

**Reform after *Reformasi*:
Middle Class Movements for Good
Governance after Democratic Revolutions in
Southeast Asia**

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Abstract

The global discourse of good governance was localized during the Indonesian reformasi movement which toppled the Suharto regime. The movement's slogan denouncing 'collusion, corruption and nepotism' could not have summarized the World Bank's position any better! Yet less than a decade later, authoritarian regimes in Pacific Asia are flourishing while the new democracies flounder. The instability of democratic governments in Indonesia, the Philippines, and Thailand is the result of a dialectical relationship between good governance and democracy. Invoked initially during anti-dictatorship struggles, the good governance discourse has been redirected against democracy in reaction to the rise of money politics and a populist challenge. A middle class-led insurrection that drew military backing toppled democratically-elected leaders in the Philippines and Thailand. But these people power coups could not bring about better governance as political systems remained patrimonial. The paper¹ concludes with brief comparisons of populism in Latin America and reformism in South Korea.

¹ revised paper originally presented at the Lund University annual Development Research Day, "Development and Governance", Department of Political Science, 18 September 2006

Contents

Introduction	1
Pacific Asia as a community of developmental dictatorships.....	4
Democratic revolutions against failed developmentalist regimes.....	9
The weakness of reformism and the rise of populism	10
Middle class reaction and renewed failures of reformism	13
The failure of renewed reform.....	16
Other comparisons	17
Conclusion	20

Introduction

After the Asian financial crisis of 1997-98, a global discourse of good governance seemed to doom the authoritarian regimes of the region - developmentalist dictatorships that were no longer developing economically. Most notably, the Suharto regime in Indonesia had long been praised by the doyens of international finance for its developmental policies despite massive human rights violations. But after the regional economic meltdown, the gurus of the World Bank-IMF and its close allies quickly applied a good governance discourse of cronyism and corruption to explain away why the former 'miracle economies' had now collapsed.²

This global discourse was localized during the Indonesian *reformasi* movement that toppled Suharto in May 1998.³ The once friendly IMF had forced the Suharto regime to its knees with tough conditionality demands for desperately needed loans. The photograph of IMF director Michel Camdessus with arms crossed, looking down on Suharto like a Dutch governor-general might have done during the colonial era symbolized for many Indonesians the reversal of this international institution's policy toward the country.⁴ Yet national humiliation did not strengthen the dictatorship but stimulated local activism led primarily students, but also receiving increasing support from middle class professionals. The movement's slogan denouncing '*kolusi, korupsi dan nepotisme*' (collusion, corruption and nepotism) could not have summarized the World Bank's position any better! A revolutionary situation also arose in pseudo-democratic Malaysia after the resignation and arrest of the former Deputy Prime Minister Anwar Ibrahim led to major societal protests. In the face of a mounting economic crisis, Malaysian Prime Minister Mahathir Mohamad imposed capital controls, lurching into international financial isolation.

Yet just over eight years since the advent of a localized 'good governance' discourse in Pacific Asia, authoritarian regimes in the region are flourishing while the new democracies flounder. China and Vietnam escaped the worst effects of the financial meltdown and remain stable Market-Leninist dictatorships. International finance has again become effusive. The World Bank has held up China as a model, both for its rapid growth and poverty

² World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1993).

³ I have explored some of these ideas earlier in my "Demokratisierung, Good Governance und Korruption in Suedostasien," in Oskar Kurer, ed., *Korruption und Governance aus interdisziplinäre Sicht* (Neustadt an der Aisch: Verlag Degener, 2003), 209-232 and "Pacific Asia after 'Asian values': authoritarianism, democracy and 'good governance'," *Third World Quarterly*, 25, no. 6, 1079-1095.

⁴ D K Emmerson, 'Exit and Aftermath: The Crisis of 1997-98', in *Indonesia Beyond Suharto: Polity, Economy, Society, Transition*, D Emmerson (ed), Armonk, NY, pp 295-343.

elimination efforts.⁵ A 1999 World Bank survey which pointed to a sharp decrease in poverty in Vietnam in the mid-1990s made the country the international financial community's latest 'poster country', which other developing countries should imitate.⁶ Singapore is still the richest non-oil producing country in the world that is not a democracy. Foreign investors crave it as a safe haven, free from terrorist attacks and democratic 'excesses' (particularly organised labour). In Malaysia, the post-Mahathir era has been made safe for continued pseudo-democratic rule. A political succession has been successfully completed while capital controls have been lifted and foreign investors are beginning to return, contributing to rapid economic recovery.

By contrast, the new democracies in the sub-region Southeast Asia - Indonesia, the Philippines, and Thailand - have been politically unstable and slow to recover economically. They face continued protest by civil societies demanding good governance and rapid development after the end of developmental dictatorships.

Viewed in isolation, the recent military coup in Thailand – the 18th in 74 years – seems part of an endless cycle, much like what the ancient Greek's termed 'eternal recurrence' in history.⁷ Seen from a regional, comparative perspective, however, the Thai experience fits a pattern also characteristic of political developments in the Philippines and, to a lesser extent, Indonesia. In this paper I will argue that the new democracies in Southeast Asia are following a common political trajectory that results from a dialectic of good governance and democracy. Initially invoked during anti-dictatorship struggles, the good governance discourse has turned against democracy in reaction to the rise of money politics and a populist challenge.

The middle class is what is called in German the *Traeger*, the bearer of this discourse. Urban-based, politically ascendant and culturally hegemonic, the middle class has demonstrated insurrectionary prowess in a number of popular uprisings in the region. Electorally, however, the middle class has found itself outnumbered by the poor, particularly in the 'backward' rural areas. In such situations, the middle class in the new Southeast Asian democracies has proved itself politically disloyal to democratically elected leaders, as the recent Thai coup demonstrates.

⁵ The World Bank's Chief Representative, Huang Yuchuan, called China the organisation's most successful partner, which has set a good example from other countries to learn from: 'World Bank Praises China's Poverty Alleviation Efforts', *CRI Online News*, 24 February 2003. (<http://web12.cri.com.cn/english/2003/Feb/87328.htm>)

⁶ USAID, "Vietnam," last updated Nov. 17, 2000 (<http://www.usaid.gov/pubs/bj2001/ane/vn/>).

⁷ James Pringle, "They didn't need another coup," *International Herald Tribune*, September 22, 2006, p. 7.

The first part of this paper suggests that the Pacific Asia began as an 'imagined community' of developmental dictatorships. This made authoritarian development into the 'original position,' particularly for the middle class that grew up under a developmental political economy against which democracy is critically judged. The second section argues that in Southeast Asia, the middle class turned on self-proclaimed developmentalist regimes not out of democratic conviction. Rather, it was due to the fact that after financial crisis weakened neo-patrimonial rule authoritarians were no longer seen as 'fathers of development' (one of Suharto's official titles!) but as the gravediggers of good governance. The third section focuses on the weakness of the new, middle-class based reformist governments and the rise of a populism. The final part of the paper concerns the reformist reaction from the middle class that led to the toppling of democratically-elected governments as well as with the failures of a renewed round of reformism. It also includes some brief comparisons with the experience of Latin America and South Korea.

Two notes on method are helpful at this point. The first is that the middle class is more subjective social construct than an objective structural category. Like E.P. Thompson's working class, one can speak of the 'making' of the middle class.⁸ This is done less in terms of organization (particularly unions) and socialist movement-based activities than to common educational experiences, consumerist lifestyles, similar moral horizons, etc. But there is a structural component involved in understanding this class as well. The 'middle class' discussed in this paper is what is often known in the literature as the 'new middle class' and not the 'old' one of small shop keepers and petty clerks. Among 'new' elements, the emphasis here is on higher paid professionals and administrators, as well as on students, intellectuals, and NGO activists whose status is defined largely via education and may not necessarily be wealthy. The middle class does not 'act' politically, strategic groups do. I understand strategic groups - loosely following the concept of Hans-Dieter Evers and Tilman Schiel - to be social networks connected by a common interest in the expropriation of key resources (not only material) capable of collective action.⁹ Within the 'middle class,' key strategic groups are technocrats, independent professionals, students and intellectuals, and NGO activists. But if we bear this reservation in mind, it will be more convenient throughout this paper to speak simply of the middle class.

⁸ E. P. Thompson, *The Making of the English Working Class* (Harmondsworth: Penguin, 1968).

⁹ Evers, H.-D. and T. Schiel. *Strategische Gruppen – Vergleichende Studien zu Staat, Bürokratie und Klassenbildung in der Dritten Welt*. Berlin: Dietrich Reimer Verlag, 1988.

Secondly, as already mentioned above, this paper postulates a trajectory of democratic revolution, populist challenge and reformist reaction that has destabilized Southeast Asia's new democracies. The Philippines has 'finished' this political process while the recent coup in Thailand suggests that country is close to concluding it. In Indonesia, by contrast, this phenomenon is still at its beginning, but with a populist challenge already evident on the horizon. As is typical of social science analysis, this trajectory of reformism-populism-renewed reformism is an ideal typical concept. No country experience conforms exactly to each and every phase. This may be a cause of some squeamishness among country specialists. But only a general model allows this process to be illuminated comparatively. Although political development in South Korea shows some similarities to Southeast Asia, it will be argued that its experience is fundamentally different. Brief comparison with the populist challenge and reformist reaction in Venezuela under Chavez suggests a certain trans-regional relevance for this study.

Pacific Asia as a community of developmental dictatorships

Pacific Asia as a region is neither geographically nor culturally convincing. Covering East (China, Japan, Korea, and Taiwan) and Southeast Asia (the ten ASEAN states), it is difficult to distinguish it in any meaningful way geographically from the borders of South Asia, the South Pacific, Australia, Russia, or Central Asia. Culturally, all the major religions of the world are represented in the region: Confucianism (in its various forms, usually mixed up with Daoism and Buddhism), Buddhism (both Theravada and Mahayana), Islam (Indonesia is the world's most populous predominantly Muslim country), Catholicism (primarily the Philippines, but there are large minorities in China and South Korea), Hinduism (Bali), not to mention Daoism and Shintoism as well as many local animist religions. There is no single 'Asian' culture, only 'orientalists' and 'reverse Orientalists' (particularly Asian leaders who like to turn old stereotypes into useful claims of cultural distinctiveness).¹⁰

¹⁰ On the inversion of 'orientalism' for ideological support of authoritarianism see M Hill, "'Asian Values' as Reverse Orientalism: The Case of Singapore", paper presented at the New Zealand Asian Studies Society, 13th International Conference, 24-27 November 1999. S Lawson, 'Institutionalising Peaceful Conflict: Political Opposition and the Challenge of Democratisation in Asia', *Australian Journal of International Affairs*, 47, 1993, p 28, B-H Chua, *Communitarian Ideology and Democracy in Singapore*, London: Routledge, 1995, chp. 7, M Burger, 'The Triumph of the East: The East Asian Miracle and Post-War Capitalism', in M Berger and D A Borer, (eds), *The Rise of East Asia: Critical Visions of the Pacific Century*, London: Routledge, 1997.

One common historical tradition that holds this region together is the legacy of the Chinese empire, to which many smaller monarchies on its borders paid tribute.¹¹ Another, less politically correct tradition, is the 'Great East Asian Co-Prosperity Sphere' of militarist Japan during the Second Cold War.¹² But although this left a largely invisible network of elites in place that served many a dictator well after the war through close ties to Japan (particularly in South Korea under Park and Burma under the Generals), it was hardly the basis for a public affirmation of a regional identity. Japanese imperial rule was too brutal, and the memories too painful for it to be invoked as a basis of 'Pacific Asia' (though both geographical and ideological parallels are striking).

ASEAN is the formal political association of Southeast Asia. Political conflict has hindered the founding of a similar organisation in East Asia (initially between communists and anti-communists, more recently between China and Taiwan). The 'Asia-Pacific Economic Cooperation' (APEC) - whose founders in 1989 somehow forgot that an organisational name requires a noun - has not effectively embodied a regional identity. The inclusion of North and some of Latin America as well as Australia makes it too broad, and too Western. More to the regional point was Malaysia's prime minister Mahathir's attempt to form the 'East Asian Economic Caucus' which would have been centred on Japan, but excluded the Americans (North and South) and the Australians. Only the veto by a Japan that could not say yes in the face of U.S. disapproval kept the idea from gaining ground.

What is Pacific Asia, when its geographical arbitrariness, cultural diversity, limited historical precedents, and weak regional organisations make the drawing of regional borders a seemingly arbitrary undertaking? The region has been defined economically. It was the fastest growing region in the world between 1965 and 1997.¹³ It was termed a 'flying geese formation': Japan as the economic superpower (despite over a decade of stagnation its economy remains by far the largest in the region) is in the lead, followed by the 'four dragon' (alternatively 'tiger') economies (Hong Kong, Singapore, South Korea, and Taiwan), then the 'little dragons'/'tigers' of Southeast Asia (primarily Indonesia, Malaysia, and Thailand), and finally by the communist converts to capitalism, China and Vietnam (and to a lesser extent state socialist though officially anti-communist Burma, but not Stalinist North

¹¹ T Hamashita, 'The Intra-Regional System in East Asia in Modern Times' in *Network Power: Japan and Asia*, P Katzenstein and T Shiraishi (eds), Ithaca: Cornell University Press, 1997, pp. 113-135.

¹² B R O G Anderson, 'Japan: The Light of Asia', in *Southeast Asia in World War II: 1944-46*, in Josef Silverstein (ed), New Haven: Yale University Press, pp. 13-50 and J V Koschmann, 'Asianism's ambivalent legacy' in *Network power, op. cit.*, pp 83-110.

¹³ World Bank, *The East Asian Miracle, op. cit.*

Korea). Through so-called production cycles, older, more labour-intensive technologies, were transferred down from leader countries to follower ones. Foreign (particularly Japanese but later also Taiwanese) investment played a major role in this process.¹⁴ Only later did extra-regional international financial flows become significant (which speeded but ultimately doomed the financial boom, as discussed below). Networked with major corporations, developing country affiliates of more modernised states shared in a region-wide, export-oriented industrialisation strategy, which stretched from raw materials to high tech.¹⁵

Bruce Cumings speaks of a 'fallacy of disaggregation' if one attempts to observe economic success of a particular country in the region in isolation. Without noting the networking among firms, the exchange of technology, or 'developmental assistance', one cannot understand how economic growth has taken place.¹⁶ Interestingly, at the height of the recent Asian economic boom, some Japanese historians tried to trace these economic networks into the distant past. They 'found' a regional economic system that goes back to imperial China of the 15th century. Despite China's decline and the rise of Western imperialism, they claimed this system had somehow survived to the present.¹⁷

In fact, Pacific Asia is a creation of the post-World World II period with some overtones of the Greater Prosperity Sphere but best understood within the context of the anti-communist crusade of the Cold War. U.S. American new-style imperialism (above all in Japan, Indochina, South Korea, and Taiwan) replaced old-style European colonialism.¹⁸ The Korean and Vietnam wars were the military side of this equation, developmentalism the economic. Capitalist growth meant to fend off the communist danger was successfully spread from Japan to other countries through an expanding regional financial network. Protected by U.S. military power, one country after another turned to mercantilist policies of export promotion integrated through production cycles. Despite the war and its heavy dependence on US foreign aid, even South Vietnam may have been on its way to developmental success before the

¹⁴ M Bernard and J Ravenhill, 'Beyond Product Cycles and Flying Geese: Regionalisation, Hierarchy, and the Industrialisation of East Asia', *World Politics*, 47 (January) 1995, pp 171-209 offer a modified version of the 'flying geese/product cycles' theory to explain rapid growth in Pacific Asia.

¹⁵ W Hatch and K Yamamura, *Asia in Japan's Embrace: Building a Regional Production Alliance*, Cambridge: Cambridge University Press.

¹⁶ B Cumings, 'The Origins and Development of the Northeast Asian Political Economy', in F C Deyo (ed), *The Political Economy of the New Asian Industrialism*, Ithaca: Cornell University Press, 1987, p 46.

¹⁷ Takeshi, 'The Intra-Regional System', in *Network Power*, *op. cit.*

¹⁸ For a good overview (that avoids the use of the label 'imperialism' but shows the impact of U.S. hegemony quite clearly), see R Buckley, *The United States in the Asia-Pacific since 1945*, Cambridge: Cambridge University Press, 2002.

North Vietnamese so unkindly overran it.¹⁹ But Capital was to have its revenge: Vietnam followed China a half decade later (in the mid-1980s with the 'Doi Moi' economic reforms) in converting from state socialism to venture capitalism, with the growth being particularly fast in south which was well versed in capitalist ways.

Region-wide boom was followed by a regional economic crisis. Nothing shows the working of capitalist networks better than their failure. A currency crisis in insignificant Bangkok had no business causing economic havoc from Jakarta to Seoul.²⁰ But the ties that bind in good times can rebound back during the bad patches. Having lost its Cold War significance, the Pacific Asian financial situation was not saved by a Washington-led financial posse like in Mexico in the mid-1990s. Instead, one country after another - regardless of whether it ran budget deficits or had a 'bubble economy' - succumbed to the regional snowball effect. Because they perceived their investments to be regional, foreign investors withdraw their money regionally, even if the crisis had originally been localised.

Development is not apolitical (regardless of what is claimed in most economic text books on the subject). In Pacific Asia it was profoundly politicized: developmentalism justified authoritarian rule in the region. Once discredited modernisation theory that claimed that economic development leads to social and then political mobilisation that ultimately results in democratisation was revived in the region.²¹ Autocrats instrumentalized such arguments, declaring democracy an unaffordable luxury until sufficient economic prosperity had been achieved.²² This provided a snug fit into the Cold War ideological context. Capitalism was still better than communism even if the former was also practiced dictatorially because the former would (one fine day) lead to democratisation, while the latter was permanently totalitarian.²³ One after another, developmental dictatorships were established

¹⁹ M Beresford, 'Issues in Economic Unification: Overcoming the Legacy of Separation', in D Marr and C White (eds), *Postwar Vietnam: Dilemmas in Socialist Development*, Ithaca: Cornell Southeast Asia Program, 1988. Also see K Park and H K Clayton, 'The Vietnam War and the "Miracle of East Asia"', *Inter-Asia Cultural Studies*, 4 (3), Dec. 2003, pp 372-398.

²⁰ For a summary see Haggard, *Asian Financial Crisis*, *op. cit.*

²¹ The most influential recent academic application of modernisation theory is to Pacific Asia is J W Morley (ed), *Driven by Growth: Political Change in the Asia-Pacific Region*, Armonk, NY: M.E. Sharpe, 1993, 2nd ed. 1999.

²² M R Thompson, 'Late Industrialisers, Late Democratizers: Developmental States in the Asia-Pacific', *Third World Quarterly*, 17, 1996, pp 625-647.

²³ J J Kirkpatrick, *Dictatorships and Doubled Standards: Rationalism and Reason in Politics*, New York: American Enterprise Institute and Simon And Schuster, 1982 employed this modernisation theory style argument to justify U.S. support for Central American dictators against communist insurgencies. Her views so impressed Ronald Reagan that he appointed her as U.S. representative in the U.N. Later, Kirkpatrick was surprised to find out the political change under communism was possible after all, as the 'evil empire' of the Soviet Union liberalised under Gorbachev. Her theoretically unimpressive answer to this falsification of her theory is to be found in Kirkpatrick, *The Withering Away of the Totalitarian State...and Other Surprises*, Washington, DC: AEI Press, 1990.

in the region, replacing either weak democracies or economically lagging authoritarian regimes. They were sometimes military (in South Korea, Thailand, and, in Indonesia) or civilian regimes (in Malaysia, the Philippines, and Taiwan). Later, they were even officially communist regimes (China and Vietnam) or state socialist (Burma). The 'flying geese' of the Pacific Asia were developmental dictatorships.

These developmentalist regimes set a kind of Rawlsian 'original position' for political discourse in the region. They set standards of rapid economic development against which future regimes would be judged. The reasons for this are complex and can only be briefly sketched here. Developmental authoritarian regimes effectively demobilised civil society. A history of the Left in Pacific Asia is demanding political archaeology, as few traces of it remain (brutally erased after a genocidal massacre of communists in Indonesia in 1965; more subtly removed in Singapore and Malaysia).²⁴ In particular, developmental dictatorships targeted labor unions. Throughout the region, organised labor was repressed, its leaders jailed, and state-corporatist unions put in their place.²⁵

While workers were demobilised, capitalists were made economically dependent on the developmentalist state. The mechanisms varied from intimidation of a Chinese capitalist minority in Southeast Asia to the complicated incentives and punishments of the centralised South Korean system.²⁶ Dependent on the good will of the state for capitalist accumulation, the industrial bourgeoisie could pose no threat to the political system.

The least potential danger seemed to come from the emergent middle classes. Like Athena emerging fully armed from Zeus' head, the Pacific Asian middle classes were the products of successful developmentalist authoritarian rule and were immediately socialized in the arguments supporting efficient economic development. As long as developmental regimes delivered what they

²⁴ For a good overview, see K Hewison and G Rodan, 'The ebb and flow of civil society and the decline of the Left in Southeast Asia', in *Political Oppositions in Industrialising Asia*, G Rodan (ed), London: Routledge, 1996, pp 40-71.

²⁵ The classic discussion remains F C Deyo in Deyo, ed., *New Asian Industrialism*, op. cit.

²⁶ On South Korea, see A Amsdem, *Asia's Next Giant: South Korea and Late Industrialisation*, Oxford: Oxford University Press, 1989. On Taiwan, see R Wade, *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialisation*, Princeton: Princeton University Press, 1996. For an overview of the role of the ethnic Chinese in Southeast Asia see the essays in A Reid (ed), *Soujourners and Settlers: Histories of Southeast Asia and the Chinese*, Sydney: Allen and Unwin, 1996. For the role of the ethnic Chinese in the region's political economy see R McVey (ed), *Southeast Asian Capitalists*, Ithaca: Cornell University Press, 1992. John Sidel has undertaken pathbreaking analysis of the relationship between a predominantly ethnic Chinese bourgeoisie in Southeast Asian and authoritarian states (in the tradition of Barrington Moore's neo-Marxist claim 'no bourgeois, no democracy'): see Sidel, 'Siam and its Twin? Democratisation and Bossim in Contemporary Thailand and the Philippines', *IDS Bulletin*, 27 (2), 1996, pp 56-63 and 'Social Origins of Dictatorship and Democracy: Colonial State and Chinese Immigrant in the Making of Modern South East Asia' (manuscript).

promised, authoritarian rulers enjoyed their strongest support from this section of the populace. China today is illustrative of this phenomenon, with the regime plagued by peasant revolts and worker unrest but enjoying enthusiastic backing from the middle class.²⁷ But if developmental regimes were seen as hypocritical, no longer fulfilling their own ideology of development, the middle class could turn into a Frankenstein-style monster, destroying its developmentalist master in the name of good governance.

Democratic revolutions against failed developmentalist regimes

It is striking how isolated middle class activists and groups have become in Southeast Asia's new democracies on which they make proprietary claims. The narratives of student and NGO activists - as well as in sundry professional and 'cause oriented' groups - assert that the region's democratic revolutions were led by the middle class. Whether 'people power' in the Philippines in 1986, the 'black May' events of 1992 in Thailand, or '*reformasi*' in Indonesia in 1998, it was claimed that it was the 'middle forces' that had brought about democratic change via non-violent, urban-based uprisings against hardline dictatorships. While journalists, writers, and social scientists have valorized the revolutionary role of the middle class through the mass media, coffee table books, and academic analyses, they have also recognized the cross class character of these uprisings. But only the middle class could have persuaded cautious industrialists to join forces in the anti-dictatorship struggle with 'popular sectors' of industrial workers, the urban poor, and militant peasants.

In fact, recent research has suggested that these uprisings were largely cross-class in nature with middle class claims to proprietorship of these uprisings unjustified.²⁸ Why then did the middle class claim that they were their own doing? On the one hand, the middle class was a *necessary* if not sufficient condition for their success. Without the support of middle class students, links to 'popular sectors' (particularly workers and the urban poor) would not have been possible. The sympathy of many professionals was a crucial link to big business, which turned against increasingly neo-patrimonial rule, particularly in Indonesia and the Philippines. There the Suharto and Marcos regimes had become notorious for the corruption and cronyism.

²⁷ Jonathan Unger, "China's Conservative Middle Class," *Far Eastern Economic Review*, 169, no. 3 (April 2006), pp. 27-31.

²⁸ J. Ockey, "Thai Middle Class Elements: Leading in Democracy?", chp. 7 of his *Making Democracy: Leadership, Class Gender, and Political Participation in Thailand* (Honolulu: University of Hawaii, 2004).

On the other hand, the middle class claimed ownership of the ‘democratic revolutions’ in the Philippines, Thailand, and Indonesia to emphasize their distinct motivations in overthrowing authoritarianism.²⁹ They had not striven for a democratic transition in order to increase political participation. Their goal was to restore the allegiance to ‘good governance’ that they had been socialized into during the heyday of developmentalism. As shown above, the middle class are themselves the result of rapid economic development. They favored the technocratic efficiency (a technocrat being one of their own) that brought about rapid development. The rude awakening that a Marcos or a Suharto were only using technocrats to secure foreign loans and investments or to help them out of economic difficulties, and that their actual goals were neo-patrimonial, was deeply disillusioning for many in the middle class. At the same time they were concerned to preserve their high status and material advantages in any new political order. Thus, they took to the streets not as defenders of democracy but as guardians of good governance.

The weakness of reformism and the rise of populism

In Thailand in the spring of 2006, and in the Philippines in early 2001, middle class groups launched massive urban protests against *elected* national populist leaders - Thailand's Thaksin and the Philippines' Estrada, respectively - which threatened the stability of democracy. Why did middle class movements turn against the political system which modernization theory tells us must be their doing and which activists claim as their own creation? The insurrectionary talents of the middle class are no longer directed against dictatorial rule but against an electoral system they cannot control. The overwhelming vote for the populist leaders Thaksin Shinawatra and Joseph Estrada profoundly alienated these countries' middle class constituencies. In the name of good governance, they demanded the resignation of leaders condemned as corrupt. The rise of reformist movements after *reformasi*-style democratic revolutions shows that while middle class activists have long supported the struggle for democratization rhetorically, they are less interested in expanding political participation than in increasing their own political influence. The result has been a destabilizing political standoff in which middle class groups have proved themselves capable of mobilizing a ‘parliament of the streets’ but have been unable to defeat the provincial and populist politicians at the ballot box.

²⁹ For an overview of “democratic revolutions” see my *Democratic Revolutions: Asia and Eastern Europe* (London: Routledge, 2004).

The double-edged character of the good governance discourse of the middle class – moving from an anti-dictatorial to anti-democratic stance – can be explained by the strategic position but small size of the new middle classes in the Southeast Asian democracies. Though there are important variations between the middle classes of Indonesia, the Philippines and Thailand, in terms of size and the timing of their development, there are also key similarities.³⁰ In all three countries the middle class constitutes only 10-15% of the population if a narrow definition of the ‘middle class’ is used counting professionals and managers as well as students and small business-people. But the middle class is concentrated in the major urban areas and, in particular, the capital city where it can make up as much as 50% of the population (Bangkok) or nearly 25% (Jakarta). It can thus be seen that while middle class voters do not constitute a majority in elections they have strong revolutionary potential, given their resource base and urban concentration.

The governments of Corazon C. Aquino in the Philippines (1986-92), of Chuan Leekpai in Thailand (1992-95) and Wahid Abdurrahman in Indonesia (1999-2001) were all reformist in intention but weak in implementation. There are many reasons for the failure of all three governments, including coup attempts (nine during the Aquino administration in the Philippines), less direct military resistance to reform (in Indonesia and Thailand) or impeachment proceedings (Wahid was removed from office in 2001). But what is of most significance for my argument here is the inability of the ‘angel’ parties (as middle class reform parties modestly called themselves in Thailand) to overcome ‘devil parties’ (dirty money politics in Thai lingo). Urban-based middle class reformists soon found themselves overwhelmed by the money politics (also known as *Jao Pho* or ‘Godfather’ politics in Thailand). Lacking the votes to win elections through reformist appeals to the middle class alone, ‘traditional politicians’ (known in the Philippines by their shortened name ‘*trapos*’ in the Philippines which means ‘dirty rag’ in Tagalog) came to dominate the political arena. Using clientelism and machine politics, but also direct vote buying and even coercion (death counts were particularly high in post-Marcos elections in the Philippines), reformists soon found themselves marginalized by the mafiosi-style politicians with their provincial vote banks.

³⁰ The Thai middle class is undoubtedly the largest, the Indonesian the smallest, although exact numbers are difficult to ascertain given the different definitions of the “middle class.” In terms of timing, the Thai and Indonesian middle classes largely emerged in the midst of economic booms of these two countries which began in the late 1970s, early 1980s. In the Philippines, the “new” professional middle class is older (going back to the 1950s) but has also grown more slowly given the stagnation of the Philippines in the late 1970s and early 1980s. For a good overview see the essays on the Southeast Asian middle classes in a special issue of *The Developing Economies*, XLI-2 (June 2003).

In all three countries, the victory of a military ruler in presidential elections (Ramos in the Philippines in 1992 or Yodhoyono in Indonesia in 2004) or in parliamentary polls (Chavalit in Thailand in 1997) seemed to represent a return to a reformist agenda, in part because the loyalty of the military to the new democratic regime seemed finally assured. But in the case of the Philippines and in Thailand this renewed reformism also proved shortlived. Directly after Ramos' presidency and Chavalit's stint as prime minister a new populist challenge emerged that would change the politics of these two countries dramatically. (Whether Yodhoyono manages to head off a populist challenge in Indonesia remains to be seen).

The rise of populism in the Philippines and Thailand is well documented and a detailed analysis is beyond the scope of this paper.³¹ Here three points require brief elaboration, however. The first is that the failure of middle class-based reformist governments and the rise of money politics left a political vacuum that favored a new political program that was both anti-elitist and directed toward the common good rather than particular interests. In its programmatic form, Southeast Asian populism is neither elitist nor clientelist. It promises help for the 'common man' (in Thailand, for example, in the form of debt relief and cheaper health care). Second, the structural inequalities of rapid economic development become relevant at this point. While Bangkok and Jakarta (but only to a lesser extent Manila) had become rapidly developing cities, the countrysides were left behind. Populist politicians confronted self-confident, progressive cities with the seething resentments of the backward countryside. The reasons for the lack of agrarian reform in the Philippines and the neglect of rural areas in Thailand would lengthen this paper immeasurably. The point though is that the result of this rural neglect were some of the highest urban-rural income inequality in the region. It is thus no surprise that populists drew their support largely from the rural areas. A 'strategic group' available for policy initiatives in this regards were rural-oriented NGOs which had become quite active in the late, liberalizing period of dictatorship and the early years of democratic transition in the Philippines and in Thailand. It is telling that populist movements in both countries drew heavily on such expert advice.

Charismatic popular leaders emerged in the context of a conflict within among their countries' major capitalist elites. While Joseph Estrada of the Philippines and Thaksin Shinawatra a very different 'characters' at one level (the former a famous tough guy style actor, the latter his country's leading

³¹ See, for example, the insights of E.-L. Hedman, "The Spectre of Populism in Philippine Politics and Society: Artista, Masa, Eruption!" *South East Asia Research*, 9, no. 1 (2001), pp. 5-44 and P. Phongpaichit and C. Baker, *Thaksin: The Business of Politics* (Copenhagen: NIAS, 2004).

telecommunications tycoon), at another they are quite similar. Both represented capitalist interests closely intertwined with state regulation policies: in Thaksin's case his own business, telecommunications flourished through state licensing but faced potential disadvantageous regulation; in the case of Estrada the interests of his richest backer, Eduardo Cojuangco, Marcos' leading business crony, had faced expropriation and other forms of 'discrimination' during the Aquino and Ramos administrations. Thus, both populist leaders were determined to combat reformist efforts to disentangle business and politics. Under the guise of aiding the rural (and in the case of Estrada also the urban) poor, the interests of state-dependent capitalists could be defended.

Both Estrada and Thaksin were overwhelming electoral successes. Estrada won an unprecedented plurality in the Philippine presidential elections of 1998 and Thaksin a crushing majority in the parliamentary elections of 2001. The short period of middle class reformism was over and a new populist age had dawned.

Middle class reaction and renewed failures of reformism

Three factors led to the renewal of middle class insurrectionism. The first was simply activists' dislike of the new populist powerholders. Given its socialization under developmentalism, the middle class was innately suspicious of politics that did not prize technocratic efficiency. Populist leaders promised programs aimed at the poor that served redistributive aims, not the maximization of national development. The middle class became anxious about that the country's economic progress might be at stake, even if macro-economic progress under populist rule was quite impressive (economic growth was strong under Estrada in the Philippines, Thailand's economic recovery under Thaksin was nothing short of remarkable). But decisive was not this fact of economic growth, but rather the change in *discourse*. No longer were middle class developmentalist values at the center of political discussion, but rather the welfare of the have-nots. Middle class complaints that they had to pay for programs that did not benefit them (in the Philippines and Thailand only the relatively wealthy pay income tax) represented a revision of the old slogan 'no taxation without representation.' Middle class opinion expected that their welfare (which they unreflectively equated with the national welfare) be the focus of political programs, not the non-taxpaying poor.

Secondly, there was a genuine concern about the standing of independent, supposedly 'neutral' institutions. Both the Philippines and Thailand were governed by constitutions that were the product of middle class reformism. In the Philippines, the constitution was strongly right-based, in reaction against the arbitrary personalist-authoritarian rule of Marcos. Estrada was accused by the press of trying to limit press freedom (although the media still enjoyed enough liberty to criticize Estrada on this point). In Thailand, the criticisms went deeper as the reformist constitution had created a series of independent institutions meant to limit money politics. In particular, Thaksin was accused of undermining the anti-corruption commission that was meant to guard against the excesses of money politics. He was also accused of manipulating the electoral commission and the Supreme Court (despite these complaints the Thai judiciary sent several Thaksin loyalists to jail during mid-2006 for electoral violations). The biggest complaint in both countries though was that these independent institutions failed in removing these populist leaders. In the Philippines, Estrada's ability to withstand U.S.-style impeachment proceedings was widely attributed to his supposed ability to buy enough legislators to keep him in office. In Thailand, Thaksin was accused of pressuring the Supreme Court, which narrowly decided not to remove him as prime minister shortly after his election in 2001 as the anti-corruption court had recommended.³² Where institutions failed, middle class activists felt they had to again take to the streets.

The third and arguably decisive point that led to renewed middle class mobilization was moral outrage at corruption scandals. Just as the cronyism of the 'sultanistic' Marcos and Suharto regimes had led to mass protests against dictatorships, so corruption scandals in Southeast Asia's new democracies led to 'people power redux'.³³ Both Estrada and Thaksin were charged with personally profiting from power. They were both 'betrayed' by former allies (Singson and Sonhi, respectively) who 'spilled the beans' in major corruption affairs and provided inside information into the corrupt workings of the political system. Whether it was the Estrada-administration scandal around the illegal lottery system (known as *jueteng*) in the Philippines, or Thaksin's tax-free sale of his family-based Shin corporation in Thailand, such affairs seemed to prove that though popularly elected, these governments were hopelessly venal. Moreover, they had brought provincial-style scandal to the cities.

³² D. McCargo, "Democracy under Stress in Thaksin's Thailand," *Journal of Democracy*, 13, no. 4 (October 2002), 112-126.

³³ On the Philippines see C. Lande, "The Return of 'People Power' in the Philippines," *Journal of Democracy*, 12, nr. 2 (April 2001).

While lottery scandals had long been common in the Philippine provinces and disreputable politicians had used political office to further their business interests in the Thai countryside over several decades, it was considered unacceptable that such practices should be 'imported' into the cities where the urban-based middle class claimed stricter rules of governance applied. Populist leaders' attempts to tighten the business-politics nexus was unacceptable to a middle class convinced that such practices were corrupt and brought disgrace on their countries now that they were taking place nationally.

It is revealing that as in the original round of 'people power,' middle class activists drew on religious traditions to emphasize their moral outrage. In the Philippines, the Catholic Church was again at the forefront of protests that tellingly took place in front of the original 'people power' site now graced with a statue of the Virgin Mary who was seen as standing guard over the original insurrection. Cory Aquino, the 'Filipina Maria' was active in the protests.³⁴ In Thailand, Chamlong Srimuang, the former Bangkok mayor and military dissident who had joined a moralist Buddhist sect, again emerged at the forefront of opposition.³⁵

Renewed insurrection followed a familiar plan. Crowds emerged at familiar protest sites (the place of the original people power in the Philippines and the democracy monument in Thailand). Lacking cross-class support enjoyed during the anti-dictatorship uprising, Philippine activists turned to students as their mass base. Coverage from the sympathetic, capital-city based media was extensive. Dissenting voices, particularly in the countryside and among the urban poor, were assiduously ignored. The military (and in Thailand, the King as well) was assiduously courted. Knowing that they could not defeat their populist opponents electorally, the Thai opposition boycotted the elections in April 2006. In the Philippines, the middle class opposition rejected Estrada's offer of 'snap' elections. Rather, they hoped to paralyze national political affairs through their protests. In the end, it was military intervention that proved decisive in both cases. In the Philippines it was more subtle, with the military 'withdrawing support' from Estrada, forcing him to abandon office. In Thailand, the military in obvious cooperation with the King and his circle (whose inner circle had grown increasingly alienated from Thaksin) launched a full-scale coup. In both cases, we can speak of a middle class-initiated coup with military support, or a 'people power putsch'. Both

³⁴ M. Thompson, "Presidentas and People Power in the Philippines", to appear in Claudia Derichs and Thompson, *Martyrs' Widows and Dynasties Daughters: Female Leaders in Asia* (forthcoming).

³⁵ For background on Chamlong see the study by D. McCargo, *Chamlong Srimuang and the new Thai Politics* (London: Hurst, 1997).

coups were in clear violation of democratic legitimated procedures. A localized good governance discourse was now directly opposed to democracy.

The failure of renewed reform

Gloria Macapagal Arroyo (known unaffectionately in the Philippines as GMA), did not come to office as a female leader possessing tremendous 'moral capital' like Cory Aquino and other female leaders in Asia.³⁶ She was not the first choice of middle class protesters. Rather, she was a compromise figure as her status as vice-president provided a fig-leaf of constitutional legitimacy for what otherwise was a civilian-military coup. GMA spoke the technocratic language of good governance and had seemingly impressive credentials as a U.S.-trained economist (Estrada, by contrast, spoke broken English and was a high school dropout). Yet it soon became evident that she was very unpopular with the *masa* (masses) that had so strongly supported Estrada. In fact, she was almost toppled from power in a violent counter-coup attempt in May 2001 led by Estrada's supporters and urban poor demonstrators. In the May 2004 presidential elections she again faced a populist opponent (this time an even *more* popular actor, Fernando Poe, Jr., who was a kind of Filipino John Wayne). Yet she soon proved to be a master of what can be called neo-traditional politics, combining the black arts of extreme government patronage, support of warlordism at the local level as well as good old fashion vote manipulation.³⁷ Two attempts to impeach GMA have been blocked by loyal legislators, with accusations of the administration buying this congressional support, much as Estrada had earlier been accused of paying for salons' votes. A coup attempt in spring 2006 that was supported by nationalist elements in the military and leftwing NGO activists failed to mobilize much middle class support and was easily repressed by the Arroyo administration. This suggests that a certain insurrectional weariness has set in among Manila's elites. With the 2007 legislative election campaign in full swing as of this writing, attention has shifted to the electoral arena where a pro-Estrada opposition senatorial slate is facing off against an administration-backed ticket. But it is unclear whether this trend toward ballot-based conflict resolution will continue. Any hint of renewed electoral fraud could again spark opposition street protests that would likely provoke military unrest as well. Renewed people power has not led to political stability in the

³⁶ On moral capital see J. Kane, *The Politics of Moral Capital* (Cambridge: Cambridge University Press, 2001).

³⁷ M. Thompson, "Presidentas and People Power" (manuscript).

Philippines, suggesting a pessimistic scenario for future developments in Thailand.

Other comparisons

Comparison with the South Korean case reveals important differences between the East and Southeast Asian experiences. The starting point was similar, however: the anti-dictatorial *minjung* movement paralleled the cross-class popular uprisings in Southeast Asia.³⁸ In addition, it has been argued that South Korea professionals were also strongly imbued with a developmentalist ideology, which helps explain their hesitation to support further protests after the Kwangju uprising/massacre and the consolidation of the Chun dictatorship in the early 1980s.³⁹ Much like the emergent middle class in Southeast Asia, Han and Park write that the “‘middle class’ had grown during the Park regime and acquired a vested interest in socioeconomic stability and continuity...[They hesitated] to opt decisively for political freedom and democracy at the risk of sacrificing the country’s continued economic growth and its own newly secured socioeconomic status.”⁴⁰ In other words, middle class commitment to developmentalism long kept it from opposing authoritarianism.

However corrupt Korean politics has been portrayed as being due to a money politics nexus between *chaebol* tycoons and military rulers, it should not be equated with the neo-patrimonial, even ‘sultanistic’ politics of the Philippines under Marcos or of Indonesia under Suharto.⁴¹ It would thus be misleading to suggest that the anti-dictatorship struggle in South Korea was undertaken in order to safeguard good governance as had been the case in parts of Southeast Asia. Rather, following the interesting argument of Werner Vennewald about Singapore, it can be suggested that at higher levels of economic development authoritarianism becomes counterproductive, no longer promoting, but hindering economic growth.⁴² This recalls the classic

³⁸ Of the numerous writings on the *Minjung* Movement see, for example, K. Wells, ed., *South Korea’s Minjung Movement: The Culture and Politics of Dissent* (Honolulu: University of Hawaii, 1995).

³⁹ Sung-joo Han and Yung Chul Park, “South Korea: Democratization at Last,” in James W. Morley, ed., *Driven by Growth: Political Change in the Asia-Pacific* (Armonk, NY: M.E. Sharpe, 1993), 163-192.

⁴⁰ *Ibid.*, p. 174.

⁴¹ For an interesting, though in my opinion overdrawn, comparison between corrupt authoritarianism in the Philippines and South Korea see David C. Kang, *Crony Capitalism: Corruption and Development in South Korea and the Philippines* (Cambridge: Cambridge University Press, 2002). On the Weberian concept of ‘sultanism’ (actually ‘neo-sultanism’) applied to modern dictatorships see H. Chehabi and J.J. Linz, *Sultanistic Regimes* (Baltimore: The Johns Hopkins Press, 1998).

⁴² W. Vennewald, *Singapur. Herrschaft der Professionals und Technokraten. Ohnmacht der Demokratie?* (VS Verlag, 1994).

argument of Hans Kelsen that societies with a complex division of labor require a flexible and open decision-making process that only democracy can provide.⁴³ If this argument is valid, then the middle class may use the political space provided by activist groups (in the case of South Korea by the *minjung* movement) to turn against dictatorship (in Singapore such political openings have been notably lacking). In a sense, the middle class became a 'free rider', benefiting from the earlier economic gains that the developmentalist regime had provided but then turning against it after high levels of development had been achieved, once a suitable opportunity arose.⁴⁴

Democratic transition in South Korea followed a different logic than in Southeast Asia. Most significantly, weak reformist governments plagued by corruption scandals (the two Kim governments and the present Roh administration) have not led to a populist challenge and reformist reaction. Money politics persist in South Korea, but there are signs that it is being gradually constrained.⁴⁵ More importantly, independent institutions tasked with prosecuting corruption cases appear to be working effectively, with the number of indictments and jailings of high government officials (including two ex-presidents) in every administration since the transition to democracy providing the strongest evidence for such progress. This is virtually inconceivable in the Philippines and Indonesia where very few officials (and *no* top officials) have gone to jail, regardless of the graveness of the corruption accusations against them (in Thailand, however, there has been more success in punishing the powerful politicians and bureaucrats caught in corruption scandals). Revealingly, South Korea's 'governance ratings' by the World Bank have stabilized over the past decade or so, while those of the Southeast Asia democracies have worsened, in the case of the Philippines dramatically.

The explanation for this difference between East and Southeast Asia is complex and can only be hinted at here. One factor is the sheer size of the middle class in South Korea, with one estimate suggesting that 65% of the total population belonged to this class two decades ago at the time of democratization.⁴⁶ This made the middle class more than 5 to 6 times as large as the percentage of the population in the Southeast Asian democratizers. More importantly for democratic politics, the middle class could dominate elections with its numbers, not fearing democracy because of its minority

⁴³ H. Kelsen, *Vom Wesen und Wert der Demokratie* (1920).

⁴⁴ This is what I understand to be the argument of C.-I. Moon and Y. Kim, "A circle of paradox: Development, politics, and democracy in South Korea," in A. Leftwich (Ed.), *Democracy and development: Essays on theory and practice*. Cambridge, MA: Polity, 1996), 139-167.

⁴⁵ Kim Min-Jung, "Korean Civil Society Campaign to Eliminate Corruption: Reform of the Political Campaign Financing": <http://www.needs-network.org/pdfs/jakartaForum/PSPD-partycampaignfund-KIM.pdf> (accessed Sept. 24, 2006).

⁴⁶ Cited in Han and Park, "South Korea: Democratization at Last," p. 185.

status as in Indonesia, the Philippines and Thailand. Second, the agrarian reform in South Korea which many development experts have claimed was so crucial for the country's rapid economic progress also had the helpful side effect of modernizing a potentially 'backward' rural sector that could be mobilized by would-be populists against an urban-based middle class. The deleterious consequences of the lack of land reform in the Philippines are well known, while Thailand's agrarian sector, particularly in the Northeast, is strongly disadvantaged economically. The rural areas have provided a ready base for populism. Following Barrington Moore, it can be argued that the modernization of the agrarian sector is a necessary condition for stable 'bourgeois' democracy.⁴⁷

Comparison to the Latin American experience of populism also reveals more differences than similarities. The class populism of Peron in Argentina differed from its current Southeast Asian counterpart both in terms of the role of labor and business, with the two closely related! It is striking how Thaksin eschewed mobilizing labor in his populist electoral drive, while assiduously courting the countryside. But as a 'pluto' populist Thaksin had little interest in rocking the boat in tight labor relations that were so beneficial to his business interests.⁴⁸ Peron, by contrast, was well known for the close alliance he forged with organized labor.

Current Latin American populism, most famously represented by the Chavez government in Venezuela, also differs from the Southeast Asian version in the lack of a tight link between business and rural interests. Another difference is the great importance anti-U.S. nationalism plays in Chavez's ideological pronouncements. Thaksin and Estrada also drew on nationalist resentments (against international financial organizations in Thailand after the Asian financial crisis and U.S. bases in the Philippines). But this never became the centerpoint of their appeal. However a key similarity is the middle class reaction against populism. A middle class supported coup nearly toppled Chavez in 2002, while an effort to remove Chavez from power failed in a referendum in 2004. As in Southeast Asia, middle class activists charged Chavez with corruption. But their self-proclaimed fight for good governance contradicted democratic principles in their support for a military effort to topple him. They were shown to be electorally weak in their defeat in the

⁴⁷ B. Moore, *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Boston: Beacon, 1966).

⁴⁸ Pasuk and Baker, Thaksin. In fact, labor emerged as one of Thaksin's major opponents through a series of strikes, with Thaksin warning that the Thai economy would suffer and the stock market would crash if union wage demands were met (pp. 232-33).

referendum. As in Southeast Asia, Chavez enjoys strong support among the poor while facing the moral wrath of the middle class.

Conclusion

The global discourse of good governance became a localized form of political mobilization against failed developmentalist regimes in Southeast Asia. Though creations of developmentalist rule, the middle class turned on neo-patrimonial authoritarians who they accused of betraying their own ideology of technocratic efficiency. But once these dictators had been toppled, middle class activists revealed that they were committed to good governance not democracy. When money politics and populist challengers came to dominate national politics after the failure of weak reformist governments, middle class activists returned to the streets, proving their insurrectionary prowess despite their electoral weaknesses. Once used against dictators, this discourse of good governance was now directed against democratically elected leaders. Too small to dominate the electoral arena, the middle class used its revolutionary potential to create hegemony over national politics through renewed insurrection and because of the support of the military.

The middle class developed an Aristotelian-style critique of democracy.⁴⁹ Mob rule cannot be equated with good governance. Those who do not have property and pay taxes cannot be expected to act 'responsibly' like members of the middle class. These urban elites were contemptuous of a largely rural electorate that had 'irresponsibly' elected bad leaders. Thailand's recent coup shows that the middle class is so convinced of its moral legitimacy that it claims that democratic rules must be broken if this proves necessary to maintain good governance. The recent experience of the Philippines shows these hopes may prove illusory, however, as reformism has failed there once again.

⁴⁹ For an interesting discussion of Aristotle's critique of democracy in *The Politics* see Barry S. Strauss, "On Aristotle's Critique of Athenian Democracy," in *Essays on the Foundations of Aristotelian Political Science*, ed. Carnes Lord and David K. O'Connor (Berkeley and Los Angeles, 1991), 212-233.