaysia Plan
MRT	Mass Rail Transit
MSC	Malaysian Securities Commission
MTPDP	Medium-Term Philippine Development Plan
MWSS	Metropolitan Waterworks and Sewerage System
MYR	Malaysian Ringgit
NAIA	Ninoy Aquino International Airport
NAIA-3	Ninoy Aquino International Airport Terminal 3

ACRONYMS AND ABBREVIATIONS

Napocor	National Power Corporation
NBER	National Bureau of Economic Research
NBN	National Broadband Network
NDP	National Development Policy
NEAC	National Economic Action Council
NEAC	National Economic Advisory Council
NEDA	National Economic and Development Authority
NEM	New Economic Model
NEP	New Economic Policy
NERP	National Economic Recovery Plan
NFA	National Food Authority
NIC	Newly Industrialized Country
NKEA	National Key Economic Area
NKRA	National Key Result Area
NOC	National Operations Council
NPA	New People's Army
NPL	Non-Performing Loan
NSCB	National Statistical Coordination Board
NSO	National Statistics Office
NVP	National Vision Policy
OECD	Organisation for Economic Co-operation and Development
OFW	Overseas Filipino Worker
OPEC	Organization of the Petroleum Exporting Countries
OPP	Outline Perspective Plan
OPP1	First Outline Perspective Plan
OPP2	Second Outline Perspective Plan
OPP3	Third Outline Perspective Plan
PAIRCARGO	People's Air Cargo & Warehousing Co., Inc.
PAC	Public Accounts Committee
PAS	Parti Islam Semalaysia (Pan-Malaysian Islamic Party)
PBAC	Prequalification Bids and Awards Committee
PCIJ	Philippine Center for Investigative Journalism
PDA	Petroleum Development Act
PEMANDU	Performance Management & Delivery Unity
PERNAS	Perbadanan Nasional Berhad (National Corporation)
Petronas	Petroleum Nasional Berhad
PHP	Philippine Peso
PIATCO	Philippine International Airport Terminals Corporation
PKA	Port Klang Authority
PKFZ	Port Klang Free Zone
PKR	Pakatan Keadilan Rakyat (People's Justice Party)
PMIP	Pan-Malaysian Islamic Party
PMO	Privatization and Management Office
PMP	Privatization Master Plan
PNB	Permodalan Nasional Berhad (National Equity Corporation)
PNCC	Philippine National Construction Corporation
PNOC-EDC	Philippine National Oil Company - Energy Development Corporation

ACRONYMS AND ABBREVIATIONS

PPP	People’s Progressive Party
PPP	Public-Private Partnership
PPP-BOT	Public-Private Partnership – Build-Operate-and-Transfer
PR	Pakatan Rakyat
PROTON	Perusahaan Otomobil Nasional
PwC	PricewaterhouseCoopers Advisory Services Sdn Bhd
RAM-SFP-YOU	Reform the Armed Forces Movement – Soldiers of the Filipino People – Young Officers Union
RRA	Restricted Residence Act
SAP	Structural Adjustment Programme
SARS	Severe Acute Respiratory Syndrome
SEC	Securities and Exchange Commission
SEDC	State Economic Development Corporation
SPDP	Sarawak Progressive Democratic Party
SPV	Special Purpose Vehicle
SRA	Social Reform Agenda
SRI	Strategic Reform Initiative
SSS	Social Security System
SUARAM	Suara Rakyat Malaysia
SUHAKAM	Suruhanjaya Hak Asasi Manusia Malaysia (Human Rights Commission of Malaysia)
SWF Institute	Sovereign Wealth Fund Institute
TM	Telekom Malaysia
TNB	Tenaga Nasional Berhad
TNC	Transnational Corporation
TRIPS	Trade-Related Aspects of Intellectual Property Rights Agreement
TWN	Third World Network
UDA	Urban Development Authority
UMNO	United Malays National Organisation
UMNO/BN	United Malays National Organisation / Barisan Nasional
UN	United Nations
UNITA	União Nacional para a Independência Total de Angola (National Union for the Total Independence of Angola)
USD	United States Dollars
VAT	Value-Added Tax
WBGB	Wijaya Baru Global Berhad
WSF	World Social Forum
WTO	World Trade Organization
YBB	Yayasan Pelaburan Bumiputera
ZTE	Zhong Xing Telecommunications Equipment Corporation

ACKNOWLEDGMENTS

Doctoral work is not simply a story about the PhD thesis per se as its final outcome. More than anything else, its meaning resides in the entire process of the whole learning experience. Indeed, it is more than a reading, thinking, researching, and writing exercise; it surely adds up to my life experience. It has been a life experience that has become much bearable, enjoyable, and meaningful when shared with family, friends, and colleagues – loved ones and acquaintances to whom I dedicate this work and with whom I share the heartfelt joy that comes with this achievement.

First and foremost, my deepest gratitude to *Mahal ko*, Amlet Cruz, who has shown and given me unconditional and untiring love through these demanding years of my postgraduate life. She knows pretty well the whole gamut of simple joys and inconvenient challenges entailing the PhD mission process. Now I have realized even more why authors thank so dearly their spouses, partners, and families at the ‘Acknowledgments’ section of their books. No doubt that this doctoral work—which often required making sacrifices and being exposed to different milieus—has been a unique shared experience for us. I look forward to having more unique shared experiences with her and our future kids.

I am extremely grateful to my supervisor, Johannes Dragsbaek Schmidt, who has been so thoughtful and generous in time, resources, and advice. It has been a privilege to be supervised by him at the same period when he was completing his co-edited book on the same field of my research: the political economy of Southeast Asia. I thank him, too, for his patience and for being my constant sparring partner in the ideas of this research endeavour. I am also thankful and lucky to have met his relaxed and affectionate family with a warmhearted sense of solidarity and humanity—the Helbo-Schmidt family—especially his wife, Sussi Anne, and their children Clara, Kristian, and Mads.

I have also felt a loving sense of belongingness to several families while living in Denmark. In Aalborg, I consider it a wonderful blessing to have met the family of Victor Maida and his wife Fe de Jesus, as well as the families of my *Titas* and *Ates* in the Filipino Rosary Group, for being a great support group, cheerleaders, and advisers. In Copenhagen, I am very thankful to the Valenzuela and Palad families—especially to Kat Valenzuela Palad, her mother Rufina (Tita Pinay), her father Cesar, and her sister Luchie—for their warmth, support, and hospitality. In Brønderslev, Lisbeth Spanggaard and Jens Crumlin, together with their daughter Sarah, have shown and extended to me the gifts of friendship and camaraderie and always welcomed me to the serene and *hyggelig* aura of their Baekkelund farm. They are all my families based in Denmark who have kept me on my toes about the importance of my PhD studies while we enjoy each other’s companionship, care and concern.

I am ever grateful to my mentor Erik Reinert, my PhD supervisor at the Tallinn University of Technology, Estonia, who has taught me some of the most important ideas on development, economics, and business. He and his lovely wife Fernanda are sources of inspiration for my professional and personal life. I will always cherish the windows of opportunity that they have generously opened for me. My gratitude also

ACKNOWLEDGMENTS

goes to my professors and colleagues at the now Ragnar Nurkse School of Innovation and Governance, namely, Erik Reinert, Rainer Kattel, Wolfgang Drechsler, Carlota Perez, and Jan Kregel—whose group I refer to as the ‘Tallinn School of Development’—for the inimitable opportunity and experience of learning and working with them in teaching and research.

An important part of the intention of this thesis is to contribute to the critical tradition on studies of political economy and social change of my former professors from the University of the Philippines, notably: Francisco Nemenzo, Walden Bello, Temario Rivera, and Randy David. I consider them my Filipino mentors who have greatly inspired me for their scholarship and activism. In Malaysia, Gareth Richards, who first taught me international political economy, had kindly opened his flat in Petaling Jaya as my base. With his academic experience and in-depth knowledge of Malaysia’s political economy, I have learned much from his tips, feedback, and pieces of advice. Special thanks also to Tina Ebro and many of our mutual friends in the social movement who make me realize how meaningful it is to be a scholar-activist.

I have always believed that one of the most important virtues in the academe, just like in life, is the giving and receiving of ‘feedback’. My doctoral work, particularly this PhD thesis, has greatly benefited from feedback and insights from many people in different occasions and spaces, notably: Peter Wad of the Copenhagen Business School, my pre-defense discussant, for raising important questions and making invaluable pointers on how to refine my arguments; Anette Borchorst, then director of the School for Postgraduate Interdisciplinary Research on Interculturalism and Transnationality (SPIRIT), who looked after the initial years of my PhD study programme and led several methodology seminars that I participated in; my personal friends as well as my online and virtual acquaintances who critically engaged me in my blog posts and Facebook commentaries on topics and issues related to the thesis; the discussants, lecturers, and classmates who I encountered in the conferences, courses, summer schools, workshops, and seminars that I attended and where I presented the evolving ideas of this thesis; and the students who participated in my lectures and with whom I had the chance to learn as supervisor for their group projects and theses. Likewise, I very much appreciate the tips, leads, comments, references, support, encouragement, inspiration, and prayers that I always get from Gary Ador Dionisio, Tessa Agravante, Mila Aguilar, Melynn Alipio Limjap, Melvin Alipio II, Jhonna Amparo Angeles, Francesco Anesi, Maria Ela Atienza, Katally Aquino, Therese Baba, Romel Bagares, Marvin Beduya, Genesis Brillantes, Roan Cabading, Paul Cammack, Maris Cardenas, Ramon Casiple, Gus Cerdeña, Bernie Cervantes, Ali Ciencia, Doy Cinco, Joseph Cortez, Gladstone Cuarteros, Sheryl dela Cruz, Bobo Diallo, Aya Fabros, Corazon Fabros, Mercy Fabros, Jean Franco, Kate Gallardo, Henrik Hansen, Jacques Hersh, Kia Meng Boon, Imee Javier, Paola Juego, Ali Kadri, Paula Bianca Lapuz, Faye Laquio, Cecilia Lero, James Miraflor, Ronald Molmisa, Princess Nemenzo, Nonoy Oplas, Pamela Ann Padilla, Rowena Pangilinan, Kat Pauso, Belyn Rafael, Julie de los Reyes, Joel Rocamora, Estrella Rosacia, Shakti Prasad Srichandan, Kissy Sumaylo, Roli Talampas, Jose Mari Tirol, Mario Veneziani, and my sponsored child at the World Vision Development Foundation.

My great thanks to Ha-Joon Chang, Wolfgang Drechsler, Rajah Rasiah, Erik Reinert, and Johannes Dragsbaek Schmidt who recommended and accepted me to be recipient of a number of scholarships and undergo advanced trainings in some of the

ACKNOWLEDGMENTS

most prestigious programmes in development studies, international relations, political economy, and development economics such as the Technology Governance Programme at Tallinn University of Technology (Estonia); Cambridge Advanced Programme on Rethinking Development Economics (CAPORDE) at Cambridge University (UK); the Critical Development Studies Summer School of St. Mary's University (Canada) and the Universidad Autónoma de Zacatecas (Mexico); the International Summer School (Berlin) and New Faces Conference (Madrid) of the Deutsche Gesellschaft für Auswärtige Politik (Germany); Learn Economics from Nobel Laureates by the ISEO - Istituto di Studi Economici e per l' Occupazione (Italy); the PhD School on Innovation and Economic Development of the Globelics Academy (Portugal); and the Nordic Institute of Asian Studies (Copenhagen). In these programmes, I have learned a great deal from interactions with classmates (now, fellow alumni) as well as from the lectures by some of the most important authors, consultants, and policy-makers in the issue areas of globalization, development, politics, economics, innovation, and civil society.

At Aalborg University, my earnest and heartfelt thanks to:

- the librarians for their enthusiastic assistance to meet my research needs and frequent requests for renewal of inter-library loans;
- Marianne Høgsbro, who has warmly advised and supported me on administrative matters since I first became Visiting Doctoral Scholar at SPIRIT and later as full-time PhD Fellow;
- Jytte Kongstad for her cheerfulness and patience in my teaching activities at the Master's Programme in Development and International Relations (DIR);
- Cirkeline Kappel for being very accommodating with regard to my countless requests and needs, from business cards and web development to communication and VBN publications;
- Malene Karmisholt for looking after my secretariat needs related to my teaching at the Master's Programme in Culture, Communication, and Globalization (CCG);
- the administrative and secretariat officers Helle Ejersbro, Ulla Langballe, Julie Skibsted Larsen, and Helle Weiergang who have helped me in many ways related to my privileges, duties, and responsibilities as an employee and PhD student at the Department of Culture and Global Studies;
- Mogens Rüdiger, director of SPIRIT, for attending my pre-defense and addressing my doctoral study concerns as a PhD candidate;
- Osman Farah for his brotherhood and kindness with whom I shared a workspace for about three years;
- Mammo Muchie for the kind words, encouragement, and his engaging ideas of *ubuntu* and the ideals of solidarity, justice, and keeping strong;
- Martin Bak Jørgensen, Robert Chr. Thomsen, and Ben Dorfman for giving me the opportunity to teach as external lecturer at the Bachelor's and Master's Programmes at the School of Culture and Global Studies;
- the amazing Editorial Team who assisted and supported me in the successful fulfillment of my 10-point agenda as Editor to revitalize *The Interdisciplinary Journal of International Studies* (IJIS) and make it listed in the Directory of Open Access Journals (DOAJ) with a SPARC Europe Seal, namely: Dave Allington, Henrik Skaksen Jacobsen, Larissa Mansfield, Andreas Aagaard Nøhr, Viviana Padurean, and Meghan Reardon;

ACKNOWLEDGMENTS

- the faculty members from the Departments of Culture and Global Studies, Political Science, and Development and Planning who agreed to be part of the IJIS' Advisory Board, especially those who kindly shared their time doing peer reviews;
- the censors and examiners I have worked with during examinations of students' literature comprehension, group projects, and master's theses;
- colleagues with whom I have had exchanged smiles and greetings at the corridors and some fond and engaging conversations in the streets of Aalborg, especially: Lise Rolandsen Agustin, Oscar Garcia Agustin, Torsten Rødel Berg, David Christensen, Ruth Emerek, Saki Ichihara Fomsgaard, Peter Hervik, Sasiwimon Khongmueang, Julia Zhukova Klausen, Peter Wilgaard Larsen, Per Lunde, Ismat Mahmuda, Susi Meret, Morten Mortensen, Elijah Nyaga Munyi, Bjørn Møller, Helene Pristed Nielsen, Henrik Plaschke, Supriya Samanta, Timothy Shaw, Birte Siim, Trine Lund Thomsen, Romeo Turcan, Yezer, and Juan Zhang; and
- all the staff, employees, and workers from the salary office, to the canteen, to the cleaning and maintenance personnel whose work and duties have bearing on and contributed to my PhD studies and fellowship.

I also would like to thank the international friends and neighbours I have had through the years living at Det Obelske Jubillaeumskollegium with whom I cherish many fond memories, especially: Niclas Andreasen, Yuriy Byelskyy, Claudio Coletti, Kumeresan Danapalasingam, Alexandre Fleury, Magdalena Gorecka, Kajsa Hansson, Angelina Haralampieva, Hamid Hasanlooie, Anna Marszal, Unai Martínez de Estibariz, Sara Lützen, Artur Mielczarek, Jeannie Morgan, Edwin Nordström, Ida Østergaard, Alfredo Chavez Plascencia, Michal Pomianowski, Siri Karoline Søgus, Eva Schmitt, Darius Šidlauskas, Laurynas Siksnys, Francesco Tafuri, Gergana Todorova, Dingming Wu, and Heval Yildirim. With much appreciation to The Obel Family Foundation, I have met the wonderful gentlemen Mogens Pedersen and Jesper Thorup Jensen who have had made me feel more at home in Aalborg.

And finally, I personally dedicate this PhD thesis achievement to my family, most especially to: my mother Nenita and my late father Abelardo; my sister Girlie; and my brothers Shine, Abe, and Glen. I am blessed to always know and feel that my loved ones are thinking and praying for me all the time. Words cannot express how grateful I am for having them in my life and for persistently making me realize the reason and meaning of this doctoral work phase of my life. My utmost appreciation and thanks to my uncle Benjamin Torres, Jr. who has graciously supported our family, not least for my and my siblings' education from grade school to the university level. My sincere thanks also to the families of: my grandmother Marcelina Naces Torres; my aunts Lina Torres Alipio and Gloria Torres Bernabe; my uncles Rene Torres and Jerry Torres; my Tito Reynaldo Juego; my Tita Violeta Juego; and my late Tito Vivencio Juego. My loving thanks also to my late Tito Joey Juego who took good care of me during the formative—and critical—teenage years of my youth. Indeed, dedicating to my Torres-Juego family this process of the doctoral work experience and the completion of this PhD thesis is definitely well worth it.

With all my best, love, and thanks to family, friends, colleagues, and acquaintances, I humbly offer this PhD thesis on the political economy of Southeast Asia, the Philippines, and Malaysia as a contribution to academic knowledge and the movement for social justice and political-economic democracy towards the vision of social change. Thank you so much.

ASSESSMENT OF THE PhD THESIS "CAPITALIST DEVELOPMENT IN CONTEMPORARY SOUTHEAST ASIA –NEOLIBERAL REPRODUCTION, ELITE INTEREST, AND AUTHORITARIAN LIBERALISM IN THE PHILIPPINES AND MALAYSIA" SUBMITTED BY BONN JUEGO.

General Comments:

In the view of the assessment committee the dissertation addresses a most important contemporary problem, ie. the elite-politics behind the implementation of neoliberalism in socio-economic formations in the global capitalist system. The significance of the thesis should be understood as an effort to link the strategy of neoliberalism in the context of developing nations' position in the world economy. Simultaneously, the demonstration is made of the limits of neoliberal agendas in the two cases (the Philippines and Malaysia) as well as pointing to the need to take a more in-depth analysis of the way local elites manipulate the created opportunities to suit their interests.

Consequently, the thesis is a contribution to the body of literature and research on this evolution and in our opinion is bound to have relevance for students of development and international political economy as well as area-specialists on Southeast Asia.

The author displays a strong commitment to bridging the gap in the distribution of wealth between participants in the national economies of the Philippines and Malaysia by specifically focusing on the source and agency of inequalities. The candidate's background with specific knowledge of the Philippines but also of Malaysia allows him to do so in a convincing manner.

Presentation and Discussion of the Contents:

The dissertation is composed of an introduction, a chapter on the analytical framework, a chapter on the process of neoliberal reproduction, a chapter on elite interests and their modus operandi in both countries, a chapter on the concept of "authoritarian liberalism" and its application to Southeast Asia, and the last section discusses the conclusions that can be drawn from the study.

Although the main problematique of the study is: "*How has capitalism evolved in Southeast Asia since 1997?*" which in the view of the committee could lead to a descriptive narrative, Bonn Juego (BJ) didn't fall into the trap. Instead, the study is strong on the levels of analysis, development of concepts, as well as presentation of a wealth of literature, empirical evidence and theoretical savvy.

However, the question remains as to whether a less delimited problem-formulation could not have made the thrust of the thesis more attractive to students of development in general and the two cases in particular. The periodization of the analysis, ie. since 1997, weakens the need to understand "historical capitalism" as a process of "longue durée" (Braudel). Despite this shortcoming, it must be said that the study succeeds in conceptualizing the state of capitalist development in the region since 1997.

The thesis makes the argument that the understanding of the distinctiveness of capitalist development in the region, in the context of neoliberal globalization, necessitates an analysis of the structure-agency dynamics in global and local accumulation regimes. This approach entails a comprehension of the dialectical relationship (the interrelations and contradictions) between the processes, interests, and forms in/of capitalist accumulation. The study thus wants to illuminate the dialectics between the reproduction of the institutions and relations associated with neoliberal

reproduction, the role of the dominant elite class (both local and transnational) with vested interest in accumulation of wealth and power, and last but not least the emerging socio-economic-political form of authoritarian liberalism (combining a neoliberal economy within an authoritarian polity).

The *Introduction* sketches the main objective of the study which is “to provide a dynamic analysis of historical processes, relations, continuities, and change in contemporary capitalist development in developing countries of Southeast Asia.”

The central concept of capitalism is defined in this study as a mode of production in which capital (principal means of production in the form of money, property, or other material wealth) is privately owned and controlled by a minority propertied capitalist class who in turn commodifies and expropriates the surplus value produced by the majority.

BJ states that central to the survival and reproduction of this exploitative relationship is the process of accumulation which is to be understood as the process of using existing political and economic leverage to make and produce more wealth and power.

Seen in this light neoliberalism or neoliberalization is the latest phase of capitalist development. The embedded relations within and between market, state, and society in the context of neoliberal globalization prioritize capitalist values of the “private” over the “public” and of profits over peoples, as well as making states and social institutions work for markets.

BJ tells us from the outset that the thesis should not be regarded as a neutral academic endeavor. Leaning on the Swedish development economist, Gunnar Myrdal, who rejected the Weberian idea of value-free social science, BJ states his normative valuations: “the points of view of the analysis and critiques in this study are premised upon its unequivocal embrace and promotion of the values of social justice and political-economic democracy.”

Chapter 1 presents and develops the analytical framework of the thesis. In so doing it proposes to establish a critical political economy approach to an analysis of the specificities of capitalist development by building on a critique of established literature and theories of political economy in the comparison of the two different cases of the Philippines and Malaysia navigating within the global capitalist economy.

The chapter fulfills the task of 1) reviewing the related scientific literature in the study of Southeast Asia, the Philippines and Malaysia; 2) designing the conceptual and theoretical framework for the analysis; and 3) discussing the empirical methodology.

The review of the existing political economy literature on Southeast Asia is interpreted as having evolved around three main theoretical themes: a) development theory; b) state theory and c) theories of state-market-society relations. The bulk of the presented literature and theories pre-date the 1997-East Asian crisis!

The three theoretical themes are critically summarized and presented. With regard to *development theory*, the modernization approach is identified as related to the political aim felt by the United States to control the evolution of the post-colonial world. Especially in Southeast Asia, the attempt was made to install a mindset which would promote a process of Westernization, ie the adoption by these countries of “modern” institutions and values similar to the stable institutions and rules-based system of Western countries. According to BJ, the disregard for the historical specificities of the region by the modernization paradigm resembled the colonial ideology of “orientalism” (Edward Said).

Although BJ does mention the Vietnam War as part of the strategy of protection and promotion of US material and ideological interests, a few comments concerning the context of the emerging Cold War and the rise of national liberation movements in the Third World especially Southeast Asia would have contributed to a better understanding of the historical context. Seen in this way modernization theory was, as such, a response to the challenge posed by era of decolonization and the emergence of nationalism and socialism.

While modernization theory tried to put the blame for the underdevelopment of the former colonies on these societies themselves (blaming the victims!) dependency theory emphasized the unequal relationship in the world economy between the center and the periphery. The historical roots of modern dependency go back to the economic nationalism of catching-up strategy (Alexander Hamilton, Friedrich List) to the UN Economic Commission for Latin America's recommendations of import-substitution as a strategy of industrialization (Paul Prebisch). The implication being that development demands a national effort and is not inherent to the workings of the international economy.

The Marxist-oriented dependency school which arose as a reaction to modernization theory is presented and discussed by BJ in a critical analysis. The point is implicitly made that this dependency paradigm is more a theory of underdevelopment than development per se and that it shows weakness in explicating "the mutations in the system of global, regional, and national capital accumulation since the 1970s and how this impacted on capitalist development in Southeast Asia."

The counter argument however could be that the acceptance by the United States of the strategy of late development as exemplified by the New Industrializing Countries (the NICs) of East Asia was determined by the geopolitical strategy of countering the challenge of nationalist and socialist forces in Asia. Taking this context into consideration does not diminish the validity of the dependency paradigmatic explication for this period. Furthermore the school of World System Analysis which is closely related to dependency did take the mobility of countries within the world economy and the lifespan of "historical capitalism" into consideration.

The second main theme in the existing literature on the political economy of Southeast Asia is *state theory* which according to BJ imposed itself as a response to the changing forms of state power in the region brought about by the global economic crisis of the 1970s that ushered in the neoliberal phase of capitalist development.

Three competing approaches have defined the terms of the debate concerning the research area related to the theories of state-market-society relations in the context of the impressive economic performance in East and Southeast Asia. These are said to be 1) neoclassical economics; 2) Weberian historical institutionalism; and 3) Marxist social conflict theory. The research literature of the three approaches is presented and discussed in an analytical and loyal manner.

While the free market camp of neoclassical economists ascribe the success of the region to market-driven liberalized production and finance in spite of state intervention, the developmental state camp of the historical institutionalists argue that the high growth record with equity was due to the activism of state intervention in the economy through policies of protection and regulation. The alternative to these market-state approaches is the social conflict theory of the Murdoch School that does not essentialize or abstract neither the state nor the market, but delineates the structures of power in the origin and reproduction of state institutions and markets alongside the intrinsic conflicts in the process of social change.

BJ finds the theoretical and analytical tools of the social conflict theory as most appropriate in encouraging a comparative political economy perspective, such as that of the thesis, in analyzing the evolution of neoliberal reproduction, elite interests and authoritarian liberalism in the Philippines and Malaysia.

Methodologically, BJ places the thesis within the confines of critical political economy which focuses on 1) the *structures* by situating the phenomena within the broader context of the global and local dynamics of capitalism; 2) the *relations* involved allowing for an inquiry into questions of power, interests, and ideology among the actors involved; and 3) the *processes* of emergence and evolution of contradictions and conflicts which provide for a dynamic rather than a static analysis of social change.

BJ shows a capacity of establishing a dialectic framework whereby concepts and the interaction of forces are developed to assist in the analysis of the development of the two cases. The dialectical frame of reference allows for the main argument of the thesis that neoliberal reproduction in Southeast Asia contains contradictions whose process is mediated at the national and transnational levels by conflicting elite interest and thus engendering a contradictory social regime of institutionalizing and deepening authoritarian liberalism in the Philippines and Malaysia, respectively.

In the view of the committee a caveat to the establishment of this framework is that it doesn't seem to incorporate the countervailing forces such as other actors of civil society. But this lacuna is done by choice. As BJ points out: "neoliberalization is regarded here as the prevailing social process in Southeast Asia; elites as the dominant social force in capitalist relations; and authoritarian liberalism as an emergent social regime in the region." Nevertheless, he acknowledges the existence of a counter-hegemonic structure and its potential for social change at some point. But "a much-detailed study on the dynamics within this counter-hegemonic structure is no doubt an important field of inquiry for another research project." The rationalization for this choice can be discussed and the assessment committee believes that going beyond this self-imposed limitation would have strengthened the contribution. We believe BJ would be qualified to touch upon this aspect of the changes taking place in Malaysia and the Philippines in the public lecture.

Chapter II examines the formation of capitalist structure in Southeast Asia by understanding the process of neoliberal reproduction at the global level and its manifestations through the distinctive local accumulation regimes of Malaysia and the Philippines. A key aim is to illustrate the diversity of capitalism in the region as the historical, economic, social, and class specificities in the two respective countries to a great degree define the structural and relational configuration of accumulation under the regime of neoliberal globalization.

BJ discusses the transition to the new hegemonic model of economic discourse and practice which led to the demise of the Keynesian economic paradigm in the advanced industrial economies, the dismantling of the import-substitution industrialization experiments in Latin America, and the challenge to the Asian capitalist development states. BJ defines the phenomenon in the following manner: "But more than just an idea as a new configuration of liberal economics, neoliberalism is both a class project to secure the hegemony of capital over labour and a capitalist process involving new strategies for protecting and promoting the logics of accumulation and commodification."

The process of implementation of neoliberal strategies in the different societies depends on the domestic conditions, the political background, and the particularities of the historical process of neoliberalism's penetration. Therefore the concept of "neoliberal reproduction" reflects the process

whereby both capitalist production itself and the institutional and/or relational conditions are established in order to further continued productive accumulation.

The chapter is organized in five interconnected sections. 1) The first offers an operationalization of the concept of “neoliberal reproduction” which is treated as an inherently contradictory process of accumulation involving both a convergence of the institutions as well as practices of neoliberalism across nations and a divergence of neoliberalism’s socio-economic and political consequences between and within societies. 2) The second section discusses the global background of the contemporary evolution of capitalism by taking into consideration the relationship of crises [that of 1997 and especially that of 2008] and neoliberalism. This is done by focusing in a historical perspective and empirical appraisal of international and Asian regional responses. 3) & 4) These two sections analyze the cases of the Philippines and Malaysia by looking at the particular processes of neoliberalization in specific spatio-temporal contexts. The purpose is to offer an alternative reading of the peculiarities of accumulation processes in different political-economic regimes so as to comprehend the nature of capitalist diversity even in a Southeast Asian context. 5) The last section concludes the chapter with a comparison of the processes of neoliberal reproduction in the region in general and in the Philippines and Malaysia in particular.

BJ displays a strong ability for theorizing the constituting elements of contemporary capitalism: crises and neoliberalism. He is well versed in the theoretical and empirical research literature and is able to produce a convincing case and narrative. This is important as understanding the essence of these phenomena can point to the need and process of developing a counter hegemonic model or bloc of forces.

Understanding the complexity of the relationship between crises and neoliberalism is important. BJ criticizes the critics from the left who seem to view crises as having a dysfunctional impact on the system. However, as he writes: “the almost 40-year history of neoliberalism suggests that crises have been more functional, rather than dysfunctional, to its perpetuation in terms of capitalist social relations, market-led development strategies, and neoliberal restructuring.”

The explication is that what we are witnessing on a world scale is a redistribution of the world’s created economic surplus in favor of elites (economic and political). The disparity between the super wealthy minority and the poor and middle classes has never been greater in the global economy and domestic capitalist economies. This recognition justifies the thesis’s attention to the role of elites in the neoliberal reproduction in the Philippines and Malaysia.

The treatment of neoliberal reproduction in the two cases will be appreciated by students of development and specialists of Southeast Asia. The assessment committee however feels that the analysis would have gained by having included a short discussion of the social costs of the implementation of the regime of neoliberalism in the two societies.

Chapter III looks at the aspect of agency on the ground, so to say. That is the manner which the dominant class and social forces with vested interests in accumulation --or what BJ calls the elite interests that drive the process of neoliberalization-- wield power within the capitalist structure. Also discussed are empirical cases of current controversies involving a couple of interrelated phenomena, ie. elite capture of the ideology of neoliberalism and the process itself and secondly the existence of elite conflicts alongside political-business alliances under the neoliberalization accumulation regime of the Philippines and Malaysia.

The empirical cases presented are particularly well chosen in order to demonstrate the phenomenon of struggles within the elites in order to gain benefits for themselves. The dilemma for societies under the sway of neoliberalization processes is related to the question of governance required by neoliberalism's weakness at generating growth for the global capitalist economy. Borrowing from David Harvey, BJ argues that "the wealth acquired by the ruling elites is not from growth but through the process of 'accumulation by dispossession.'"

The assessment committee appreciates the fact that focusing on elite interests and elite conflicts contributes to a better understanding of the political repercussions on the domestic scene in both the Philippines and Malaysia. The empirical evidence presented is convincing as to the political instability brought about by these elite-contradictions surrounding the economic surplus. Especially under the regime of neoliberalism which opens the door to shaky dealings and corruption behind "elite capture" and "elite conflicts".

The committee would have found it worthwhile if some reflections had gone beyond politicians and businessmen. For example taking the role the illegal economy and the way powerful criminal communities often play in the case studies. How these are tied into global financial network. Acknowledging the importance of this phenomenon and its modalities would have strengthened the argumentation.

Furthermore, the committee finds that situating the discussed elites in the social and cultural contexts in which they operate (church/mosque, civil society, trade unions, interest groups, etc. as well as international pressure groups and institutions could have given a more complete picture of the phenomenon. As the thesis stands the emphasis is largely on economic and political forces relegating the social/cultural background.

In any case, the question arises whether all clans and tendencies in the elite do not in the last instance share the same interest of dispossessing the rest of society, i.e. the producers and "lower" classes. In other words, isn't the question of governance mostly related to this divide rather than the clash of interests within the elite. Furthermore isn't there a certain degree of contention and collusion in the process involving elite competition and interactions in a broader context involving players from different classes (also influenced by race, ethnicity, gender and age, among other factors).

We are certain that BJ is well aware of these aspects, which belongs to the toolbox of "social conflict theory." To a certain extent, many of the practices surfacing in his case studies can also be found in the global North. This could be a theme to touch upon in his lecture as it is related to the form of governance at a time of crisis of the existing hegemony of neoliberalism (Hank Overbeek: "Neoliberalism in Crisis").

When this is said and done, we have no qualms in accepting one of the conclusions of the chapter that "elite capture and elite conflicts pervade the process of the peculiar neoliberalist regimes in Southeast Asia."

Chapter IV addresses the logical question of how the elite interests-driven process of neoliberal reproduction creates the conditions for a particular political-form within which capitalist accumulation takes place. In other words, the chapter addresses the type of social regime that embeds an authoritarian politics in a neoliberal economy. The concept of "authoritarian liberalism" is applied in the context of the Philippines and Malaysia. However the philosophical and theoretical

underpinnings of the concept are not entirely home grown and its genesis owes much to a cocktail of conceptualizations. According to BJ these are:

- a) The “Kilpatrick Doctrine” which justified US support of anti-communist dictatorships and armed groups. This American policy, named after Jeanne Kilpatrick who was ambassador to the United Nations during the Reagan administration, posited that “authoritarian regimes” were much less evil than “totalitarian regimes.”
The doctrine had principally a geopolitical dimension but it also did provide intellectual and ideological justification for Southeast Asian dictators (Marcos in the Philippines and Suharto in Indonesia).
- b) The “Asian values discourse” which was promoted by Asian leaders and intellectual during the 1990s as a critique of the argument behind the notion of universal human rights. Adherents of the discourse made a strong case for the necessity of authoritarianism for development while democratic opponent forces provided normative arguments based on the conviction that development must come with democracy.
- c) The “World Bank’s effective state” notion during the mid-1990s which proposed the institutionalization of a complementary relationship between states and markets. The institution’s recommendation was that states and other agencies such as labor unions should work for market forces and for profit-making activities of firms. In contrast, job security, demands for social entitlements, imposition of structural adjustments and other market distortions should be resisted and opposed.
- d) The political economy of Carl Schmitt’s authoritarian liberalism is presented and discussed in the context of creating a new type of governance to protect the new economic order. In the words of BJ: “It is the project to creatively destruct liberal institutions so as to establish an order that is more likely to secure the hegemony of authoritarianism and free market capitalism.”
- e) The global war on terror after 9/11 strengthened the tendency towards authoritarianism in the name of security in the context of Southeast Asian societies where identity conflicts are present and the struggle against economic inequality intensifying.

The result of the evolution of these discourses was to justify the transcending of democracy in the name of a higher logic: the imposition of a globalization of economic liberalism. According to BJ the resulting regime form (authoritarian liberalism) “is essentially anti-democratic as its governance system is more responsive to elites and market forces than to popular democratic forces” and thus most potent for the perpetuation of the strategy of accumulation by dispossession.

The chapter analyzes the different trajectories behind the institutionalization of authoritarian liberalism in the two cases under discussion. The argument is made that Malaysia is best understood as an authoritarian liberal state, rather than as a “developmental state,” while the Philippines shows growing features of authoritarian liberalism rather than that of a “predatory regime.” The emergence of this socio-political regime is recognized as one of the most distinctive characteristics of Southeast Asia.

The analysis of the two cases will be both informative and instructive to students of development and area specialists.

In the *Conclusion*, a summary of the findings and contributions of the thesis is presented. The study has aimed to offer a critical explanation of the evolution of capitalism since the crisis of 1997 in the context of the neoliberal phase of globalizing capital accumulation. The thesis has offered an analysis of the active interaction between structure and agency in a dialectical relationship

characterized by interrelations and contradictions between processes, interests, and forms which manifest themselves within a process of capital accumulation shaped by dominant elite interests under an emerging political-economic form.

Evaluation of the Thesis

The assessment committee recognizes the dissertation as an impressive contribution to the understanding of the contemporary global neoliberalization process as it unfolds in the context of Southeast Asia (specifically the Philippines and Malaysia). The level of ambition is high with regard to the treatment of the subject matter.

However the committee feels that a stronger problem-formulation than “How has capitalism evolved in Southeast Asia since 1997?” could have had a greater heuristic impact and would have better reflected the aim of the thesis.

This notwithstanding the end product shows a strong ability of theorizing and conceptualizing both the explanation of global neoliberalism and its implementation and institutionalization at the societal level in the two cases. The empirical evidence is well chosen to illustrate the conflicts within the elites for the gains of the imposition of authoritarian neoliberalism although the committee feels a certain discomfort. Elite interests (capture and conflicts) are not necessarily nor exclusively related to the phenomenon of the social structure of accumulation of neoliberalism. Is this regime of capital accumulation not implemented in order to dictate the mode of expropriation from the classes who do not belong to the elite? BJ could touch upon this question in the lecture.

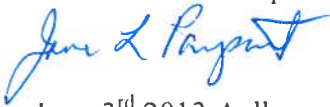
The committee is unanimous in its recognition of the academic capability of Bonn Juego as demonstrated by the written dissertation. The committee is also satisfied with BJ’s public lecture on the topic: “Can a democratic state form coexist with a non-democratic economic essence of capital accumulation and increasing polarization in the division of the economic surplus?”

In the oral session BJ has competently answered questions raised by the committee members. It is the opinion that the dissertation is a heuristic contribution to the theme of capitalist development and contemporary Southeast Asia.

For further developments of the dissertation in book form or article the assessment committee encourages Bonn Juego to reflect on the broader social context of class relations and the social dimensions of authoritarian liberalism.


The assessment committee highly recommends that the PhD degree be awarded to Bonn Juego.

Professor Jane Parpart



June 3rd 2013 Aalborg, Denmark

Professor Barry Gills



Professor Jacques Hersh

