

Neoliberalism in Southeast Asia: Has governmental interference shrunk?

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Drawing on a book chapter (Rodan & Hewison, 2006) and an article (Gainsborough, 2010) about the working of neoliberalism in Southeast Asia, this article discusses the various outcomes of the US's efforts to liberalize Southeast Asia. Through the cases of Singapore, Thailand, and Vietnam, the article argues that neoliberalism, primarily with its mostly well-known attributes of advocating the privatization of the economy and the minimization of the government's role in it, seems to have failed in Southeast Asia. In fact, not only does the role of governments in Southeast Asia's economies seem to stay dominant but authoritarianism and repressive legislations seem to be on the rise in this part of the world partly due to the US-led war on terror.

Keywords: neoliberalism, Southeast Asia, repressive legislation, authoritarianism, governmental interference

The contents of this essay are based mostly on Garry Rodan and Kevin Hewison's book chapter "Neoliberal globalization, conflict and security: New life for authoritarianism?" (in the book *Empire and Neoliberalism in Asia* edited by Hadiz (2006)) and Martin Gainsborough's (2010) article "Present but not Powerful: Neoliberalism, the State, and Development in Vietnam." The essay discusses neoliberalism in Southeast Asia as illustrated by the cases of Singapore, Thailand and Vietnam, which are liberalized to different extents. The essay argues that the war on terror creates excuses for and reinforces authoritarianism in Thailand and Singapore while in Vietnam, unlike Western scholarship's claim of neoliberalism's world-shaping impact (e.g., see Alfredo Filho and Johnston, 2005), the influence of neoliberalism in terms of the Vietnamese state's ideology and practices has been trivial.

Due to the "slipperiness" of the concept "neoliberalism" and its multiple meanings (Schwegler, 2008), it is significant to point out that this article's employment of the concept "neoliberalism" focuses on its political and economic implications, especially the role of the government. Specifically, neoliberalism is understood as advocating "the greatest degree of unrestricted free trade and open markets and the free flow of capital, while insisting on the most minimal government spending, regulation, taxation, and interference in the economy" (Goldstein, 2007, p. 30).

During the Cold War, both Thailand and Singapore were the US's close allies and client states. Consequently, in the wake of the terrorist attacks on the US on September 11, 2001, the US

demanded the support from these two countries in its war against terrorism. An international military campaign launched by the US government against its perceived terrorists, primarily Sunni Islamist fundamentalist armed groups. In then president George Bush's speeches after the September 11 attacks, he repeatedly emphasized that countries and governments that would not stand by the US in its war against terrorists would be identified as America's enemies (The Devil, 2016). Therefore, many countries were under pressure to become the US's "friend" by backing the US in its war on terror, particularly in its war in Iraq and Afghanistan. The US's pressing concern in reinforcing security and scanning the Southeast Asia region, which is dominantly Muslim, for suspected terrorists, was paramount.

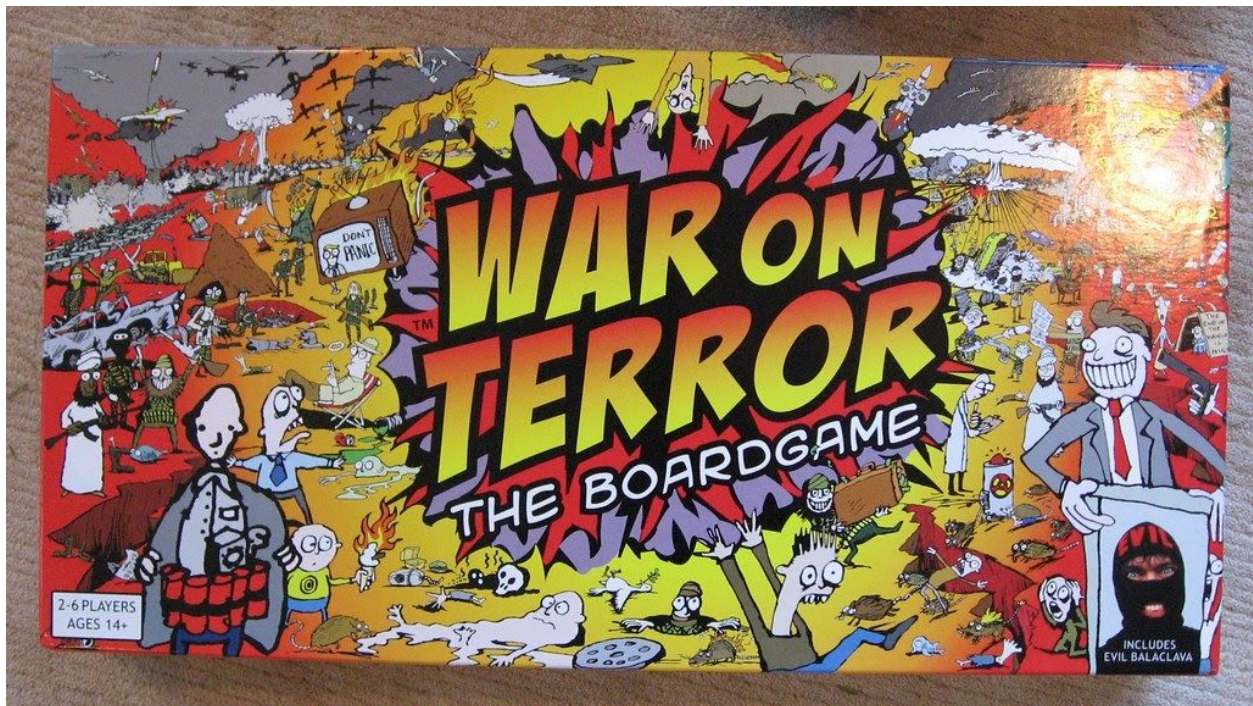
In such a context, Singapore became the "second front" in the war on terror, only behind the US. The former supported the latter in several ways. Singapore made available transport and equipment support in Iraq and provided police and health care workers to help with repair. It also allowed US aircrafts to fly in Singaporean air space and use Singapore's military bases during the war. In 2005, Singapore signed a "Framework Agreement for the Promotion of Strategic Cooperation Partnership in Defense and Security" which enabled Singapore-US bi-lateral corporation in counter-terrorism and proliferation of mass destructive weapons, joint military training, policy conversations and defense technology. Singapore also allowed the presence of a legal attaché office of the FBI in the city-state. With such generous support, Singapore was able to sign an FTA with the US in 2003. This agreement allows the Singaporean government to continue dominating the domestic economy through a system of government-linked companies and maintaining its repressive legislation. For instance, the Internal Security Act allows for indefinite detention without trial and has been used to silence the government's political adversaries. Another example of repressive laws is the Computer Misuse Act November 2003 that allows authorities to take pre-emptive action against 'cyberterrorism' and gives authorities extensive powers to scour the Internet and make arrests when possible security threats are anticipated. Politician Chee of the Singapore Democratic Party describes the Computer Misuse Act as "another disguised attempt by the ruling party to control the use of the Internet by Singaporeans and to curtail the spread of discussion and dissent in Singapore" (Chee, 2003b, as cited in Rodan & Hewison, 2006).

Ethnic inequality represents another serious problem in Singaporean society. Ethnic Malays are marginalized economically, educationally and politically compared to the dominant ethnic Chinese (Rodan & Hewison, 2006). Discrimination against ethnic Malays also surfaced in Singapore's arrests of 13 Malays out of 15 "suspected terrorists" in December 2001. Despite the US's unashamed claim that the US champions democracy, equality and freedom, the US-led war on terror, in fact, gave Singapore a new context to justify its highly elitist power structure and its repressive legislation. As a result of the war on terror, the extensive powers of state surveillance and intimidation in Singapore was enhanced through an even more centralized and coordinated set of structures. A similar situation happened in Thailand with even deadlier consequences.

Thailand's support for the US in its war on terror was eventually revealed after efforts of concealment since the Thai Rak Thai (TRT) government aimed to lure terrorists into the country for arrest and to maintain its fat number of tourist visitors. It turns out that Thailand had

supported the US all along in several significant ways. Specifically, Thaksin, the then prime minister of Thailand, allowed the US to use its air bases for the wars in Iraq and Afghanistan and sent Thai troops to Iraq. He also allowed the US to bring al-Qaeda suspects into Thailand for interrogation. Thailand was said to be the Southeast Asian host government that works the most closely with the US intelligence officials (Lopez and Crispin 2003, as cited in Rodan and Hewison, 2006). Like Singapore, Thailand's support in the US-led war on terror rewarded the TRT government with economic gains such as a free trade agreement with the US and the status of a major non-NATO ally.

However, the government's support for the war in Iraq was faced with domestic opposition, especially in the deep south of Thailand where most residents are Muslim. The conflict escalated and led to several deaths in the south. Besides, the Thaksin regime imposed several repressive laws such as the repressive anti-terrorism decrees and the campaign against drugs that led to thousands of deaths. The government also threatened independent agencies, attacked intellectuals, NGOs, international agencies and other critics. Considerable control was established over the media and their coverage, both domestic and international, to limit criticism of Thaksin, his government and the TRT. Like the case of Singapore, Thailand's gross violation of its citizens' human and civil rights was ignored by the US.



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As demonstrated by the cases of Thailand and Singapore, the US's interest in its efforts to "globalize" and "liberalize" Southeast Asia, especially after 9/11, is a combination of both economic and political, particularly security, interests. If one of the main principles of neoliberalism is privatization and limitation of governmental interference in the economy

(Goldstein, 2007), it turns out that it is not the US's goal for Southeast Asia. In fact, the US-led war on terror created excuses for Thailand and Singapore to justify their repressive authoritarian regimes and government interference in their domestic economies. Since the Cold War, the US has consistently buttressed authoritarianism to reinforce American interests which vary in different historical contexts. During the Cold War, the US sought to contain communism and spread capitalism (Duara, 2011). In the context of the war on terror, however, the US wanted to reinforce its security and eradicate perceived terrorist threats. The US government has never been true to its self-claimed identity of a nation that champions democracy, equality and freedom. It is time the US government stopped preaching its big empty words.

The next sections of this article discuss the influences of neoliberalism on Vietnam based on the article "Present but not Powerful: Neoliberalism, the State, and Development in Vietnam" by Martin Gainsborough (2010). Unlike the claim made by a majority of Western scholarship that neoliberalism is the dominating ideology that has shaped our world today (e.g., see Alfredo Filho and Johnston, 2005), Gainsborough presents a case in which the influence of neoliberalism on the Vietnamese state has been trivial. The article argues that while neoliberalism requires the state to allow the market to regulate itself, the Vietnamese state's hand in the market is still very mighty and far-reaching.

Compared to Thailand and Singapore, the historical context of Vietnam after the Cold War and before the waves of neoliberalism hit Southeast Asia was radically different. As a communist-led nation, Vietnam received ample aid from the Soviet Union that helped with the war-destroyed economy. However, some years before the collapse of the Soviet Union in 1991, the aids stopped coming and poverty-stricken Vietnam became increasingly desperate for foreign help. In fact, in the mid-1980s, Vietnam was among the poorest countries in the world (Dollar & Litvack, 1998). Meanwhile, the victorious US, now no longer concerned that developing states would fall under the socialist bloc's influence, could afford to push for harder negotiations with developing countries that were dying for aid and investments. In 1986, the Vietnamese state launched the *Đổi Mới* Policy (Renovation Policy, sometimes known as Reform), which allowed Vietnam to receive foreign aids and investments, including those from the World Bank or the International Monetary Fund. In return, Vietnam had to transform its hitherto planned, state-subsidized economy into a market economy in accordance with these financial organizations' structural adjustment program (Dollar & Litvack, 1998). It could be said that neoliberalism and capitalism have significantly transformed the Vietnamese economy. For instance, according to a World Bank report, the percentage of the poverty-stricken population in Vietnam decreased from 75% in 1984 to 55% in 1993 (Gainsborough, 2010). However, the government's practices and ideology remain quite unchanged.

For one thing, the Vietnamese Communist Party is still the ruling party which tolerates no political opposition or pluralism. The state's relationship with its citizens is still largely organized through Party-controlled mass organizations such as The Women Union or The Farmer Union. However, as a result of modern and complex identities, not everyone falls neatly under one of these mass organization categories. Besides, there has been a proliferation of non—government-sanctioned organizations. Therefore, the state's close management of the citizens seems to have loosened. However, with sophisticated security apparatuses, the

government's gaze is still keeping the citizens under close surveillance, only without the latter always being aware of such. In terms of economy, the state has apparently taken a step back and allowed for the expansion of the private sector. However, the government still plays a steady and prominent role in the Vietnamese economy, shown through its constant share of economic output, 32-40% of GDP (Gainsborough, 2010). Furthermore, although the state itself has partly withdrawn from controlling the market, economic actors with close connection to the state still make sure that it is a direct player in the economy. Last but not least, the practice of nepotism and the role of money in politics, which was endemic in the planned economy, have hardly changed since before Renovation. The bureaucratic system still favors those with money and connection, which happens almost everywhere in the world, but in the case of Vietnam, is grave and far-reaching. Speaking against separate acts of corruption by negligible politicians might not leave serious consequences for the speaker; in fact, it is even encouraged by the government, perhaps to advertise its brand of democracy and anti-corruption. However, one would take a big risk to openly speak against the corrupted mechanism since the state has proved quite capable of bringing down "antagonizing elements."

In summary, in terms of politics and the role of government in the Southeast Asian context, neoliberalism's influence varies from country to country. However, one commonality between Thailand, Vietnam and Singapore is that neoliberalism seems to have failed in limiting the governments' interference in the economy and promoting equality among citizens before the law.

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