ASEAS

12(1) 2019

Österreichische Zeitschrift für Südostasienwissenschaften
Austrian Journal of South-East Asian Studies

ASEAS

Österreichische Zeitschrift für Südostasienwissenschaften
Austrian Journal of South-East Asian Studies

ASEAS
Österreichische Zeitschrift für Südostasienwissenschaften
Austrian Journal of South-East Asian Studies

The *Austrian Journal of South-East Asian Studies* (ASEAS) is an international, interdisciplinary, and open access social sciences journal covering a variety of topics (culture, economics, geography, politics, society) from both historical and contemporary perspectives. Topics are related to Southeast Asia, but are not restricted to the geographical region, when spatial and political borders of Southeast Asia are crossed or transcended, e.g., in the case of linguistics, diaspora groups, or forms of socio-cultural transfer. ASEAS publishes two focus issues per year and we welcome out-of-focus submissions at any time. The journal invites both established as well as young scholars to present research results and theoretical and methodical discussions, to report about on-going research projects or field studies, to publish conference reports, to conduct interviews with experts in the field, and to review relevant books. Articles can be submitted in German or English.

MEDIENINHABERIN & HERAUSGEBERIN / PUBLISHER
SEAS – Gesellschaft für Südostasienwissenschaften / Society for South-East Asian Studies
ZVR-Zahl 786121796, Kreitnergasse 44/31, 1160 Wien, Austria

GEGENSTAND / PURPOSE
Der Verein SEAS bezweckt unter anderem die Förderung der Südostasienwissenschaften und der Bildung des wissenschaftlichen Nachwuchses, sowie des Stellenwertes und der Auseinandersetzung mit der Region Südostasien in Österreich und darüber hinaus.

OFFENLEGUNG / DISCLOSURE (§ 25MEDG)
Der Verein SEAS ist zu 100 Prozent Eigentümer von ASEAS. Die namentlich gekennzeichneten Beiträge enthalten die Absichten der Autor_innen und nicht notwendigerweise jene der Redaktion.

REDAKTIONSANSCHRIFT / EDITORIAL ADDRESS
Kreitnergasse 44/31, 1160 Wien, Austria; E-Mail: aseas@seas.at

ISSN: 1999-253X (Online)

UNTERSTÜTZT VON / SUPPORTED BY

Federal Ministry
Republic of Austria
Europe, Integration
and Foreign Affairs

ASEAS

12(1) 2019

Österreichische Zeitschrift für Südostasienwissenschaften
Austrian Journal of South-East Asian Studies

ASEAS
Österreichische Zeitschrift für Südostasienwissenschaften 12(1), 2019
Austrian Journal of South-East Asian Studies 12(1), 2019

ASEAS 12(1) features a thematically open issue on recent developments in Southeast Asia, ranging from qualitative case studies to wider socio-economic, political, and cultural dynamics in the region. The articles cover developments in Myanmar, Thailand, Malaysia, Indonesia, Vietnam, and Cambodia, but the analyses transcend national borders and also discuss, for example, the rising influence of China in Southeast Asia.

KOORDINATORIN DIESER AUSGABE / MANAGING EDITOR
Melanie Pichler

TITELFOTO / COVER PHOTO
Karl Valent

SATZ / LAYOUT
Karl Valent

SPRACHLEKTORAT / LANGUAGE EDITING
Katja Rieck

Inhalt ~ Contents

Editorial

Melanie Pichler

▸ Pichler, M. (2019). Editorial. *Austrian Journal of South-East Asian Studies*, *12*(1), 1-2.

ASEAS 12(1) features a thematically open issue on recent developments in Southeast Asia, ranging from qualitative case studies to wider socio-economic, political, and cultural dynamics in the region. The articles cover developments in Myanmar, Thailand, Malaysia, Indonesia, Vietnam, and Cambodia, but the analyses transcend national borders and also discuss, for example, the rising influence of China in Southeast Asia.

Dealing with historical events that shape current societies, Hakimul Ikhwan, Vissia Ita Yulianto, and Gilang Desti Parahita (Gadjah Mada University, Indonesia) focus on the 1965 anticommunist killings in Indonesia. They discuss the role of new media, especially YouTube, in confronting the dominant narrative of the events happening in the aftermath of September 1965. Centering their qualitative research – combining both online and offline sources – in memory studies, the authors find that the bourgeoning counter narratives do not echo the confrontational and propagandistic tone of the dominant narrative but provide nuanced and diverse forms of expression that keep the memories of the victims alive and may contribute to national healing.

Following up on the previous issue on forced migration (Stange & Sakdapolrak, 2018), two articles in this issue provide detailed case studies on different types of migration in Southeast Asia. Prasert Rangkla (Thammasat University, Thailand) explores the experiences of Burmese migrants returning from Thailand and seeking a better life in recently transitioning Myanmar. He argues that the process of returning, rather than a straight forward, linear process, is shaped by friction and traction, supporting as well as impeding the plans of returnees. Janina Puder (Friedrich Schiller University Jena, Germany) focuses on labor migration from Indonesia to Malaysia's oil palm plantations. In a qualitative case study, she analyses the implications of Malaysia's alleged shift towards a bioeconomy on the migrant plantation workers in Sabah, East Malaysia. She specifically reflects on the living and working conditions of low-skilled migrant workers that make their prospects of inclusion into the upward mobility target of the bioeconomy program highly unlikely.

In another qualitative case study, Dodi Widiyanto (Nagoya University, Japan & Gadjah Mada University, Indonesia) analyses the phenomenon of farmers' markets in Yogyakarta, Indonesia. Apart from traditional and modern markets, he identifies them as a third wave of food markets in Indonesia and focuses especially on the meanings of local and healthy food. Interestingly, Widiyanto shows that local food is not necessarily associated with geographical proximity, that is, being grown in Yogyakarta or the surrounding province, but also with social

www.seas.at doi 10.14764/10.ASEAS-0009

relations and values that are negotiated between vendors and consumers.

In line with a previous focus on the political economy of new authoritarianism in Southeast Asia (Einzenberger & Schaffar, 2018), David J. H. Blake (University of York, United Kingdom) discusses the shift towards stricter authoritarianism in Cambodia over the recent years. In an interesting argument, he borrows the concept of a "hydraulic society" from Karl August Wittfogel to analyze the interlinkages between infrastructure projects and authoritarian rule under Hun Sen. Blake emphasizes the growing influence of Chinese investment in hydropower infrastructure and the expansion of authority under Hun Sen as a satellite hydraulic state of China. Also dealing with the rising influence of China in Southeast Asia, Jacub Hrubý and Tomáš Petrů (Oriental Institute of the Czech Academy of Sciences, Czech Republic) investigate China's cultural diplomacy in Malaysia during the premiership of Najib Razak from 2015 to 2018. Their article shows an intricate pattern of networks, involving various actors, both Chinese and Malaysian, state, semi-state, and non-state, whose interests converge and overlap with the aims of Chinese cultural diplomacy.

Focusing on economic and financial trends in the region, Hong-Kong T. Nguyen (Phu Xuan University, Vietnam), Viet-Ha T. Nguyen, Thu-Trang Vuong, Manh-Tung Ho, and Quan-Hoang Vuong (Phenikaa University Hanoi, Vietnam) present a review on the rising indebtedness of the emerging economy of Vietnam, with a special focus on household debt and non-financial corporations. Although traditionally a culture condemning debts, the authors provide data that shows the increasing levels of debt that also point to the relevance of consumerism and an emerging middle class.

Finally, Ralph Chan (University of Vienna) and Joshua Makalintal (University of Innsbruck) contribute a review of the German-language *Handbuch Philippinen* for an international community. Rainer Werning and Jörg Schwieger co-edited the compilation in its 6th edition this year with a focus on Duterte's populist authoritarian turn.

~

REFERENCES

Einzenberger, R., & Schaffar, W. (2018). The political economy of new authoritarianism in Southeast Asia. *Austrian Journal of South-East Asian Studies, 11*(1), 1-12.

Stange, G., & Sakdapolrak, P. (2018). Forced migration in Southeast Asia. *Austrian Journal of South-East Asian Studies, 11*(2), 161-164.

The Contestation of Social Memory in the New Media: A Case Study of the 1965 Killings in Indonesia

Hakimul Ikhwan, Vissia Ita Yulianto & Gilang Desti Parahita

▸ Ikhwan, H., Yulianto, V. I., & Parahita, G. D. (2019). The contestation of social memory in the new media: A case study of the 1965 killings in Indonesia. *Austrian Journal of South-East Asian Studies, 12*(1), 3-16.

While today's Indonesian democratic government remains committed to the New Order orthodoxy about the mass killings of 1965, new counter-narratives challenging official history are emerging in the new media. Applying mixed-methods and multi-sited ethnography, this study aims to extend our collaborative understanding of the most recent developments in this situation by identifying multiple online interpersonal stories, deliberations, and debates related to the case as well as offline field studies in Java and Bali. Practically and theoretically, we ask how the tragedy of the 1965 killings is contested in the new media and how social memory plays out in this contestation. The study finds that new media potentially act as emancipatory sites channeling and liberating the voices of those that the nation has stigmatized as 'objectively guilty'. We argue that the arena of contestation is threefold: individual, public vs. state narrative, and theoretical. As such, the transborder space of the new media strongly mediates corrective new voices to fill missing gaps in the convoluted history of this central event of modern Indonesian history.

Keywords: 1965 Killings; Master vs. Counter Narratives; Memory Studies; New Media; Southeast Asia

doi 10.14764/10.ASEAS-0010 www.seas.at

INTRODUCTION

Indonesia experienced one of the 20th century's worst mass killings. Responding to what is commonly known as the September 30th, 1965 Movement, it is estimated to have caused between at least five hundred thousand and more than a million deaths, not to mention the imprisonment and ongoing stigmatization of many victims (Cribb, 1990, p. 14; Marching, 2017). The 1965-66 mass killings preceded Indonesia's transition to 32 years of authoritarian rule known as the New Order era. However, unlike other countries, where governments have issued national apologies for their past wrongs, there has been no systematic attempt to modify the discourse around the 1965 massacres in Indonesia.[1] Although new evidence from both survivors and perpetrators has enabled more

1 Other countries issued national apologies for actions taken against their own citizens. Germany is the most prominent example of systemic government action after mass killings with an international criminal court to address the crimes of the Nazi regime between 1933 and 1945. Australia officially apologized in 2008 for the wrongs that the Australian government had inflicted on the Aboriginal and Torres Strait Islander people. Buenos Aires apologized in 2004 for those who were killed and victimized by the state during Argentina's dirty war (1974-1983).

scholars to identify systematic patterns of violence across the Indonesian archipelago (Hearman, 2018; McGregor, Melvin, & Pohlman, 2018, p. 4), the official history of the tragedy remains dominant. Hence, Indonesia has a long way to go before it issues a national apology, let alone dispels the myths surrounding the event and its aftermath.

Important insights on the social memory of such historical events may come from memory studies. Emerging in the early 1970s, Maurice Halbwachs' early work of *The Social Frameworks of Memory* (1925/1992) is often considered a seminal book on memory studies as it coined the notion of collective memory. Building on Halbwachs' sociological theory, Assmann and Assmann (in van Dijk, 2007, p. 12) split the notion of collective memory into cultural memory and communicative memory, and positioned cultural memory at one end of a complex structure which also involves individual, social, and political memory. In this study, we use the notion of *social memory* to share a strong affinity with Assmann's cultural memory while still highlighting the dynamic dimension of memory both at the individual and the collective level.

At the same time, there has been an astonishing switch to virtually free and instant electronic communication, which has become massively popular and transformed societies in countries throughout the world (Lengauer, 2016). Since its introduction in the 1980s, it has been used by the public to archive and share information and to mediatize artefacts through time and space (Boyd, 2010). Combining memory and media studies, recent research has focused on contemporary memories of current occurrences and described how 'netizens' utilize digital media to archive, witness, share, and remember events (Allen & Bryan, 2011; Hess, 2007; Smit, Heinrich, & Broersma, 2017; Recuber, 2012). Furthermore, research investigated the use of digital media to portray current events commemorating past events or memorializing death (Blackburn, 2013; Döveling, Harju, & Shavit, 2015). Markhotyrkh (2017), for example, has analyzed how digital media is used to remember events that occurred far before the emergence of digital media but have remained contentious and caused ongoing conflict. He emphasized utopian and dystopian views on YouTube, including whether the platform is able to propel unbiased and tolerant perspectives of past events, in (t)his case related to the Kyiv War.

In the case of Indonesia, several researchers have revealed how conventional media were used to propagate anti-communist messages during the New Order (Wieringa & Katjasungkana, 2019), and how movies and news reports have tried to deconstruct the official memory of the 1965-66 killings (Paramaditha, 2013). Little attention has been given to the new media, in this case the video sharing site YouTube, and how it has become a new space for contesting official and alternative memories of the killings. Rather than studying the 'hard facts', this article focuses on exploring these representations and contestations of social memory in the new media. In doing so, we investigate the contestation of the narratives about the 1965-1966 killings as represented in videos uploaded to YouTube, as well as grounded empirical data gathered from intensive offline fieldwork in Java and Bali. Our study, conducted between March and December 2018, applies a mixed methods approach, combining descriptive content analysis and narrative analysis of selected videos related to the tragedy and multi-sited ethnography conducted online and offline at sites in Java and Bali (Marcus, 1995; Yulianto, 2015, pp. 69-92). It aims to serve as a nexus between

narratives of memory and the new media. Owing to the flexibility and rewritability of digital media, narratives of memory in online media are infinite and diverse. As such, this research discusses counter and master narratives of the killings through the lens of memory and media studies. It draws on new popular narratives of the tragedy and analyses how the new media are helping to shape knowledge of the past.

MASTER VERSUS COUNTER NARRATIVE OF THE 1965 KILLINGS

The official master narrative of the 1965 tragedy sconucceeded in concealing vast amounts of information on a dark chapter of Indonesia's past through at least two main instruments. The first was the book *Tragedi Nasional Percobaan Kup G30S/PKI di Indonesia*, written by Nugroho Notosusanto and Ismail Saleh in 1968. This book, published only three years after the event, was the first written document on the issue. The second instrument is a propaganda film entitled *Pengkhianatan G30S/PKI*, which roughly translates to "The Betrayal of the Communists". Directed by Arifin C. Noer and the most expensive film ever made in Indonesia at that time, this film was a mandatory viewing for all students of the New Order.

Neither the book nor the cinematic narrative is historically accurate. Nonetheless, these instruments have proven very effective in shaping the social memory of the event and produced profound political consequences until today (Heryanto, 2006). According to John Roosa's (2006) *Pretext for Mass Murder*, the master narrative holds that in the early morning hours of 1 October 1965 a group calling itself the September 30th Movement kidnapped and executed six generals of the Indonesian army, including its highest commander. The group, affiliated to the Communist Party of Indonesia (*Partai Komunis Indonesia*, PKI), claimed that it was attempting to pre-empt a military coup (Roosa, 2006, p. 3). In this narrative, members of Gerwani (*Gerakan Wanita Indonesia*, Indonesian Women's Movement) have a central role, being the depraved and sexually licentious murderers of those six army generals (and one lieutenant), who danced naked in front of those generals before slashing them with razors, gouging out their eyes, cutting off their penises, and throwing their dead bodies into the well at Lubang Buaya (crocodile hole) (Wieringa, 2002, p. 201). The Suharto regime used this event as evidence for the massive and ruthless offensive by the PKI against all non-communist forces and presented itself as the savior of the Indonesian nation after defeating the movement (Roosa, 2006, p. 7).

Scholarly articles, however, have questioned this master narrative. As shown by Robert Cribb (1990), Ariel Heryanto (2006), Douglas Kammen and Katherine E. McGregor (2012), and Annie Pohlman (2019), a military movement in the Indonesian capital of Jakarta led to the murder of seven military generals and three army officers in the night of 30 September 1965, which came to be known as the September 30th Movement (G30S). Although the official state narrative named the event 'G30S/PKI', the killing actually happened at dawn of the following day (1 October 1965). In *A Preliminary Analysis of the October 1, 1965, Coup in Indonesia*, widely known as the 'Cornell Paper', historians Benedict Anderson and Ruth McVey (2009) argued that the G30S was essentially an internal army affair. Harold Crouch (2007) identified three actors that may have been involved in the coup. First, the coup may have been committed by military officers who were dissatisfied with the army leadership. Second,

it may have been masterminded by the PKI, as espoused by the army. Third, the coup may have been a collaborative effort between dissident officers and PKI leaders. Debate has also centered on Suharto's connection with the movement. Many studies have regarded Suharto as the initiator of the killings, as no other actor stood to gain more political power than him. A book by Colonel Abdul Latief (1999), titled *Pledoi Kolonel A. Latief: Soeharto Terlibat G30S*, stated that Latief had reported the planned movement to Suharto on 28 September 1965, two days before the killings. He again issued a report to Suharto four hours before the generals were killed. Suharto, according to Latief, did nothing to prevent the attack. He did not even pass the reports on to General Ahmad Yani and General AH. Nasution, who were at the top of the military command structure. Latief's book has stirred speculation that Suharto was somehow involved in and part of the conspiracy.

Last but not least, speculation has also revolved around the role of the United States' Central Intelligence Agency (CIA) during the heightening ideological rivalry between that country and its allies and the Eastern Bloc in the Cold War (Scott, 1985; Wardaya, 2006). Finding the true mastermind of the 30 September Movement is nearly impossible (Cribb, 1990; Ricklefs, 2001; Roosa, 2006). However, recent developments have shown that discourse on the PKI and communism in general continues to be broadly used to stigmatize individuals or groups that do not conform with mainstream political views; these are not just members of PKI and affiliated organizations, but may be individuals of any political party in Indonesia. As a consequence, during the 32 years of Suharto's authoritarian regime and even today, the dominant memory of the event has referred to the official history and its resulting stigmatization and political genocide of people allegedly affiliated with the PKI.

MASTER AND COUNTER NARRATIVE IN THE NEW MEDIA

As both dominant and resistant memories are widely and simultaneously shared in society (Adam, 2018), digital reconstructions of memories about the events of 1965 are also diverse. This notwithstanding, it should be highlighted that the crux of digital memory of the 1965-66 events center around the film *Pengkhianatan G30S/PKI*. Due to YouTube's algorithm, users' behavior, and the cultural context of Indonesia, this film can be searched, watched, and remediated, so that it remains far from obsolescence. Before reaching this conclusion, we took several steps. We inserted the keywords *peristiwa 1965*, *G30S-PKI*, *G30S/PKI*, and *komunisme* into YouTube's search engine, and identified 39 videos with at least 300,000 viewers. The keyword *peristiwa 1965* was chosen because the phrase is commonly used to refer to the genocide of 1965 and has a more 'neutral' tone than *genocide* or *mass killing*. The keywords *G30S-PKI* and *G30S/PKI* are widely used in Indonesian society. Unlike *peristiwa 1965*, the hegemonic narrative is embedded in these keywords. *Komunisme* is an umbrella term referring to all issues and perspectives related to communism, but most commonly linked to the genocide of 1965.

After the keywords were entered into the YouTube search bar, we compiled all videos, ordered them using the "most views" filter, and selected those videos that had more than 300,000 views on the day we searched for them (September 1-10, 2018). Videos that were the same, but uploaded by different accounts, we considered

different videos. However, this rarely happened. We retrieved and watched 39 videos. We found that most (29) of these videos amplify the hegemonic social memory of the 1965 killings. Many individual users (not related to formal institutions like mainstream media companies) have uploaded *Pengkhianatan G30S/PKI* either in its entirety or in part. This may be related to the political economy of YouTube, as the propaganda movie has become a popular commodity that offers financial benefits for uploaders (Reading, 2014). In addition, the high number of viewers attracted to the propaganda movie might indicate that, within the cultural context of Indonesia, it will not easily become obsolete. The film *Pengkhianatan G30S/PKI* that was uploaded by the YouTube account of Usep Kartawibawa has gained nine million views.

Meanwhile, non-institutional or personal users have created new videos by taking photographs of the killed generals or other historical scenes – which are widely available online – and rearranging them into new narratives. For instance, self-produced videos include photographic stories of the killed generals and the Lubang Buaya Museum's dioramas, accompanied by the song *Gugur Bunga*, created by Nusantara TV. Videos or pictures showing the dioramas in the Lubang Buaya Museum, indicating that the museum provides opportunities for YouTube users to reproduce and perpetuate the dominant narrative of the event by using the dioramas as illustrations. Interestingly, another self-produced video titled *DN Aidit Setelah G30-S* (DN Aidit after the September 30 Movement) contains a historical photographic collage and uses a computer-generated voice as its narrator. This might indicate that the uploaders have tried to distance themselves from their own creations, imitating the official memorials and museums that instill a sensation of distance in their audiences by scaling up the buildings and diminishing the size of the audience (Haskins, 2007, p. 403). Worth mentioning here is the fact that these popular videos were uploaded around September 2017. This was a period when Indonesian discourse included strong debate, especially between Majelis Ulama Indonesia (MUI) and the Ministry of Education and Culture of Indonesia (Kemendikbud) about whether the film *Pengkhianatan G30S/PKI* should be screened in schools (Akbar, 2017).

An authoritative tone has also been used by institutional users who are mainly content providers (Visual TV, Anshori TV, City Network) or the official YouTube accounts of mainstream media companies. Videos created by institutional users (iNews by MNC Group, TVOneNews by TVOne) usually include new content on their topics. They may feature the children of killed generals or retired members of Indonesia's military. For example, *Eksklusif! Kesaksian Anak Ahmad Yani atas Kejamnya G30S/PKI* (Exclusive! The Testimony of the Son of Ahmad Yani on the Cruelty of G30S/PKI) by Visual TV takes the form of a field report and asserts the truth of the propaganda by including the testimony of Ahmad Yani's son, Eddy Yani, as well as scenes from the propaganda film and the song *Gugur Bunga*.

Having watched the 29 YouTube videos, we found that the main themes of these videos and their dominant versions of historical memory included the killing of the generals, the lifting of the generals' bodies from the hole (Lubang Buaya), and the suffering endured by the children of the generals. The narratives are constructed by having the descendants of killed generals give testimony, simulating the deadly event at the Lubang Buaya Museum and the Sasmita Loka Pahlawan Revolusi Museum, inserting clips of the song *Gugur Bunga*, clips of the propaganda film, or fully

uploading the film. Some videos, rather than using *Pengkhianatan G30S/PKI* as it is, remix the film to deconstruct the sanctity of the official memory it represents. This shows that YouTube's algorithms (tags, titles) also play a role in films with alternative memories having (less) popularity. The same rule applies to Joshua Oppenheimer's films on YouTube (*The Act of Killing* and *The Look of Silence*), which have been seen by some 500,000 to 1.5 million viewers but did not appear in our list as they were uploaded under their original titles, rather than using clickbait or provocative titles.

While ignoring the rules for gaining popularity on YouTube, some 22 other videos have successfully countered the power of the official history of 1965, as seen in our discussion below.

THE VOICES OF SILENCE AND THE EMANCIPATORY ROLE OF THE NEW MEDIA

From our online and offline fieldwork in Java and Bali, we found large segments of untold stories and numerous testimonies using multimedialities, that is, the simultaneous use of media formats including text, graphics, animations, pictures, videos, and sounds to present information related to our case study (Van Dijk, 2007, p. 175). We identified 22 different online multimedialities of interpersonal stories, deliberations, and debates on YouTube related to our case study (see Table 1).

Looking at these 22 titles, only a few directly reflect the killings of 1965 and their aftermath. It was not easy for us to find and identify these videos on the internet because most gave the impression that they differed from the theme we were looking for. Take the first video, *Mwathitrika*, as an example. The title of this puppet performance by Papermoon Puppet Theatre (PPT) is taken from the Swahili word for victim and provides no clue or indication of its subject matter. As such, viewers may have no idea of its subject matter unless they watch the film. The artistic narrative presents a non-verbal theatrical performance that recounts the genocide of 1965 through the eyes of those who were victimized, those whom the country has tried to forget.[2] During a 2011 show in Yogyakarta, Maria and Iwan – the initiator and director of Papermoon Puppet Theatre (PPT) – said:

> Although there have been hundreds of titles and films responding to the controversy of this gray history, how many young boys and young girls in our homeland know, watch, or read it? That is why we were moved to produce Mwathirika.

The narrative of *Mwathirika* is based on the life experiences of Maria and Iwan's family who faced discrimination for years, not only on the part of the state, but also on the part of their neighbors, friends, and even relatives. They had accepted their fates and kept silent. Their political voice had been eradicated, and they continued to be considered by the New Order regime to be proponents of the PKI. As a result, they were situated differently in their political identities, economic, and social living conditions, and faced multiple forms of discrimination. A good number of victims were

2 See, for example, *Penumpasan Pengkhianatan G30S/PKI* (1984), *The Act of Killing* (2012), *Noda Lelaki di Dada Mona* (2008), *Mwathirika* (2010), *Setjangkir Kopi dari Playa* (2011), or *Surat dari Praha* (2017).

NO	TITLE	DIRECTOR/PRODUCER	GENRE
1	Mwathirika	Papermoon Puppet Theater	Puppet theater
2	r.i.	Kotak Hitam Forum	Documentary
3	Yang Bertanah Air, Tidak Bertanah	Kartika Pratiwi	Documentary
4	Mia Bustam	Kotak Hitam Forum	Documentary
5	Memori tentang Buru	Kotak Hitam Forum	Documentary
6	Dance of Missing Body	Kotak Hitam Forum	Documentary
7	Lekra: Gerakkan Kebudayaan	Kotak Hitam Forum	Documentary
8	Pelukis Rakyat, Lekra dan Tragedi	Kotak Hitam Forum	Documentary
9	Jembatan Bacem	Yayasan Wiludiharta/ELSAM	Documentary
10	Masean's Message	Dwitra T Aryana	Documentary
11	The Look of Silence	Joshua Oppenheimer	Documentary
12	The Act of Killing	Joshua Oppenheimer	Documentary
13	Para Korban Membongkar Sejarah	Asian Calling/TempoTV/KBR 68H	Documentary
14	Daulat Petani Ala Mbah Suko	Asian Calling/TempoTV/KBR 68H	Documentary
15	Perempuan Bekas Tahanan 1965 Melawan Lupa	Asian Calling/TempoTV/KBR 68H	Documentary
16	Api Kartini	Kotak Hitam Forum	Documentary
17	Mass Grave	Lexy Rambadetta	Documentary
18	Road to Justice	Lexy Rambadetta	Documentary
19	Efek Teror Pembunuhan Massal 1965	Hilmar Farid/ Javin TV	Documentary
20	Noda Lelaki di Dada Mona	Papermoon Puppet Theater	Puppet theater
21	Setjangkir Kopi dari Playa	Papermoon Puppet Theater	Puppet theater
22	Surat dari Praha	Angga D Sasongko	Film

Table 1. List of multimedia counter narratives on YouTube (own compilation).

burdened by poverty, largely the consequence of the legacy of discrimination and stigmatization they and their families faced. At this point, we understand that this tragedy is not only about the killings but also about the millions that were effectively deprived of their rights as citizens.

Going through PPT's videos on YouTube, we noted that the conversations between the performance groups are marked by gibberish. To communicate their messages to the audience, the group instead relies on puppets, gestures, music, videos, and special effects. The only words spoken clearly are the names of the characters. These symbolic representations are meant to destabilize the very idea of the propaganda film *Penumpasan Pengkhianatan G30S/PKI*. *Mwathirika* consists of nine scenes, each of which tells Maria and Iwan's experiences as truly as possible. Both offline and online performances of this narrative were aimed to provide them with alternative voices. For them, and for other survivors and their descendants, this representation is apparently a way of healing, of rejecting the injustice they have continued to face. The new media – and art – are helping

them break their silence and giving them a voice (Marching, 2017; see Yulianto, 2017, and Bieleki, 2018, for more information on the role of art in memory studies).

Another film, titled *Masean's Message*, deals with the killings in Bali after more than 50 years of silence. This remarkable work, produced by the young Balinese filmmaker Dwitra J. Ariana, is worthy of special mention in our study. It is a documentary video of the socio-cultural reconciliation between the victims and perpetrators of violence in Batu Agung, a village in Jembrana Regency, Bali, where an estimated 8,000 alleged PKI members were killed between 1965 and 1966 (Allen & Pallermo, 2005). Conflict resolution is presented as the main storyline by the film's director and producer. It shows the audience that interpersonal or socio-cultural reconciliation has apparently been achieved by those involved in the mass killings in Bali.

As narrated in this 77-minute documentary, socio-cultural reconciliation did not begin or end with trials as survivors had no choice but to put aside their desire for revenge and start living side by side with those who murdered their loved ones. The filmmaker compiled the stories of perpetrators, victims' families, traditional village communities, police officers, local soldiers, the head of Jembrana Regency's local parliament, and residents outside Bali, then transformed it into a message. In our offline meeting with Dwitra, he told us:

> So, I was told by some locals here that there were always people who committed suicide every year. Always . . . and the number was increasing. Many people also saw a hideous head ghost intimidating them . . . at any rate, village life is not peaceful . . . many disturbances . . . and we Balinese, we believe that there must be something wrong . . . finally an old man of 70 told us about a mass grave that he believed was the reason why village life had been destabilized. I hope this film can be a bridge to help us better understand that we are all actually victims; both those who have been killed and those who have killed.

The uncovering of the mass grave and the presentation of this regional narrative, both offline and online, is a highly relevant example of how Indonesians have coped with the legacy of mass killing that has also been contested. For example, while not blaming this local initiative, the Institute for Policy Research and Advocacy (ELSAM) mentioned in an offline interview that the exhumation of mass graves has in fact endangered the process of forensic identification as there was no autopsy for the exhumed bones. The mass graves were primarily exhumed to safeguard Balinese cosmology – in this case, all those who died had to be cremated following the Ngaben ritual, for their souls may be sent to the next life in peace. At this point, although we may see that both sides have a strong argument, the exhumation may definitely have deterred future examinations of this issue.

ELSAM itself has produced a documentary film on the story/history/memory of *Jembatan Bacem*, also known as *Kretek Bacem* or *Bacem Bridge*. This bridge is located in the southern part of Solo, Central Java, and is associated with the brutal murder of (suspected) PKI members, whose bodies were dumped in the river in 1965. The documentary includes interviews with local people and their extended families, who have kept silent for more than 40 years because they were still haunted by fear. However, with the new media, current and subsequent generations may recall the past through

what Ong (1982) identifies as memory's technologization. Without having to conduct academic research or physically visit Solo, as we did in late June 2017, all people may learn from the media that local people broke their silence and held a spiritual ceremony called *Sadranan* to remember and honor family members and relatives of the victims. From the video, as well as our interview with an old woman who lived next to the river, hope is evident that *Jembatan Bacem* may become a place to honor those who did not return.

Dance of the Missing Body, produced by Kotak Hitam Forum, is a film that tells the story of traditional dancers in Java who went 'missing' in 1965 after the government alleged them to be affiliated with the PKI. The video was narrated by Dyah Larasi, an Indonesian professor based at the University of Minnesota. Her grandmother, who was a Javanese dancer, told her the story of her once fellow dancers. Although the dance *Gandrung Banyuwangi* is still performed, Dyah says that it is not the same, as its historical links have been cut. As Dyah said: "The bodies that are removed from the missing dancers are replaced by charming bodies who conspire with the state through education institutions and local governments" (Hartiningsih, 2008). "This helps and supports the state's amnesia project", she added.

Api Kartini, on the other hand, tells the story of former political prisoners who revisit their prison camp in Plantungan, Central Java. After the events of 1965, they were arrested and imprisoned as they were alleged to have been linked to or members of the PKI. In the film, they tell the story of their lives behind bars, of their suffering in silence, of their memories of the government's power, of their unspeakable trauma, and of their awareness of the need to remember past violence (for more information on this video see www.kotakhitamforum.org).

C'est La Vie is the title given to a short semi-fiction film directed by a 32-year-old man from Jakarta who studied at a broadcasting academy. The movie recounts the memory of the filmmaker's father who was jailed on Buru Island for many years. Apart from the story of his father, however, the film also reflects on the young man's struggle to cope with his family's story, as he confessed offline:

> Throughout my life, I was told hundreds of stories by my father. All of them are bitter stories. He told them flatly, without emotion, seemingly without hatred. Many [stories] are fragmented and hard to believe . . . they may be true, they may be not . . . but what can I do? I recorded everything. I tried to find justification for what my father has told me, what I have found, what I have been looking for.

Both the film and the statement above clearly reflect the deep inner torment and struggle of those who the state has judged to be guilty. At this point, understanding the storyline of both the movie as well as the filmmaker's memory of his father's story is not easy. It is like peeling an onion with its many layers. Being labeled a *penyintas* or survivor of 1965 left the filmmaker's father, as well as his descendants, with an eternal burden. In fact, the filmmaker himself sometimes doubted what his father – who had been a political detainee for years during the biggest wave of the anti-communist campaign in late 1960s – had told him. In an offline meeting, he desperately told us of his deep inner sadness.

> If I was not the child of a former prisoner, I would have been able to live a normal life like other people. I would have had opportunities that only ordinary people have. Sometimes, I deny this fact and long for the opposite . . . I do not want my children to experience insecurities like I did.

We empathized with his experiences and memories. His decision to share his private memories with the public mediated between the private and the public. Mediated memories, in this digital age, are as much creative reconstructions as they are documentary scenarios of what actually happened (Van Dijk, 2007, p. 173). The above cases demonstrate that individual – the intricacies of people's own life histories – and social narratives are entangled with contextual factors, both those in the past and those in the present. Furthermore, we may see two important points from the social memories above. First, memories are potentially contested in themselves. Second, memories may also reflect significant dynamics in their evocative role to fill the gap of what has been ignored, forgotten, absent, or possibly manipulated by the official history, which in turn may shape how the history of the genocide of 1965 will be remembered.

MAIN CHARACTERISTICS OF THE 1965 COUNTER NARRATIVES

As an old proverb says, all rivers lead to the ocean: We believe that the goal and major motivation of all attempts to counter official narratives, no matter their approach, is ultimately justice. The methods or strategies that characterize how new counter narratives are presented is one important element of our research findings. We identified two main characteristics of such counter narratives. *First*, unlike the language and words of the official narrative, which are propagandistic and confrontative (e.g., fight (*lawan*), anti/opposition (*tolak*), the counter narratives have deliberately avoided the use of binary opposition in their diction. As we can see from the list above, producers tend to use soberly grounded narratives from the perspectives of the people themselves (i.e., an emic perspective). At this point, we note that language is not a neutral faculty, but conveys a particular meaning and association, and even a political statement. Using a particular *word*, thus, might promote a particular meaning and association. For instance, Dwitra, the Balinese producer, chose to entitle his documentary *Massean Massage* to connect the excavation of the mass grave with Balinese cosmology. This title is designed to strategically send a modest message, thereby promoting socio-cultural reconciliation – like that done in the village – over hopelessly waiting for justice from the state.

Second, although a number of films and documentaries have attempted to alter the official narrative, they have not been designed to be confrontative. Survivors and human rights activists have instead countered the master narrative indirectly. Content producers, as we confirmed through offline interviews, were clear that the production of digital narratives was not meant to intentionally fight against the official narrative of the New Order. Nor was content produced for profit. Most said that they mainly wanted to keep their memories alive and to share their life histories with a broad audience, making them as widely available as possible.

CONCLUSION

Findings from this new media analysis of the genocide of 1965 indicate that social memory is contested on three-levels, covering the individual familial level, the public vs. state level, and the theoretical level. The individual, familial level is evident, for example, in the film *C'est La Vie*, in which the filmmaker recounts the sad narratives of his father, who was banished to Buru Island for years. These narratives remain 'unbelievable', as the director of the film puts it, highlighting his numerous questions and skepticism about his father's stories and his family's tragedy.

The second level covers the official state narrative versus public counter narratives. Whereas during the authoritarian New Order, almost all alleged communists and their descendants were silenced, forced to bury their grief, and reconcile with the pain, residual bitterness, injustice, and total exclusion they experienced, this study finds that there are striking counter narratives freely available on the new media. These new counter narratives are arguably important in framing and reframing knowledge and understanding of Indonesia's dark past. Although such new narratives undeniably retain a tense relationship with the dominant and official New Order history, through the use of new media's multimediality they have powerfully driven emancipatory goals, channeling the strength of survivors and the post-memory generation, while offering hope for emancipation and democratization to those whom the state has victimized. However, because YouTube's algorithm allows certain content to top the trending list, videos promoting the status quo tend to be more widely watched than videos promoting counter narratives, especially when they do not use the titles or keywords that are commonly used by dominant narratives.

Third, on the theoretical level, the article reveals that memory is concerned with the past, but is not something that is locked in the past. It is definitely omnipresent, a big part of our daily experiences, and is interwoven, intertwined with history. Memory and history are closely linked. What differentiates memory from history is that it deals with emotion, with human feelings. Further, as explained by Lowenthal (1997, p. 32), while realizing that the past can never be retrieved unaltered, historians still strive for impartial, checkable accuracy, minimizing bias as inescapable but deplorable. Others, though, see bias and error as normal and necessary. However, although historians realize that history always attenuates truth, beyond academia this deficiency is little known or largely denied. In most school texts, history remains one-dimensional, even where controversy is rampant (Lowenthal, 1997, pp. 36-37). For example, Indonesian textbooks on the events of 1965 continue to reproduce the New Order's official narrative and lead younger Indonesians to be fixed and fixated on this narrative as the one true official history. The core issue is localized to the killing of six generals by the PKI. A larger spectrum of untold facts, such as mass killings, civil unrest, sexual abuse, and the past and present mistreatments experienced by thousands of Indonesian civilians in 1965/1966 as well as subsequent generations – has been deliberately marginalized or even silenced by those in power.

However, dealing with social memory in oral culture (Hirsch 2008) differs from today's digital era. Recent scholarship, as well as new social movements, have demonstrated how the recent advent of digital technology has brought fundamental changes in the way we remember the past and, in particular, how we deal with memories of

the past. As vividly demonstrated above, narratives of social memory may play a role in countering the propagandistic master narrative and even possibly promote real improvements for national reconciliation in Indonesia.

REFERENCES

Adam, A. W. (2018). Beberapa catatan tentang historiografi Gerakan 30 September 1965 [Some notes of the historiography of the Movement of 30 September 1965]. *Archipel, 95,* 11-30.

Akbar, J. (2017). MUI: Larangan Mendikbud tentang Film G30S/PKI Berlebihan [Indonesian Ulema Assembly: Prohibition of the Ministry of Education and Culture on *G30S/PKI* Movie Exagerate]. *Tirto. id.* Retrieved from https://tirto.id/mui-larangan-mendikbud-tentang-film-g30s-pki-berlebihan-cxsv

Allen, M. J., & Bryan, A. (2011). Remembering the 2005 London bombings: Media, memory, commemoration. *Memory Studies*, *4*(3), 263-268.

Allen, P., & Palermo, C. (2005). Ajeg Bali: Multiple meanings, diverse agendas. *Indonesia and the Malay World*, *33*(97), 239-255.

Anderson, B. R. O'G, & McVey, R. T. (2009). *A preliminary analysis of the October 1, 1965 coup in Indonesia*. Jakarta: Equinox Publishing.

Ariana, D. J. (2017). Trailer Masean's Message di Singapore International Film Festival 2017. Retrieved from http://filmindonesia.or.id/movie/trailer/emb5a0b17cac251f_trailer-maseans-message-di-singapore-international-film-festival-2017#XMkX5i17HeR

Bielecki, M. (2018). Can art make a difference? Visual and performative arts on the subject of Indonesian mass killings of 1965. *IKAT: The Indonesian Journal of Southeast Asian Studies, 1*(2), 227–241.

Blackburn, K. (2013). The 'democratization' of memories of Singapore's past. *Bijdragen tot de Taal-, Land- en Volkenkunde*, *169*(4), 431-456.

Boyd, D. (2010). Social network sites as networked publics: Affordances, dynamics, and implications. In Z. Papacharissi (Ed.), A networked self. Identity, community, and culture on social network sites (pp. 47-66). London: Routledge.

Cribb, R. B. (1990). *The Indonesian killings of 1965-1966: Studies from Java and Bali*. Centre of Southeast Asian Studies, Monash University.

Crouch, H. (2007). *The army and politics in Indonesia*. Jakarta: Equinox Publishing.

Döveling, K., Harju, A. A., & Shavit, V. (2015). Researching digital memorial culture and death online: Current analysis and future perspectives. *Medien & Altern, 6*, 76-81.

Halbwachs, M. (1992). The social frameworks of memory. In L. A. Coser (Ed.), *On collective memory* (pp. 35-189). Chicago: University of Chicago Press.

Hartiningsih, M. (2008, May 11). Tubuh menari Rachmi D. Larasati [The dancing body of Rachmi D. Larasati]. *Kompas.com*. Retrieved from https://nasional.kompas.com/amp/read/2008/05/11/01393086/tubuh.menari.rachmi.d.larasati

Haskins, E. (2007). Between archive and participation: Public memory in a digital age. *Rhetoric Society Quarterly*, *37*(4), 401-422.

Hearman, V. (2018). *Unmarked graves: Death and survival in the anti-communist violence in East Java, Indonesia*. Singapore: NUS Press.

Heryanto, A. (2006). *State terrorism and political identity in Indonesia: Fatally belonging.* London: Routledge.

Hess, A. (2007). In digital remembrance: Vernacular memory and the rhetorical construction of web memorials. *Media, Culture & Society*, *29*(5), 812-830.

Hirsch, M. (2008). *The generation of postmemory: Writing and visual culture after the Holocaust*. New York: Columbia University Press.

Kammen, D., & McGregor, K. E. (2012). *The contours of mass violence in Indonesia, 1965-1968*. Singapore: NUS Press.

Latief, A. (1999). *Pledoi kolonel A. Latief: Soeharto terlibat G30S [Pledoi from colonel Latief: Soeharto involved in G30S]*. Jakarta: Institut Studi Arus Informasi.

Lengauer, D. (2016). New media in Southeast Asia: Concepts and research implications. *Austrian Journal of South-East Asian Studies, 9*(2), 187-194.

Lowenthal, D. (1997). History and memory. *The Public Historian*, *19*(2), 30-39.

Makhortykh, M. (2017). Remediating the past: YouTube and second world war memory in Ukraine and Russia. *Memory Studies,* 1-16.

Marching, S. T. (2017). *The end of silence. Accounts of the 1965 genocide in Indonesia*. Amsterdam University Press.

Marcus, G. (1995). Ethnography in/of the world system: The emergence of multi-sited ethnography. *Annual Review of Anthropology, 24*, 95-117.

McGregor, K., Melvin J., & Pohlman, A. (2018). *The Indonesian genocide of 1965. Causes, dynamics and legacies*. London: Palgrave Macmillan.

Ong, W. J. (1982). *Orality and literacy: The technologizing of the word.* New York: Methuen.

Paramaditha, I. (2013). Tracing fictions in The Act of Killing. *Film Quarterly, 67*(2), 44-49.

Pohlman, A. (2019). Sexual slavery, enforced prostitution, and forced marriage as crimes against humanity during the Indonesian killings of 1965-66. In S. E. Wieringa, A. Pohlman, & J. Melvin (Eds.), *The international people's tribunal for 1965 and the Indonesian genocide* (pp. 96-114). New York: Routledge.

Recuber, T. (2012). The prosumption of commemoration: Disasters, digital memory banks, and online collective memory. *American Behavioral Scientist, 56*(4), 531-549.

Ricklefs, M. C. (2001). *A history of modern Indonesia since c. 1200*. Stanford, CA: Stanford University Press.

Roosa, J. (2006). *Pretext for mass murder: The September 30th Movement and Suharto's coup d'état in Indonesia*. Wisconsin: University of Wisconsin Press.

Scott, P. D. (1985). The United States and the overthrow of Sukarno, 1965-1967. *Pacific Affairs*, *58*(2), 239-264.

Smit, R., Heinrich, A., & Broeresma, M. (2017). Witnessing in the new memory ecology: Memory construction of the Syrian conflict on YouTube. *New Media & Society, 19*(2), 289-307.

Van Dijck, J. (2007). Mediated memories in the digital age. Stanford, CA: Stanford University Press.

Wardaya, F. B. T. (2006). *Bung karno menggugat!: Dari marhaen, CIA, pembantaian massal'65 hingga G30S.* Yogyakarta: Galangpress Group.

Wieringa, S. E., & Katjasungkana, N. (2019). *Propaganda and the genocide in Indonesia: Imagined evil.* Oxon: Routledge.

Wieringa, S. (2002). *Sexual politics in Indonesia*. New York: Springer.

Yulianto, V. I. (2015). *Reframing modernities in contemporary Indonesia. An ethnographic study of ideas of center and periphery in Sulawesi and Java.* Berlin: Regiospectra.

Yulianto, V. I. (2017). Art, change and collective memory in Germany. Ethnographic reference to Indonesia? In L. Simatupang (Ed.), *Daya seni [The power of arts]*. Yogyakarta: Pascasarjana Universitas Gadjah Mada.

ABOUT THE AUTHORS

Hakimul Ikhwan is a sociologist and lecturer at the Department of Sociology, Faculty of Social and Political Science as well as a researcher at the Centre for Population and Policy Studies at Universitas Gadjah Mada, Indonesia.

▸ Contact: hakimulikhwan@ugm.ac.id

Vissia Ita Yulianto is a socio-cultural anthropologist. She is a researcher at the Center for Southeast Asian Social Studies, Universitas Gadjah Mada, Indonesia, and a lecturer at the Graduate Program of Performance and Visual Art Studies at the same university.

Gilang Desti Parahita is a communication scientist and lecturer at the Department of Communication Science at the Universitas Gadjah Mada, Indonesia.

ACKNOWLEDGEMENTS

This article is a collaborative work funded by the Faculty of Social and Political Sciences as well as the Department of Communication Science, Universitas Gadjah Mada, Indonesia. We dedicate this work to all our research informants who have shared their life memory and history.

Future-Making and Frictional Mobility in the Return of Burmese Migrants

Prasert Rangkla

▸ Rangkla, P. (2019). Future-making and frictional mobility in the return of Burmese migrants. *Austrian Journal of South-East Asian Studies, 12*(1), 17-30.

This article explores the experiences of recent returnees from Thailand to Southeast Myanmar and the complicated landscape of their future-making. In looking at the arduous journeys of Burmese migrants both in Myanmar and Thailand, I discuss how economic and political developments in reform-era Myanmar have informed Burmese migrants' idea of return migration. Seeking a better life through coming home, they have encountered factors of friction and traction that either support or impede their plans. Accordingly, I argue that the return of these Burmese workers has become frictional mobility rather than a straightforward return. Ethnic politics and land boom in the region have intensified social inequality and conflicts that eventually make the organization of return more complex. The situation allows migrants to settle in their home country, postpone the return, and continue shuttling at the border while using the pattern of movement as a livelihood.

Keywords: Burmese Migrants; Future-Making; Mobility; Myanmar; Return Migration

INTRODUCTION

The recent reforms in Myanmar (or Burma) since President Thein Sein's government (2011-2016) have significantly changed the country's conditions. The political democratization increasingly promotes optimistic views about the future, particularly in light of the general elections in 2010 and 2015 (Lall, 2016). The country has received an increase in technical and financial assistance from foreign governments and international agencies. Myanmar's economy is growing rapidly, with a GDP annual growth rate of 6-8% during the period between 2012 and 2016 (Asian Development Bank, 2017). The positive economic situation of this period appeals to foreign investment and general commerce. At the individual level, people are more willing to spend money on daily consumption and property acquisition. A larger variety of commodities and services are available to Burmese people at local markets. Regional and international trade and other economic transactions boost Myanmar's overall economic performance. Some Burmese who once experienced displacement from political suppression, civil war, and economic underdevelopment are making the decision to go back to Myanmar and become part of these seemingly promising changes.

Traveling back to one's country of origin is known as 'return migration' in academic literature. Much attention has been paid to the patterns and push-pull

factors of return migration (Gashi & Adnett, 2015; Hirvonen & Lilleør, 2015). Major pull factors that attract migrant workers to return include the improvement of socio-political conditions and the increased economic opportunities in the home country. At the same time, push factors of the receiving countries, such as high costs of living and xenophobia, also motivate migrant workers to return. Migrant workers keep watching the social and institutional situations in their countries of origin. According to Cassarino (2004), migrant workers often intend to stay abroad temporarily and have prepared their return migration plans, including migration duration and savings target. They also anticipate how their skills and financial resources could be put to good use in the country of origin.

A number of Burmese migrant workers in Thailand express their intention to return to their own country in the long run. Recent socio-economic developments in Myanmar, including foreign direct investment, deregulation, and public services improvement, persuade many Burmese to return. Better job opportunities and political stability are major pull factors for return migration. According to Mya Thet & Pholphirul (2016, p. 1012), investment opportunities have a greater influence on Burmese migrant workers' return than job availability or wages. Workers do not want to go back and just work in low-wage jobs. Even though economic, especially employment, prospects are improving, wage and working conditions at home are still significantly inferior. They rather prefer to run their own business upon return than look for jobs. With greater job opportunities in Thailand, many Burmese workers thus remain and continue to work there in order to accumulate enough savings to start their own business in Myanmar. They remain outside the country, watching and waiting for the right time to return.

However, studies that emphasize macro-level analysis pay little attention to the actual experience of return migration. This article argues for the necessity to take the experience of movement seriously, as also suggested by mobility studies (Hannam, Sheller, & Urry, 2006). According to Cresswell (2010), mobility is not simply a 'free flow', but is channeled and sometimes stopped through friction or resisting forces. Instead of assuming a linear movement, this article asks how returnees to Southeast Myanmar experience, make sense of, and organize their return. How does the complex scenario of a long-stunted, now growing, yet still limited economy effect Burmese migrants' decisions and future-making?

This article forms part of a qualitative research project entitled "Future and Possibility of Life: A Study of Burmese Migrants and Temporality". Data collection includes literature review, participant observation, and in-depth interviews with approximately 30 key informants, both in Thailand and Myanmar. Fieldwork was conducted for three months in 2017 in Southeast Myanmar (Myawaddy, Hpa-an, and Mawlamyine) and for another three months in 2018 in Thailand (Prachuap Kirikhan province). My key informants were mainly identified and contacted through a snowball technique. Although their ethnic backgrounds are diverse – Karen, Burmese, Mon, and Pa-O – this article refers to them as Burmese in order to emphasize their shared experience of the national reform and transformation. I interviewed some key informants who are small business owners in Myanmar and some who remained in Thailand with enthusiasm for the return. Most of them once fled the protracted civil war and economic underdevelopment under the Burmese military governments

and have worked long-term in Thailand. Although real town and village names are retained here, I use pseudonyms for all interviewees' names to guarantee anonymity.

At the beginning, the article reviews the pull factors or the opportunities that encourage Burmese workers to return to their home country. The article continues with an ethnographic vignette illustrating how the return of a Burmese worker has been shaped by expectations of the future, which is referred to here as "future-making" (Kleist & Jansen, 2016). It then explains the factors of friction that have impeded and slowed down Burmese return mobility. The subsequent two sections explore Myanmar's land boom, which has become a boon for some returnees and a barrier for others, and the consequential upsurge of social inequality. Finally, the article argues that the complex landscape of Myanmar in transition both helps and impedes Burmese migrants' future-making through return, allowing them to either settle, or postpone the return, or even continue shuttling across the Thai-Myanmar border.

RETURN WITH ENTREPRENEURIAL SKILLS

Southeast Myanmar has experienced an economic boom after the policy reforms since 2011, evident in the growing import-export trade and development of new infrastructure. The cross-border trade between Thailand and Myanmar has increased substantially. The merchandise export values at the Mae Sot (Thailand)-Myawaddy (Myanmar) border crossing point have jumped from less than USD 1 billion in 2011 to USD 2.1 billion in 2015. A large number of people in Myanmar have benefitted from the country's open economic policy. Many research informants are doing business by relying on imported commodities from Thailand, for example, food supplies for restaurant owners; tools and equipment for hairdressers, mechanics, and technicians; clothes and sports equipment for shopkeepers. Another factor underlying this growth is infrastructure investment. In the study area, a new, better-quality road was constructed, which officially opened in September, 2015, linking the Burmese eastern borderland to other commercial cities.

Business opportunities in the newly-open economy are, however, limited. Crumbling infrastructure and military cronies' influence in politics and business impose constraints on commercial investment and commodity production (Chia, Aung, & Shawng, 2016). Consequently, recent Burmese returnees' businesses focus only on basic services and small-scale trade. Burmese returnees choose to make a living in three different categories of business. First, many provide shipping and transport services. While logistic services facilitate linking the cross-border trade between Thailand and Myanmar, passenger transport has become a public service to travelers, including those migrants moving out of the country to work in Thailand. Second, some returnees work in the construction sector and property agencies, such as construction materials shops and land brokerage. Finally, many earn their living in the service sectors. These include hair and beauty salons, tea and coffee shops, food and beverage shops, groceries, clothes-selling shops, chicken-raising farms, video recording services, remittance services, and betel nut vending.

Notably, these new business-operators can be seen as small-scale entrepreneurs. Their stories sound intriguing, especially their alertness with regard to and their navigation of Myanmar's political-economic changes. Many observed the political

transformations in Myanmar while they worked as paid laborers abroad. They then discovered profit opportunities hitherto unnoticed – the ability that Israel Kirzner (1997) defined as "entrepreneurship". Their present lives and future possibilities are re-examined by their constant observations. Some try out pilot businesses in their home country, and, if these go well, eventually pursue this venture. Their re-engagement with Myanmar-in-transition shapes their new experiences. They learn about the economic gaps that they can fill to earn their livelihoods. For example, food-shop owners know what their customers want to eat at affordable prices, and clothing shop-owners know their customers' taste in clothing fashions. Their entrepreneurial acuity keeps them monitoring trends and so re-conceptualizing their own opportunities back home.

To realize the economic opportunities in Myanmar, these individual returnees rely on three kinds of capital. The first and most important one is financial capital, or their savings. The money serves to materialize their business ideas. Some types of enterprises, such as chicken-raising farms, require a large sum of money, initially and for maintenance. Since it is virtually impossible to get a loan in Myanmar, savings are so crucial and become the main source to fulfill entrepreneurial plans. The second kind of capital is the technical expertise gained and practiced while working abroad. The knowledge of mechanics, technicians, hairdressers, and culinary workers can be transformed into career opportunities. The final type of capital is knowledge of business management. Some returnees were self-employed while they were living in Thailand. They understand the management of rental spaces, procurement, material storage, staff employment, and customer services. With these kinds of capital, returnees have the potential to pursue their post-displacement projects.

These returnees' alertness to opportunity cannot be analyzed without taking into account existing socio-political conditions. Becoming an entrepreneur is not a predetermined expectation of individuals, as conventionally discussed. Their recognition of, creation of, and initiative to seize opportunities are linked with multiple structuring factors (Gough, Langevang, & Namatovu, 2013, p. 298). The more relaxed political atmosphere in Myanmar, for example, has had a profound impact on returnees' decisions, providing basic freedom and everyday security. Burmese people are able to travel around and to earn their living without fear of being persecuted. Town residents confirm that travelling at night has become safer compared to the past. Burmese returnees see major urban towns as places of commercial opportunity, because they represent transport hubs, having better basic infrastructure and large numbers of clients. Many Burmese emigrants, thus, do not return to their homes in rural areas of Karen State and Mon State. Going back to Myanmar therefore means earning their living in commercial towns. They invest different kinds of capital to pursue the economic opportunities there.

FUTURE-MAKING IN RETURN

To return to Myanmar and survive with a small-scale business has attained specific significance in Southeast Myanmar, where emigration has been common for decades. Narratives of economically-possible return create hope about a future life at home for many Burmese working abroad. Recent returnees have expressed their desire to

be able to make a living in Myanmar. They seek economic opportunities to enable them to sustain their return. Hope plays a major role in future-making. Hope poses a temporal landscape that becomes a palimpsest of the past, present, and future, with varying intensity. In hope, there is "a wish for a change that cannot be effectuated in the moment" (Dalsgård, 2014, p. 99). Kleist and Jansen (2016) suggest that anthropologists should investigate hope "as it occurs in concrete social settings and geo-political-moments" (p. 374).

Imagining the future has been an important element of Burmese returnees' life, also for Jor Hoe and his wife who returned to Myanmar in late 2013. The couple was very optimistic about the possibility of living in transitioning Myanmar. In Thailand, they had worked in a factory producing stereo speakers for 13 years but left the workplace due to internal conflict. Jor Hoe did not return to his home village near Mawlamyine, but went to a border town in Karen State, named Myawaddy. He co-invested with a younger brother in opening a shop repairing exhaust pipes for cars and motorcycles. His brother worked in an automotive garage with an uncle for five years. As he planned to start his own business, he asked Jor Hoe to join in. The latter believed that his brother had experience in the business, so he chose to move there. They rented a building in a good location, close to a bus station and a road junction. A former garage owner sold them a set of mechanic equipment at a low price. Since the opening, Jor Hoe has tried hard to make the business profitable and to adapt to the economic forces that prevail in the country.

For a newcomer, running a business inevitably involves difficulties. The shop initially had only a small number of customers. The brothers turned to accepting different jobs involving metal and steel welding to expand their services with existing tools. However, they still had to cope with the high costs of financing the building lease. The rent costed them about USD 1,700 every six months, and the whole sum had to be paid in advance. In late 2014, they found that they could share the building for commodity storage, which alleviated some of their rent burden. Both of their wives also helped out by running a food and tea shop in the building. Jor Hoe himself found other ways to increase his income, such as providing motorcycle taxi services and finding customers to rent a car owned by another younger brother.

Jor Hoe's striving under the conditions of transitioning Myanmar has been shaped by the ongoing infrastructure developments and economic growth in Southeast Myanmar. Myawaddy, the present location of Jor Hoe's business, has been bustling with cross-border trade with Thailand. The increasing commerce required more transport and passenger vehicles that eventually increased the brothers' potential customer base. The poor and limited infrastructure in the region is also gradually upgraded. The construction of a new road replaced a one-way road winding across steep mountains. It helped ease traffic congestion between Myawaddy and other Burmese cities, facilitating logistics and passenger transport. Another new Thailand-Myanmar border-crossing bridge is also under construction. As soon as the bridge is opened, border trade and other economic activities between the two countries are expected to flourish.

Running a business in Maywaddy appears to be a good decision, yet living in Myanmar's transition period entails an inevitable uncertainty. Jor Hoe's planned return to Myanmar is still far from achieving a financially secure life. After a year

and a half, he and his wife took different jobs for their economic survival. They have put a lot of effort into struggling with existing conditions. Their hope for a better life is based on their striving practices. Jor Hoe took any paid jobs related to metal and steel welding. He sometimes asked his skilled father to help him with certain kinds of work he could not do by himself. He anticipated that his small shop could be turned into a garage, seeing the town's booming economy. Jor Hoe's wife co-invested with her sister in selling second-hand appliances. Furthermore, she persuaded her husband that opening a cheap plastic utensil shop is a promising business, as none of this type exists in the region.

The story of a Burmese returnee, like Jor Hoe, demonstrates the effort to "modify or customize various aspects of our temporal experience and resist external sources of temporal constraints and structure" (Flaherty, 2011, p. 3). Their ideas about the future determine how they act in the present moment. However, the success of their efforts is not guaranteed. In the case of Jor Hoe, his 18-month experience in returning and running a small business was confronted with challenges and setbacks. The low number of customers hampered his hopes and realization of commercial success. His garage had insufficient income for the high rental costs. According to latest information, Jor Hoe's joint business collapsed, and he started earning money from a small vending stall in the same town. The following section investigates why future-making projects like his have had limited chance of success in contemporary Myanmar.

ENCOUNTERING FRICTION

Future-making, can be a naïve projection of a better life if it ignores what is actually happening on the ground. Returning to Myanmar-in-transition, Burmese migrants inevitably face challenges and uncertainty against the background of two distinct processes: Myanmar's new economic prosperity, which has been described earlier, and flawed peace-building endeavors. The latter comprises Myanmar's peace process during the period between 2012 and 2015, during which the National Ceasefire Agreement (NCA) between the Myanmar government and different armed ethnic groups was reached. The NCA mitigated armed fighting in Southeast Myanmar. The pacification provided personal safety and overall security. However, the peace agreement provides no guidance regarding the surrender of weapons and armed group dissolution. Subsequently, rare incidents of low-intensity fighting continue to have negative effects on daily routines and economic activities. A group of Burmese returnees in Myawaddy complained that their inter-town shuttle service was sometimes suspended during tense periods. When the conflict settled down, it took a few days before passenger transportation and shipping could return to its normal levels.

Large areas of Karen State in Myanmar have been under the dynamic influence of armed conflict between the Burmese army and the Karen insurgent group. Internal conflicts within the latter led to the formation of small Karen factions whose relationships with the Burmese government are discretely structured by different negotiations (for details on Karen's internal fragmentation, see Gravers & Ytzen, 2014). All Karen armed groups initially reached a ceasefire agreement and finally signed a peace agreement with the government in 2015. While all groups remained armed, the government gave them unofficial authority over particular territories in Karen State.

The quasi-autonomous zones have high potential for future economic investment. These are, for example, around Myawaddy, which is the border gate to Thailand, and around Hpa-an, Karen State's capital, where many new economic projects have recently been launched.

Personal economic interests have been integral to the flawed peace process. The Burmese government awards lucrative assets to Karen armed groups who signed the peace agreement, increasing their local influence. Their political power is thus closely bound to their economic power, especially in the selling of imported second-hand cars and property development. Their local influence includes owning specific plots of land near highways, controlling the assigned land and community living on that land, gaining access to business licenses, authorizing mining concessions, and smuggling merchandise. When different Karen groups and the Burmese army claim authority over the same resource sites, competition leads to shootings and other armed battles. Recently, most conflicts have been related to contested resource control between different groups, including Burmese authorities.

The decision whether to return to Myanmar is thus also based on an evaluation of political circumstances in the region. Different interest groups can take an active role in shared political authority. Some leaders of Karen armed groups can take control over any movements in their own areas. Returnees living in Myawaddy and other major economic centers in Southeast Myanmar inadvertently confront difficulties caused by such political dynamics.

This article argues that the Burmese return trajectory is under the influence of 'friction'. Friction, a physical force of resistance, is also a social and cultural phenomenon that is experienced as one is, for example, stopped while driving through a city, or encounters suspicion at check-ins at international airports (Cresswell, 2014). Friction may slow down movement, or impede it. Inaction, slowness, congestion, and blockage result when people, things, and ideas 'rub' against each other. Friction then implies particular kinds of uneven power arrangements in human movements.

The return of Burmese to Myanmar has unavoidably become a 'frictional mobility', as it rubs against other entities and their movements. In the post-military era, different groups have mobilized towards reaching different ends: State agencies and locally influential persons have accelerated several economic development projects. Leaders of armed groups have been influential players in certain businesses. At the very least, their actions disturb, slow down, or impede Burmese workers' movement and mobility.

TRACTION AND LAND BOOM

Friction, as explained above, does not only impede the possibility and potential of mobility but also enables particular forms of traction. The domination of armed group leaders in Karen State is far from completely obstructive to mobility. Traction appears through the booming trend in private land acquisition in the areas under study. A 'land rush' is especially evident in Myawaddy, where money-making is comparatively much easier than in other places in Southeast Myanmar. The town itself has been the transit point of human, commodity, and financial flows between Myanmar and Thailand. Burmese from elsewhere as well as Burmese migrants in Thailand move to

this town with the hope of being able to take advantage of economic opportunities.

The land transaction boom in Myawaddy and other nearby towns takes place at two different markets. The first market is land acquisition for investment and other commercial purposes. Another one appears among small-scale land buyers for general housing. Commanders of different Karen armed groups oversee land supplies for both markets. Some groups who have prevailed in the area since the 1990s occupy vast, scattered areas. Some locations were previously used as military posts; other plots are deforested areas claimed after the end of a timber concession. Recently, the size of Myawaddy town substantially expanded towards forest-cleared areas. Land plots along the Asian Highway No. 1 rank as first priority for business investors, and are usually overpriced. Karen commanders built new dirt roads linking occupied land to the main roads. Some sites even provide basic facilities, such as water, electricity, and a drainage system. It is then divided into small plots that are sold for house construction. The land market targets ordinary Burmese, especially those with savings from working abroad. A number of Burmese migrant workers in Thailand bought these plots of land with expectations for future use.

The land boom underlines the key role of ethnic armed groups at the Thailand-Myanmar border. During the past four decades, they have sought to control the cross-border movement of people and commodities. Their capacities have waxed and waned through different political periods (Smith, 1999; South, 2008). After the county opened up, they became informal agents selling land to Burmese emigrants. During the period between 2013 and 2015, the number of emigrants buying land around Myawaddy increased significantly. Plot sizes offered by developers vary, depending on and responding to purchasing capacities. The smallest land parcel is the most popular one, 40 feet by 60 feet. Its price ranges from USD 1,400 to USD 3,000, depending on location, facilities, and speculated profit potential. The preferred transaction is in Thai *baht*. The owner can build a small house in a given area, with some leftover vacant space. Certain estate sites turn into residential communities, with a number of home owners, grocery shops, and sometimes Buddhist monasteries. However, some developed sites are still unoccupied, equipped with no basic facilities except for a paved road. The developers have done no more than clear and fence the land with pillars and barbed wire.

When visiting a new neighborhood at the northern fringe of a town named Thit Ta Ping (which means single tree in English), one can notice more than 30 houses that have recently been constructed, while some others are still in the process of building. The origins of its residents are diverse. Most bought land in the community following the word-of-mouth of friends and relatives who had been there. Thit Ta Ping is a good example of a successful estate development in high demand. It is situated just 4 km north from the current center of Myawaddy and close to many infrastructure projects planned for construction, such as the second Thailand-Myanmar Friendship Bridge and a new wet market. Many Burmese emigrants with financial capital are interested in buying land there, as the location is forecast for urban expansion and business opportunities. Walking out of the community to the west, one will also find vacant plots of land. A Karen fellow explained that all of them belong to private owners. They bought them for future opportunities and their economic potential, although many of them still work elsewhere.

Thit Ta Ping is a land allocation project initiated by a vice-commander of Division 999 of the Democratic Karen Buddhist Army (DKBA), which has now been transformed into the Border Guard Force (BGF). Its initial phase started in 2008, aiming at the housing demands of ordinary Burmese. It drew more attention and activity when the open economic policy was launched and a ceasefire signed between the Karen insurgent group and the Myanmar government. These plots of land have since then become housing land for recent returnees. Some Burmese even operate their business there, such as grocery stores, noodle shops, and small-scale manufacturing. Notably, all of these transactions are carried out without legal documents related to private land tenure rights. The buyers only get certificates signed by local leaders who actually work under the BGF commander's supervision. These informal papers possess no legal validity in Myanmar. They are merely guarantee documents from the ethnic armed groups, and buyers have to put their trust in the sellers.

The close encounters between Burmese returning for projects related to livelihood and armed groups' influence have not prevented or stopped further human movement. The friction simply causes delays in some moving practices and enables mobility within other particular social contexts. Burmese emigrants have seen the opportunities of land access and possession and other affiliated benefits in economically booming towns. Many returnees materialize their dreams of returning home through different channels. They purchase land parcels, build houses, and earn a living there. These dwellers then tell their siblings and friends who still work in Bangkok to grasp the opportunity too. The latter usually make a short visit to check out the situation and buy the land offered to them. Some buyers may have no idea of what to do next. If someone else then makes them an offer to buy the land, they are willing to sell it for a lucrative profit. While some returnees invest in their future through land acquisition, what is the impact of the current land situation on the region and future opportunities of return migration?

UNEQUAL DISTRIBUTION OF HOPE

The land rush illustrates how frictional mobility impedes the future-making of Burmese returnees. The setting of Myawaddy and neighboring areas brings about speculative land transactions and expensive land prices. The increasing demand for land pushes prices too high for easy acquisition. Some land parcels change hands very quickly, with the price increasing each time the parcel is resold. When a land owner earns a big profit from a land deal, the neighbors usually increase the value of their own land parcels too. The owners of vacant land nearby also put it up for sale. Every land owner takes advantage of the boom for greater profit margins.

This land speculation has profound social consequences for the Burmese community and the choices of those who plan to return in the near future. First, the business strengthens the influence of ethnic armed groups who have not disarmed following the 2015 nationwide peace agreement. The commanders of ethnic armed groups become the real beneficiaries of the land boom. The development of their estates brings them greater wealth. The earned money is spent on their own investments and certainly on increasing their armaments. This entails a re-invigoration of their political control. The social and political relations in Karen State are transforming

along considerably complicated patterns. The ethnic armies have become strong contestants to government power. It will be difficult to transform them into civilian entities. Future return to Myanmar is inevitably confronted with their mafia-like influence.

Another consequence is the emergence of new land dealers and their speculative schemes. Ordinary Burmese become land agents, selling land plots for big profit without producing anything valuable. The lucrative financial benefits lure them to participate in this activity. Some of them earn a lot of money and spin speculations further. The story of Ti Wa Shu, a Karen returnee living in Myawaddy, demonstrates this well. He came back to Myanmar without regular employment in early 2013. He bought a 6 ac plot of land around Thit Ta Ping for housing and small-scale farming, as a revered Buddhist monk had advised him to do. A year later, another land-seeker bought half of his land, by paying him five times the amount he had paid for the whole parcel. He sold another quarter of the land for a profit in 2015. He planned to do future speculation by forming a partnership with another three friends to buy a large land plot. They thought that if the future Burmese economy continued to grow, their investment would yield them great profit when selling the land later.

The situation in Myawaddy shows early returnees fulfilling their dreams of the future at the expense of more recent returnees. As noted by Ghassan Hage (2016), there is an unequal distribution of hope, as certain Burmese acquire more profit potential than others. Land speculation, as in the case of Ti Wa Shu, along with the economic growth, generates the problem of overpricing. For those who return and buy land and a house, future-making in Myanmar is much more promising and secure than for poor emigrants with less financial capability. The latter find it difficult to resettle in Myanmar. New allocated land plots are so expensive that they cannot afford them with their savings. The speculation business has explicitly mitigated the possibility of realizing their hopes in their return.

The pursuit of future possibilities creates not only economic but also political uncertainties and daily pressures that become constitutive of more complicated relations in Southeast Myanmar. The flawed peace arrangements and strengthened local armed groups increase risks for future returnees. When interest groups like these interrupt the general business climate through their local domination, ordinary Burmese wishing to do business there might have to reconsider their dream of enjoying the seemingly flourishing economy of Myanmar-in-transition. Intervention by these armed groups or small flare-ups of fighting can undermine their capacity for profit-making. Land allocation projects have facilitated the hopes of some, but the politics of hope now point to uncertainty and exploitation. Land speculation has contributed to the escalation of social inequality among the Burmese and negatively affected the probability of the future return of Burmese emigrants.

TOWARDS COMPLEX MOBILITY

The Burmese return phenomenon from Thailand brings about enthusiasm for a future life in Myanmar. In local communities, stories of returning become important narratives. People talk about successful and failed cases of returnees with great enthusiasm. They admire certain outstanding returnees who have demonstrated

economic endurance. As a matter of fact, only a small number of Burmese emigrants can attain such an achievement back in their homeland. For example, in Taunggalay, a Karen village near Hpa-an, a group of villagers praised a Burmese named Jor La Thu who was good at money-making. The man is an agent buying and selling second-hand cars imported from Japan through the border with Thailand. He has become a role model who knows well how to use entrepreneurial skills to earn money, despite little financial capital. His career path draws further conversation, as he co-invested with a friend and bought a second-hand tractor which he hires out for field plowing. Many landowners in the village use his services in order to clear weeds and bushes on their farmland.

Those who remain outside Myanmar closely observe what happens to their friends who have returned. For Burmese migrants in Thailand, going back to Myanmar eventually becomes a necessity when they get old. The stories of the future carried by recent returnees to Myanmar have significantly shaped the hopes of the Burmese working abroad. These Burmese migrants ought to be seen not only as migrant workers, but also as subjects who make their own dreams about what the future holds, based on the transformations taking place back in Myanmar. Burmese migrants in Thailand not only think of returning home; some even engage in the return experiment. Yet, there are a lot of uncertainties and unequal distribution of resources and hope in Myanmar.

The overall situation encourages Burmese migrants to embark on a return experiment before returning indefinitely. During my interview with Jor La Thu, Taunggalay's appraised businessman, he introduced me to one of his friends, Ma Cho. She is a married Mon woman, who was 50 years old. At that time, Ma Cho and her husband took a three-week leave to visit Ma Cho's family in Hpa-an. Her parents escaped fighting and moved from a rural Mon village to the town in the mid-1980s. In the early 1990s, Ma Cho and her husband moved to work as undocumented workers in Thailand, due to unemployment at home. The couple had four children. The two older sons worked with the parents in Thailand, while the other two ones were with their grandmother in Hpa-an. In Thailand, they have been employed in different kinds of work in the fishery industry. In the meantime, Ma Cho also has her own small business. She buys and dries cuttlefish's black ink-like deposit and sells it to animal feed production mills.

Ma Cho thinks about future return to Myanmar, but she does not know how to survive economically there. Two years ago, Ma Cho bought five wooden houses on scattered plots from neighbors in her family's community. She rents out dilapidated shanties there to rural migrants who move to work in the town. During the trip, when I met her in Hpa-an, she decided to buy another land plot suggested by Jor La Thu. It is near the newly established industrial zone. She explained her decision to me:

> Land plots are going to be more expensive. If I don't get some today, it will be impossible to buy later. Land in my mother's community is not suitable for business. It is a residential slum and is flooded in the rainy season. . . . I don't know what to do with this new plot. I might run an ice-production site; there are quite a few ice sellers here.

The couple's wish to return has involved multiple moves in recent years. Ma Cho's husband remained in Hpa-an after that visit. He planned to investigate the possibility of the return for the whole family. Later, he came back to stay with Ma Cho in Thailand. He found it was difficult to find ways to earn an income there. The following year, Ma Cho herself went back to stay in Hpa-an for six months, and returned to Thailand with similar results. She found her hometown lacked opportunities to earn money, and her daily expenses were much higher than her income. She therefore postponed the timing of the return. Some of Ma Cho's friends in her Burmese community in Prachuap Kirikhan, who once experimented with returning, have recently also shown less enthusiasm.

Some returnees take their re-engagement with Myanmar as a continuous movement. A case in point is that of Tun Myint, an ethnic Pa-O man. Tun Myint returned from working in Bangkok in 2013 and started running a motorcycle repair shop. His shop also sold second-hand motorcycles and bicycles. He usually traveled to Thailand and looked for second-hand small pickup trucks. He bought one on each trip and took the vehicle to sell it in Myanmar. He could earn a good profit from the smuggling business. The trip usually took place in the monsoon season when his shop had only a few customers due to the heavy rain. Tun Myint is only one of many male returnees who live their lives on the move. They return to stay with their family in Myanmar but continue taking short trips back and forth for commodity smuggling.

Imagining the future has driven Burmese migrants to spend their savings on investment and make an effort to realize their return to Myanmar. Their experiences of the situation on the ground have been an unpleasant reminder of the uncertainty and ambiguity of the future. The improved socio-economic situation they see stands against the pitfalls of the national peace-building process. While returning to their home country is largely anticipated by displaced Burmese people, the realization is far from a linear process of return migration. The ongoing political and economic dynamics in present-day Myanmar enforce particular patterns of return mobility, which are rather complex and uncertain.

CONCLUSION

In this article, I have shown how the return of Burmese migrants from Thailand to Southeast Myanmar has been configured by the complicated landscape of hope and future-making. The economic and political transformations in the reform-era Myanmar have generated factors of friction and traction that either support or impede the plan of homecoming and life-earning there. The Burmese return happens against the background of political reform, economic growth, and political influence of local armed groups. The return trajectory, in fact, experiences resisting forces, engendered through the flawed peace process. Return then becomes frictional mobility rather than straightforward return migration. The contestation of political power disrupts the newly emerging economic opportunities in their homeland. Existing constraints push returnees to make more efforts on their return plan, or even reconsider it.

The overall situation in Southeast Myanmar shows that ethnic armed groups remain influential agents. Their control over land and active involvement in the

property business, along with the land acquisition of return migrants, aggravate the conflict and increase social inequality in the region. The land rush has greatly impacted Burmese society and return migration. The Karen armed groups are dominant players in resource allocation for ordinary returnees, especially with regard to access to land and housing in Southeast Myanmar. Such business strengthens the financial and political power of these armed groups and the return opportunities of ordinary people grow more complicated. Contested political power intensifies the social inequality in Myanmar and further delays the probability of return for Burmese migrants from Thailand.

These circumstances bring about an unequal distribution of hope, allowing some Burmese to have greater access to resources than others. This article shows how their return mobility turns into a complex moving project. Hope for success of one person, through land investment, comes at the expense of the hopes of others. One thing should be noted here: The interest in returning to the home country is not a static idea, it may greatly intensify or attenuate over time. In the early years of open economic policies, Burmese migrants monitored actual changes at home and participated in the flow of homeland re-engagement. They now increasingly recognize that there are many obstacles awaiting them there. While some Burmese struggle to realize the possibility of future lives in Myanmar, others are still reluctant to pursue the full project of return migration.

REFERENCES

Asian Development Bank. (2017). *Asian Development Outlook (ADO) 2017: Transcending the middle-income challenge*. Manila: Asian Development Bank.

Cassarino, J.-P. (2004). Theorising return migration: A revisited conceptual approach to return migrants. *International Journal on Multicultural Societies, 6*(2), 253-279.

Chia, J., Aung, Y. M., & Shawng, K. B. (2016). Myanmar's nascent democracy depends on federalism. *Kennedy School Review*. Retrieved from http://ksr.hkspublications.org/2016/03/23/myanmars-nascent-democracy-depends-on-federalism/

Cresswell, T. (2010). Towards a politics of mobility. *Environment and Planning D: Society and Space, 28*, 17-31.

Dalsgård, A. L. (2014). Standing apart: On time, affect and discernment in Nordeste, Brazil. In A. L. Dalsgård, M. D. Frederiksen, S. Højlund, & L. Meinert (Eds.), *Ethnographies of youth and temporality: Time objectified* (pp. 97-116). Philadelphia: Temple University Press.

Flaherty, M. (2011). *The textures of time: Agency and temporal experience*. Philadelphia: Temple University Press.

Gashi, A., & Adnett, N. (2015). The determinants of return migration: Evidence for Kosovo. *Croatian Economic Survey, 17*(2), 57-81.

Gough, K. van, Langevang, T., & Namatovu, R. (2013). Researching entrepreneurship in low-income settlements: The strengths and challenges of participatory methods. *Environment and Urbanization, 26*(1), 297-311.

Gravers, M., & Ytzen, F. (2014). *Burma/Myanmar: Where now?* Copenhagen: Nordic Institute of Asian Studies.

Hage, G. (2016). Questions concerning a future-politics. *History and Anthropology, 27*(4), 465-467.

Hannam, K., Sheller, M., & Urry, J. (2006). Mobilities, immobilities and mooring. *Mobilities, 1*(1), 1-22.

Hirvonen, K., & Lilleør, H. B. (2015). Going back home: Internal return migration in rural Tanzania. *World Development, 70*, 186-202.

Kirzner, I. M. (1997). Entrepreneurial discovery and the competitive market process: An Austrian approach. *Journal of Economic Literature, 35*(1), 60-85.

Kleist, N., & Jansen, S. (2016). Introduction: Hope over time – crisis, immobility and future-making. *History and Anthropology, 27*(4), 373-392.

Lall, M. (2016). *Understanding reform in Myanmar: People and society in the wake of military rule*. London: C. Hurst & Co.

Mya Mya Thet, & Pholphirul, P. (2016). The perception of Myanmar development on its return migrants: Implications for Burmese migrants in Thailand. *International Migration & Integration, 17*, 995-1014.

Smith, M. (1999). *Burma: Insurgency and the politics of ethnicity*. London: Zed Books.

South, A. (2008). *Ethnic politics in Burma: States of conflict*. New York: Routledge.

ABOUT THE AUTHOR

Prasert Rangkla is an assistant professor at the Faculty of Sociology and Anthropology, Thammasat University, Thailand. He is interested in migration and displacement along the Thailand-Myanmar border. His current research focuses on the moral economy of a Burmese immigrant community in Thailand.

▸ Contact: prasertran@gmail.com

ACKNOWLEDGEMENTS

I am grateful for the financial support of this research granted by the Academic Research Division (ARD), Thailand Research Fund (TRF) [Grant no. MRG6080257]. I also thank two anonymous reviewers for their comments and suggestions.

Excluding Migrant Labor From the Malaysian Bioeconomy: Working and Living Conditions of Migrant Workers in the Palm Oil Sector in Sabah

Janina Puder

▸ Puder, J. (2019). Excluding migrant labor from the Malaysian bioeconomy: Working and living conditions of migrant workers in the palm oil sector in Sabah. *Austrian Journal of South-East Asian Studies, 12*(1), 31-48.

In 2012, Malaysia launched its bioeconomy program, with the palm oil sector as one of the main pillars. In focusing on the societal processes that accompany the Malaysian plans to establish a bioeconomy, it is of special interest to understand which occupation groups in the palm oil sector are included and which are excluded from the socio-economic targets of the program. Research on the bioeconomy, as well as a green economy more broadly, often neglect the possible effects of green economy models on labor markets. I argue that low-skilled migrant workers employed in the Malaysian palm oil sector are structurally excluded from the national goal of enhancing the living and working conditions of the population by transforming into a bioeconomy. This exclusion intersects with a specific precarity caused by the socio-economic status of low-skilled migrant workers. The article shows that Malaysia's bioeconomy program reinforces the precarity of this group of workers, expressed in the lack of perspectives for upward mobility, their discrimination on the labor market, and in social barriers preventing them from further training. The findings presented are based on expert interviews and semi-structured qualitative interviews with workers from Sabah.

Keywords: Bioeconomy; Labor Migration; Palm Oil; Social Exclusion; Working and Living Conditions

INTRODUCTION

In the 1990s, Malaysia started to invest in biotechnology in order to capitalize the state's rich biodiversity endeavors into "biobusiness and wealth" (Arujanan & Singaram, 2018, p. 53). In the following years, the expansion of the biotechnology sector became a central concern of subsequent macro-economic development policies. In 2012, Malaysia launched the *Bioeconomy Transformation Programme* (BTP), joining countries such as Germany and South Africa dedicated to establishing bioeconomy as a way to create a sustainable, green growth model. Designed as a platform for private-public partnership, the BTP focuses on the upgrade of "industries and economic sectors that produce, manage and utilise biological resources" (BiotechCorp & MOSTI, 2017, p. 36). Moreover, with the launch of the program, Malaysia stressed a new development paradigm that links the promotion of biotechnology and the expansion of biomass use to the long-term development objectives of the state to reduce poverty in rural areas and increase

the human capital of Malaysians, eager to develop into a high-income country by 2020. In doing so, the state aims to reduce the income gap between the rural population – characterized by a high poverty rate, income insecurity, and limited social mobility – and the urban, higher skilled sectors of Malaysia's population. Hence, the program must not only be understood as an economic development strategy but also as a political project targeting socio-economic restructuring through the advancement of the living and working conditions of the rural population (BiotechCorp & MOSTI, 2017, p. 7; Pye, 2009).

In realizing these goals, the state depends on a vast supply of biomass (Kamal, 2016) and the industrial upgrading of the palm oil sector. Malaysia is, after Indonesia, the second largest producer of palm oil worldwide (United States Department of Agriculture [USDA], 2018). In 2017, agriculture made up the third largest share of Malaysia's GDP; significantly driven by the palm oil production (Department of Statistics Malaysia [DOSM], 2017). In the same year, 73% of agricultural land was used to cultivate oil palms (Kotecha, 2018, p. 2). The competitiveness of and high demand for palm oil on the global market for vegetable oils and the low salaries in the agricultural sector make palm oil particularly attractive for state and private investments (Cramb & McCarthy, 2016, p. 33; Pye, Daud, & Harmono, 2012, p. 331). Economically, the palm oil industry is considered a core sector serving "as a valuable source of feedstock to complement a multitude of novel food and non-food industries" for the production of "biofuels, bio-materials and chemicals" (Kamal, 2015), boosting Malaysia's 'green' competitiveness on a regional and global scale (BiotechCorp & MOSTI, 2017, n.d.). From a socio-economic perspective, the palm oil industry is identified as a strategic area serving a twofold purpose: First, as an essential income source and driving force for infrastructure development, the palm oil industry has a crucial impact on the development of rural areas. Second, with the industrial upgrading of the sector, the state expects the creation of new jobs in the up- and downstream areas as well as further skill-development and training possibilities (Kamal, 2015). A more detailed analysis, however, reveals that a significant share of the Malaysian work force appears to be excluded from the promise of an encompassing social upgrade through the transformation of the economy into a bioeconomy – namely labor migrants.

As the biggest "net-importer" of foreign labor in Southeast Asia (Ford, 2014, p. 311), migrant workers make up at least a quarter of the total work force in Malaysia. In the labor-intensive palm oil plantation sector, migrant workers are the dominant source of wage labor (Cramb & McCarthy, 2016, p. 43). In 2012, approximately half a million registered and presumably just as many unregistered foreign workers were employed in the Malaysian palm oil sector (Pye, Daud, Manurung, & Siagan, 2016), with an estimated 90% coming from Indonesia (Pye, 2013, p. 10). Taking the social restructuring measures targeted in the BTP into account, it must be noted that higher paid jobs with better working conditions and training possibilities in the palm oil sector are currently reserved for Malaysians, whereas migrant workers are hired to perform so-called 'dirty', 'dangerous', and 'degrading' jobs. The BTP seems to reproduce this segmentation between Malaysian and non-Malaysian workers in the palm oil sector, disregarding the specific vulnerabilities of migrant workers in the country.

Focusing on the socio-economic transformation processes that accompany the Malaysian plans to establish a bioeconomy, this article asks about the *mechanisms*

that are likely to exclude so-called 'low-skilled' migrant workers in the palm oil sector from the socio-economic restructuring measures of the BTP. Academic literature on the bioeconomy, and the green economy more broadly, often underexposes the effects of green economy models on labor markets (Anderson, 2016; Birch, 2019; Birch & Tyfield, 2015; Brand & Wissen, 2015; McCormick & Kautto, 2013). However, studies by the OECD (2017) and the German Federal Environment Agency (Umweltbundesamt [UBA], 2014) have shown that green transformation models are expected to benefit high-skilled while disadvantaging low-skilled workers. In order to capture the (possible) effects of the BTP on migrant workers, it is necessary to explore the current socio-economic status of low-skilled migrant workers in the palm oil sector. By doing so, it becomes possible to shed light on the extent to which corresponding economic policies and political strategies address existing or evolving patterns of social inequalities in the work sphere. Against this backdrop, the article explores how working and living conditions of low-skilled migrant workers in the Malaysian palm oil sector are affected by the BTP.

The article proceeds as follows: I give an overview on the state of the art on working and living conditions of migrant workers in the Southeast Asian palm oil industry. Following this, I situate the BTP within the Malaysian labor migration regime. By emphasizing the regulatory dimension of the regime, flanking the socio-economic status of low-skilled migrant workers, I argue that this group is politically excluded from the socio-economic targets outlined in the BTP. I continue by presenting findings from interviews I conducted during fieldwork in Sabah (East Malaysia), exploring the socio-economic status of low-skilled migrant workers in the Malaysian palm oil sector. Based on the analysis of these interviews, I show the mechanisms that exclude migrant workers from the socio-economic objectives of the BTP.

WORKING AND LIVING CONDITIONS IN THE PALM OIL SECTOR

Research on the social and socio-economic aspects of the Southeast Asian "Oil Palm Complex" (Cramb & McCarthy, 2016b) often concentrate on the land dispossession of the rural population (Li, 2014; McCarthy, 2010; Peluso & Lund, 2013; Pichler, 2015) and the subsequent integration or exclusion of 'liberated' landless peasants into the palm oil industry (Bissonnette, 2012; Cramb, 2016; McCarthy & Zen, 2016; Neilson, 2016; White & Dasgupta, 2010). In order to assure the livelihood of the family household, former subsistence farmers often choose or are forced to migrate internally (Li, 2015, 2016) or to another country (Sanderson, 2016, p. 387) – with Malaysia being a frequent destination within the region (Ford, 2014).

Empirical research on migrant workers in the Malaysian palm oil sector commonly explores the social effects of legal and political regulations. From a legal perspective, foreign workers have to apply for a working permit which is valid for three years, with the possibility of applying twice for a one-year extension. The Malaysian state grants different types of permits to specific national groups to work in selected branches of the economy, resulting in a state-regulated division of labor (Khoo, 2001, p. 181). Migrant workers are legally bound to a specified employer and are unable to choose or change jobs on their own (Pye et al., 2016). They are also required to attend regular medical check-ups. In case a worker is pregnant or severely ill he or

she faces immediate deportation (Pye, 2015, p. 192). In this context, another research strand concentrates on the illegalization of migrant workers and their dependents (Saravanamuttu, 2013). When migrant workers switch jobs without legal permission, when their working permits are withdrawn or expired, and they choose to (re)enter or stay in Malaysia without proper documents, they are illegalized (Pye et al., 2016). In comparison with documented workers, their position on the labor market changes in two contradicting ways. On the one hand, undocumented workers are free to "move from one job to another, they do not pay taxes and it is much more difficult to make them leave the country" (Garcés-Mascareñas, 2012, p. 84). On the other hand, they constantly fear being caught by state authorities or vigilante groups and eventually being deported (Pye et al., 2012, p. 332).

Migrant workers are neither allowed to bring family members nor to marry or start a family in Malaysia. Since plantations and mills "are far away and spatially separated from everyday Malaysian life" (Pye et al., 2012, p. 334), they are largely excluded from other parts of the (rural) population (Sanderson, 2016). Plantations and mills "cannot be reached by public transport and workers usually have no cars", resulting in their "isolation" (Pye et al., 2012, p. 334) from urban areas and public infrastructure.

As Malaysian workers are mostly unwilling to work in the low-wage segment of the palm oil sector, companies and smallholders fall back on foreign workers (Pye et al., 2012). Workers migrating to Malaysia are foremost "attracted by . . . higher wages" and the "hope to save enough money in Malaysia to improve their livelihood possibilities at home" (Pye et al., 2016). But migration can be costly (Lindquist, 2017), and salaries of low-skilled migrant workers in the palm oil sector are usually significantly below the national average (Ford, 2014; ILO, 2016). This also applies to mill workers, who usually also have a migrant background. Studies have shown that within the palm oil sector there are great variations in the payment system different types of employers install, ranging from permanent contract-based payments to (in)formal payments determined by harvesting quotas (Pye et al., 2016). In order to exceed or even reach the minimum wage and in search of ways to bridge income insecurity, migrant workers rely on overtime work and/or additional sources of income (Pye et al., 2012, p. 333). In addition, plantation workers are often exposed to heavy manual labor and work tasks hazardous to their health (Tenaganita, 2002).

The Malaysian state externalizes reproduction costs to the country that sends foreign workers (Pye, 2015, p. 193). For example, as migrant children are not allowed to attend public schools in Malaysia, they may be sent to their country of origin in order to receive basic or further education, where they either stay on their own or female family members take care of them. In this context, remittances are an essential feature of the socio-economic organization of "transnational families" (Pries, 2018; Pye et al., 2012, p. 332). In the case of Indonesia, they are also of economic importance to the sending country, resulting in state-supported labor migration in order to manage "labor surpluses and to earn foreign currency" (Missbach & Palmer, 2018).

In a critical analysis of the working and living conditions of migrant workers in the Malaysian palm oil sector, Pye et al. (2012) elaborate on the concept of a dual labor regime, which institutionalizes a specific form of social and political precarity. In dealing with their precarious situations, Pye (2017) examines individual coping strategies of migrant workers, characterizing them as "everyday resistance" (p. 951).

Everyday resistance includes consciously choosing to work as undocumented workers to gain autonomy, using social networks to find employment, or cheating public officials to extend one's stay in Malaysia.

Research on the socio-economic dimensions of the Southeast Asian Oil Palm Complex currently lacks a perspective that analyzes structural processes of social exclusion of low-skilled migrant workers employed in the palm oil sector in view of the state's ambition to improve the working and living conditions of the rural population through the establishment of a Malaysian bioeconomy. In this context, social exclusion defines the marginalization of a group within a given societal context, mediated by directly or indirectly denying this group the access to basic public goods like welfare services (Mohr, 2005), spatially marginalizing it, preventing it from political participation, or the like (Bude & Willich, 2006; Kronauer, 2010). Processes of social exclusion become structural when state policies and social practices reinforce social segmentation over a period of time without destabilizing society as a whole (Bude & Willich, 2006, p. 22). In order to analyze the structural social exclusion of migrant workers from the socio-economic prospects of the Malaysian bioeconomy, I understand the BTP and respective policies as a political project aiming at the productive and social transformation of the country's model of capitalist development in order to become a fully industrialized country pioneering in green technologies and innovations. As the BTP operates within the framework of existing social inequalities, which structurally disadvantages low-skilled migrant workers on the labor market, the initiative must be analyzed against the backdrop of the state's migration regime co-structuring the labor market.

THE MALAYSIAN MIGRANT LABOR REGIME IN THE WAKE OF THE NASCENT BIOECONOMY

Since the early 20th century, Malaysia has relied on the 'import' of foreign labor, which led to the gradual institutionalization of a state regulated "labor migration regime" in the beginning of the 1970s (Garcés-Mascareñas, 2012, p. 56). Today, Malaysia has one of the largest migrant worker populations worldwide (Kotecha, 2018, p. 2). The largest shares consist of low-skilled workers from Indonesia, the Philippines, Nepal, Myanmar, India, and Bangladesh (ILO, 2016). For the most part, they work in the plantation, construction, and service sector (including domestic care) (Sugiyarto, 2015, pp. 281-282). The low wage level in these employment sectors was and still is an important determinant for their steady development and positive economic performance.

Historically, since colonial times, the economic development model of Malaysia was marked by an ethnic division of labor (Khoo, 2001, p. 181), which, in the course of the state's nation building, was later replaced by a segmentation of the labor market based on citizenship. The resulting regulation of labor migration "sought to let in migrant workers, but only in places where they were needed and for as long as they were needed" (Garcés-Mascareñas, 2012, p. 74). To this day, low-skilled workers migrating from different countries to Malaysia dominate certain low-wage segments of the Malaysian economy, whereas domestic workers are deployed in better-paid work, with higher skill requirements (Garcés-Mascareñas, 2012, pp. 49, 196).

The specific historical form of Malaysia's labor migration regime was always shaped by the competition between Malaysian and non-Malaysian wage workers on the labor market (Garcés-Mascareñas, 2012, p. 68; Kaur, 2006, p. 44; Khoo, 2000, p. 222). In the course of various waves of (de)regulation, labor migration became increasingly flexible (Kaur, 2004). Today, the relative share of low-skilled migrant workers depends on the one hand on the market demand for cheap labor and on the other hand on the political power of nationalist, employee-friendly actors to limit labor migration in favor of the domestic labor force (Garcés-Mascareñas, 2012). The tension between the concerns of the domestic labor force and the profit-driven interests of businesses and the state have steadily reinforced the segmentation of the Malaysian labor market. But the extensive use of low-skilled migrant workers must also be understood as a political strategy to curb a rapid rise in the general wage level (Garcés-Mascareñas, 2012, p. 62).

In taking the specifics of the Malaysian labor migration regime into account, the BTP is embedded in a historically grown socio-economic development and growth model in which the precarisation and flexibilization of migrant labor is historically rooted. As an economic development program, the BTP concentrates on the industrialization and expansion of the agricultural sector, with emphasis on the palm oil industry. In its economic and socio-economic dimension, the BTP is designed as a full value-chain approach promoting the establishment of small and medium bio-based businesses oriented towards the export market and the modernization of raw material supply (Kamal, 2015). For example, a partial strategy of the BTP targets an income increase for farmers of up to MYR 4,500 per month (approximately EUR 960) through buyback guarantees for raw materials and private-public partnerships creating links between agriculture and bio-based industries to improve the welfare of rural communities. In what way, the program plans to address the specific needs of rural households remains uncertain. While the BTP promotes the qualitative improvement of working and living conditions, the quantitative number of estimated new job opportunities is difficult to determine, ranging between 1,500 and 2,000 new jobs in the up- and downstream area of the palm oil industry within an indefinite timeframe (Kamal, 2016). Bearing in mind that more than half a million documented labor migrants are employed in the palm oil sector and that Malaysian workers receive preferential treatment over non-Malaysian workers on the labor market, it appears unlikely that low-skilled migrant workers will gain access to these new work areas. All political measures of enhancing working and living conditions of the rural population in the BTP are tailored to the domestic workforce (BiotechCorp, 10 April 2018; Khoo, 2000, p. 216, 2001, p. 184), excluding migrant workers from the socio-economic prospects of the program. But how do these political mechanisms of exclusion translate into everyday working and living conditions of migrant workers employed in the palm oil sector?

APPROACHING THE FIELD

The findings in this article are based on field research I carried out from February to April 2018. The qualitative fieldwork concentrated mainly on one-to-one interviews with low-skilled migrant workers in the palm oil sector, predominantly from Indonesia, in the East Malaysian state of Sabah.

NUMBER OF RESPONDENTS			OCCUPATION	AREA OF WORK
	male	**female**		
	6	4	plantation worker	Sandakan
	1	2	plantation worker	Tawau
	3	2	mill worker	Kunak
ethnic				
Bugis	6	7		
other	4	1		
age span approx.: 30-54 years old				
Total: 18				

Table 1. Informants' details (own compilation).

Expert interviews focusing on migrant workers and the bioeconomy in Malaysia with NGOs, a union representative, state institutions, and academics rounded out the findings from the interviews with migrant workers. Additionally, two smallholders that employed migrant workers were interviewed. Participant observation in the form of visiting palm oil plantations and mills as well as joining a strategy meeting of union secretaries complemented the field research.

The Malaysian palm oil industry consists of three main production sites: oil palm plantations, palm oil mills, and palm oil refinery plants. Low-skilled migrant workers dominate oil palm plantations and processing mills. Except for the specific production site they work in, they share core characteristics in working and living conditions. The group of migrant plantation workers encompasses all jobs linked to maintaining the estate (i.e., harvesting, fertilizing, collecting loose fruit, tree nursery, and basic services such as cleaning). This excludes, for example, the staff who is responsible for managing the production flow. In the case of mill workers, I concentrated on workers directly involved in processing procedures (e.g., operating the oil press or weighing fresh fruit bunches). I chose Sabah as my field site for two main reasons: First, the palm oil sector has become an important income source for the rural population in Sabah and currently records the highest growth rates within Malaysia. It is, therefore, an adequate site to analyze socio-economic transformation processes against the backdrop of the expansive development dynamic of the sector in the context of the BTP. Second, the standard of living in the predominantly rural areas of East Malaysia is considerably lower than in more urban and modern regions of Peninsular Malaysia. Accordingly, one strand of the Malaysian bioeconomy strategy explicitly focuses on the establishment of 'green' production branches in Sabah, targeting the advancement of living and working conditions in the East Malaysian state (Rahmat, 2015, pp. 6, 32-33, 36).

In order to understand in what ways the socio-economic measures of the BTP (dis)regard low-skilled migrant workers in the palm oil sector, the fieldwork sought to explore the socio-economic status of this group by gaining empirical insight into their current working and living conditions. I define the socio-economic status of workers as determined by their economic situation within a given, historically grown,

and socially embedded economic system (Mikl-Horke, 2011, p. 13; Weber, 1985). This provides insight into the objective living conditions of individuals or groups within society, induced, for example, by working conditions, access to education, and property (Mikl-Horke, 2011, p. 13). In doing so, the questionnaire covered the following topics: (1) general working conditions, (2) income situation and distribution, (3) organization of the family household (internal division of labor), (4) community life, (5) dealing with work and income related problems, and (6) future aspirations. The interviews were analyzed and coded following the procedure proposed by Richards (2005).

VARIATIONS IN WORKING AND LIVING CONDITIONS

The immediate living conditions of migrant plantation and mill workers in Malaysia vary according to the type of employer they work for. I interviewed workers employed by *smallholders*, *medium-sized companies,* and a large *international company*.[1] The living areas of workers employed by larger companies resemble village structures. Workers are accommodated side-by-side within the plantation or next to the mill in houses owned by the company assigned to them. While managers and the staff live in separate areas in more spacious and modern houses, plantation and mill workers' homes are all of the same basic design, regardless of the size or needs of the respective household. As a result, large households often appear crowded, lacking sufficient space for all family members.

Workers on large estates are provided with facilities, such as a small health clinic or a religious institution as well as with basic services like electricity, water, or a school bus for their children. Working and living on estates with basic infrastructure goes along with a certain self-contained communal life. Workers may shop in small grocery stores, participate in sport activities, and in many cases they live next door to family members. More importantly, larger estates are perceived as protected areas where migrant workers (who are not permitted to hold their own passports) are safe from deportation. Some respondents working for such companies hinted that they mostly stay within the estate. One worker even stated that she has never been to another estate: "[I was raised in this estate.] I have never been anywhere else. Until now I have grandchildren here" (female plantation worker, 13 March 2018). This especially applies to migrant plantation workers without a (valid) working permit and to those who migrated at an early age to Malaysia or were even born as second-generation workers on the estate.

In contrast, smaller companies are less well equipped and maintained. Respondents employed by such companies or by smallholders problematize the poor organization of the plantation infrastructure, which makes them more dependent on external facilities and services. On the other hand, workers are less monitored in their hours off work and enjoy more freedom of movement. Migrant workers

1 For the purpose of this article, I provisionally define a large company in the palm oil sector as an internationally operating enterprise, usually active on more than one link in the value chain. I define a medium-sized company as a business rather concentrated on one level within the value chain, primarily focused on national and regional markets. The distinction of business size by these criteria appears to be more useful for the purpose of this research than to differentiate them, for example, by the size of the plantation area or the enterprise value.

employed by smallholders or small companies often lack access to water, experience electricity cuts, or are provided with insufficient housing. One respondent working for a smallholder mentioned that his household suffers from irregular power supply, complaining that "it gets hot in the evening" (male plantation worker, 8 March 2018), while another smallholders' worker stated that his family uses rain water and water from the pipeline connected to the farm for cooking and drinking and worried about its quality (male plantation worker, 9 March 2018).

Migrant plantation workers employed by smallholders regularly perform tasks autonomously and without guidance from plantation owners. While larger and medium-sized companies provide for basic training and safety briefings, smallholders' workers receive no training at all and are forced to rely on previous work experience or self-taught skills. They usually stem from rural areas where they worked as farm laborers and/or practiced subsistence agriculture. Some of them arrive already having gained practical experience working with oil palms before. Smallholders are more concerned with selling the fresh fruit bunches (FFB) than with actively intervening in the production process. As a result, respondents working for smallholders get the impression they work on their own farm, which employers encourage by granting them far-reaching autonomy, as this statement of a smallholder exemplifies: "We just let them do it in their own way. . . . They are the ones who decide on when they should carry out [tasks]" (male smallholder, 22 March 2018). Furthermore, working for smallholders requires workers to perform multiple tasks, of which some are unpaid, and working hours are handled flexibly, whereas on the plantations of larger companies there is a distinct division of labor with fixed working hours and formalized rules concerning overtime. In consequence, even though workers of smallholders are formally wageworkers, in practice their actual working conditions seem to resemble those of small farmers.

The BTP's focus on training and skill development is based on the perception that through the promotion of private investments and the state support for higher education in the area of biomass production and biotechnology, the socio-economic status of the rural population will automatically improve. In the palm oil industry, employers do not promote any explicit measures to further the qualification of migrant workers. None of the respondents mentioned advanced training measures or job promotions, which would indicate steady skill-development. The enclosed space migrant plantation and mill workers live in isolates them from surrounding areas, which means they will not benefit from the prospects of the BTP to develop a modern rural infrastructure. The immediate living conditions of migrant workers are determined by their employer rather than by social policies. The implementation of the socio-economic objectives envisaged by the bioeconomy program, hence, depends on efforts made by private actors. While the BTP mentions the advancement of the living conditions of smallholders (BiotechCorp & MOSTI, n.d.), it does not address the fact that smallholders usually pass the pressure induced by the market onto their workers, which is why the particular precarious situation of their workers remains unchallenged.

THE TWO-LEVEL FAMILY HOUSEHOLD AS A SOCIO-ECONOMIC REFERENCE

When asked about personal property, land ownership, or future plans in the interviews, it became evident that the household is the most important socio-economic

reference point for migrant workers. Analytically, I divide the household in two interconnected spheres. The typical immediate *nuclear family household* encompasses a married couple with usually two or more children. The *transnational extended family household* might include parents, siblings, in-laws, and cousins in the country of origin as well as in Malaysia. Family members of both household levels undertake different economic roles. They either contribute or they are dependent on income from family members working in the Malaysian palm oil sector, performing reproduction or subsistence work in Malaysia or the country of origin. The division of labor within the nuclear family household in Malaysia is replicated in the extended family household as migrant workers depend on the reproduction work of family members at home, taking care of purchased land, children, or pregnant family members. Excluded from the public welfare system in Malaysia and with limited access to welfare services in their country of origin, the two-level family household serves as a socio-economic redistribution network (Ferguson & McNally, 2015, pp. 13-14). It functions as a cross-border support network concerning issues such as financial squeezes, care work, or job promotions. Especially the latter is important for migrant workers to gain foothold in Malaysia, as relatives who work or who are in touch with workers and employers in the palm oil sector help promote family members who seek to work for good employers.

The BTP is designed as a national development strategy which structurally disregards the transnational context that migrant workers are dependent on. While the need to support the two-level family household by working in Malaysia results from the marginalization of low-skilled migrant workers in their country of origin (Li, 2009), the internal organization of the household must be understood as a strategy to enforce social stability. Its economic organization helps their members to deal with their precarious working and living situations.

Insecurity of the Nuclear Family Household Income

Most respondents explained that they spend the largest share of their salary on basic needs, as one male mill worker stated: "I have no savings. All of it becomes food" (male mill worker, 15 March 2018). As a result, migrant workers must seek additional income should they encounter a budget squeezes or hope to advance their socio-economic status. The more immediate family members depend on income earned from working on a plantation or in a mill without contributing to the overall household income, the greater the pressure to find additional income sources – most of them being informal. This especially applies to family members who are residing or working illegally in Malaysia and are therefore excluded from the labor market. Almost all respondents had to deal with income insecurity on a daily basis, shifting between formal wage work and informal work. This includes, for example, female family members selling candy, pastries, or fruits to other plantation workers, the staff, or on the weekly market as well as sewing works for co-workers in return for small compensations or personal favors. The income of workers employed by smallholders is usually more precarious, as their basic salary varies significantly depending on the employers' willingness and ability to pay, the amount workers are capable of harvesting, the weather, and other seasonal factors (Pye et al., 2012, pp. 333-334). A frustrated worker with multiple income sources exemplifies this situation:

> My future depends on how many fruit bunches I can harvest. . . . To me, the amount paid [as wage] is not suitable. . . . But I also think about my employer. He also could not afford to give me a minimum wage. . . . I told my employer a few times to increase my salary but it still maintains the same. (male plantation worker, 9 March 2018)

Workers perceive the need to find various income sources as a form of flexibility in a twofold sense. On the one hand, they experience it as a form of freedom to gain additional income as long as they achieve targeted quotas. On the other hand, they constantly feel pressured to find additional income sources to sustain or advance the household's livelihood. Both contexts must be understood as an expression of migrant workers' precarity. An extreme example of this can be illustrated by the case of a worried male mill worker with six children. He stated that his family regularly suffers from food shortages. His salary is just enough to buy basic foods, such as rice, sugar, and salt. Only if he is able to work overtime or find other sources of income he can buy fresh fish and vegetables for his family (male mill worker, 15 March 2018). Formally considered as 'overtime', working extra hours to increase the household income or to acquire savings is actually an integral part of the typical workweek of migrant plantation and mill workers, blurring the lines between regular working hours and overtime.

In Malaysia, migrant workers will perform subsistence work if they have access to small pieces of land provided by their employers or by squatting land. In their country of origin, family members will use the remittances their relatives send from Malaysia to buy up and cultivate land for subsistence. When migrant workers return to their country of origin, the purchased land becomes their main income source and/or will be used to build a house. Consequently, owning and cultivating land has a big influence in both contexts, but is much harder to achieve for migrant workers in Malaysia than in the country of origin (Cramb & McCarthy, 2016, p. 54).

The socio-economic targets of the BTP align with the ideal of standard employment relationships and therefore the sphere of wage work. Thereby, the program fails to acknowledge diverse forms of precarious employment and the various modes of production migrant workers are engaged in as wage, subsistence, or informal workers. In order to improve their socio-economic status, migrant workers try to amass savings instead of seeking further qualification in the hope of finding better-paid jobs. Persistent income insecurity, the lack of employment opportunities at home, and absent possibilities for further skill development then blocks the way for long-term strategies to improve their standard of living, as proposed by the BTP.

CITIZENSHIP AND RESIDENCE STATUS

Migrant workers are legally prevented from establishing a life beyond working and living on the estate or the small piece of land provided by smallholders, unless they successfully apply for a Malaysian Identity Card (ID), which is as a rare possibility (Sabah Plantation Industry Employees Union [SPIEU], 14 March 2018). Many migrant workers, thus, lose – temporarily or permanently – their documented status. Such illegalized migrant workers may gain autonomy by working for the employer who

pays them best, as this statement demonstrates: "To me, an Indonesian citizen, if the employer pays one ringgit but another employer pays two ringgit, of course we will go there. I want to earn more" (male plantation worker, 14 March 2018). On the other hand, undocumented migrant workers may lose autonomy as they become dependent on a social network protecting, supporting, or even hiding them. Undocumented migrant workers may even depend on the employment of legal migrant workers. This can be illustrated by one case in which a female plantation worker helped her friend who works for a subcontractor, sharing her salary:

> I was supposed to leave Malaysia in March but I do not want to go back with [my husband to Indonesia]. . . . I will not be here long [anymore]. My friends are doing good deeds to me although it is not legal. (female plantation worker, 14 March 2018)

The outlined nexus between the Malaysian labor migration regime and the socio-economic prospects of the BTP has shown that the socio-economic status of workers is substantially defined by the citizenship of workers and their legal status. Because low-skilled labor migrants are reduced to their labor power, managed and regulated through working permits and the market demand for cheap labor, the specific living circumstances are neglected by the socio-economic measures of the BTP. Especially illegalized workers fall beyond the reach of political policies such as those associated with the bioeconomy program. In order to sustain their livelihood in Malaysia, they rely on the help of their social network rather than on the support and protection of the state.

UNCERTAINTY AND FLEXIBLE ADAPTION

Uncertainty is caused by various factors. If workers are unable to carry out their work because of heavy rainfall, sickness, or a family issue that requires them to go back to their country of origin, they will not get paid. Uncertainty may also arise when workers are not in possession of a formal working contract, or when they are unaware of the content of the documents they are signing (SPIEU, 14 March 2018): "We just have to sign it only. We wouldn't read it because the document is thick" (female mill worker, 16 March 2018). Some respondents were even unsure if they signed a working contract at all. Hence, the majority of the interviewed migrant workers were unaware of their legal rights, such as the right to join a union or to demand safety training and equipment.

Migrant workers try to cope with uncertainty through friends or relatives promoting workers to better-paid jobs, family members giving financial support, or establishing a network to share information about working conditions of different employers, legal rights, or the like. This way, migrant workers flexibly adapt to legal obstacles and socio-economic hurdles. If migrant workers' households run short of money, it is a common coping strategy to either borrow money from relatives or buy groceries in a take-now-pay-later system. The latter may even be institutionalized by companies. For example, in case workers want to purchase food on credit from a small store within the estate, the company will deduct the outstanding payment from

the worker's next paycheck (male plantation worker, 14 March 2018). As especially precarious migrant workers may rely on the take-now-pay-later system to satisfy basic needs, a minimum standard of living based on debt becomes normalized.

This form of imposed flexibility again shows that migrant workers in the Malaysian palm oil industry tend to make use of informal networks to access better jobs or to cope with uncertainty rather than searching for training programs. The lack of basic knowledge about their rights and about opportunities to enter new areas of employment goes along with a general lack of knowledge about the BTP and its socio-economic targets. Consequently, migrant workers can direct neither expectations nor demands towards the Malaysian state in designing a socially inclusive bioeconomy that takes the specific needs of migrant workers in the palm oil sector into account.

FUTURE ASPIRATIONS: PROSPECTS OF SOCIAL MOBILITY

It is common for family members of migrant workers in the Malaysian palm oil industry to work in the same sector with little variations in working and living standards. In fact, the extended family network within Malaysia often encompasses the whole palm oil plantation sector, providing relatives with job opportunities and employers with new workers. This can apply to more than one generation as job positions may even be 'inherited': "My father promoted me for the job. He quit and went back to Indonesia. Then I replaced [him]" (male plantation worker, 09 March 2018).

Despite the fact that almost all respondents stated that their income from working in the Malaysian palm oil sector was enough to finance basic living expenses in Malaysia and that working conditions were considered at least moderate, many of them desire to do something else in the future. While future plans were articulated in an abstract manner, such as: "For my goal, I want to achieve something higher" (male plantation worker, 14 March 2018), two occasionally mentioned goals migrant workers shared stood out. First, some workers aimed to open up a small business once they return to their country of origin:

> I want to have my own business. If I rely on my wage that I earn, I run out of money easily. . . . I have no capital to start. . . . Anything would do, as long as I'm self-employed. (female mill worker, 15 March 2018)

Second, in the case of migrant workers unable to settle permanently in Malaysia, plans for the future aligned with the general goal to possess land in their country of origin. Besides securing the livelihood of the extended family household, land ownership is an essential socio-economic resource and subsistence safeguard for migrant workers when they are required to leave Malaysia: "Now I don't have land back home. When it is time for me to leave Malaysia, I must buy a piece of land, do many things there" (male plantation worker, 14 March 2018). Both targets, being self-employed and acquiring land, are indirectly associated with the hope for a better life and upward mobility.

Furthermore, migrant workers directly raised the issue of social mobility in the context of future aspirations for their children. In order to achieve an improved

living standard for their children, education was identified as the most important factor: "If they do not want to go to school, they will end up like their mother. Look at your aunt, she is a teacher, every month she will get paid" (male plantation worker, 9 March 2018). Education is perceived a crucial strategy to escape harsh working and precarious living conditions.

The precarious socio-economic status of low-skilled migrant plantation and mill workers is reflected in their envisaged life perspectives. Often projected to the country of origin, plans for the future become abstract vanishing points without a definite understanding of how to achieve or finance them. Future aspirations shift, or may even become more concrete, when migrant workers have the opportunity to acquire a Malaysian ID, reinforcing future plans to building a life in Malaysia. When mentioning aspirations for their children, migrant workers take up the idea of social advancement through higher education and training presented in the BTP. Here, education is understood as an opportunity for the next generation to escape precarity and to step out of structural constrains with respect to upward mobility. As all migrant workers without permanent resident status mentioned, they want to return to their country of origin in the future to become (part-time) subsistence farmers, they may move even further away from the sphere of wage labor on which the BTPs social measures concentrate.

CONCLUSION

In this article I examined the question of what mechanisms are likely to exclude low-skilled migrant workers in the palm oil sector from the socio-economic restructuring measures proposed by the Malaysian bioeconomy program. In order to answer this question, I initially argued that the BTP equates further qualification and training with an improvement of employment opportunities, higher income, and the advancement of the standard of living of the rural population. Furthermore, I showed that the segmentation of the labor market, which functions as a mechanism of political exclusion of low-skilled migrant workers from better employment opportunities, remains unchallenged by the BTP. As domestic workers receive preferential treatment on the labor market, and socio-economic policies in the context of the BTP address directly this group, the specific precariousness of low-skilled migrant workers in the palm oil industry is disguised. The BTP politically reinforces the existent migrant labor regime, whereby low-skilled migrant workers are solely treated as cheap sources of labor excluded from measures of socio-economic advancement. Hence, only a small part of the rural workforce – predominantly already established smallholders and workers employed in downstream areas of the palm oil industry – can be expected to benefit from the measures proposed by the BTP.

Moreover, by investigating the socio-economic status of migrant workers in the palm oil sector in the state of Sabah, the article revealed that the BTP operates within existing patterns of social inequality in which the political exclusion of low-skilled migrant workers from the socio-economic prospects of the program translates into social barriers preventing them from enhancing their working and living conditions through the establishment of a bioeconomy. The analysis of the interviews with migrant workers has shown that general living and working conditions as well

as further training of low-skilled migrant workers in the palm oil industry depend on efforts undertaken by employers rather than on social policies. In this context, I argued that migrant workers are excluded from the socio-economic measures of the BTP. Ultimately, it is not in the interest of employers and companies to promote the further training and skill development of their workers since low-skilled migrant workers are deployed to perform heavy manual labor that is highly unattractive to Malaysian workers and, especially in the palm oil plantation sector, hard to rationalize.

Designed as a national development strategy, the BTP disregards the context of the transnational household, which is the most important reference point for migrant workers when determining their socio-economic status. Furthermore, in order to improve their socio-economic status, migrant workers focus on savings instead of seeking further qualification in the hope of finding better-paid jobs. Income insecurity and absent opportunities for further skill development in the Malaysian palm oil sector block the way for long-term strategies to advance their living standard, as proposed by the BTP. Illegalized workers especially become excluded from political policies such as those associated with the BTP.

In summary, the mechanisms of exclusion presented in this article are mediated through the political reinforcement of the labor migration regime, the neglect of the socio-economic importance of the transnational family household and its internal division of labor, the lack of access to and opportunities for further training, and the one-dimensional concentration of the BTPs socio-economic measures on the sphere of wage work. These mechanisms of exclusion indicate that it is unlikely that low-skilled migrant workers in the palm oil industry will improve their working and living conditions in the course of the establishment of a bioeconomy in Malaysia.

REFERENCES

Anderson, Z. (2016). Assembling the 'field': Conducting research in Indonesia's emerging green economy. *Austrian Journal of South-East Asian Studies 9*(1), 173-190.

Arujanan, M., & Singaram, M. (2018). The biotechnology and bioeconomy landscape in Malaysia. *New Biotechnology*, *40*(1), 52-58.

BiotechCorp, & MOSTI. (2017). *Embracing change, enhancing success. Progress report 2016 and 2017.* Kuala Lumpur.

BiotechCorp, & MOSTI. (n.d.). *Bioeconomy Community Development Programme*. Putrajaya/ Kuala Lumpur.

Birch, K. (2019). *Neoliberal bio-economies? The co-construction of markets and natures*. Cham: Palgrave Macmillan.

Birch, K., & Tyfield, D. (2015). Biowert, Biokapital – oder was sonst? Theoretische Überlegungen zur Bioökonomie. *PROKLA, 45*(1), 11-32.

Bissonnette, J.-F. (2012). Envisioning agribusiness: Land, labour and value in a time of oil palm expansion in Indonesia. PhD dissertation, Graduate Department of Geography, University of Toronto.

Bude, H., & Willisch, A. (2006). *Das Problem der Exklusion. Ausgegrenzte, Entbehrliche, Überflüssige*. Hamburg: Hamburger Edition.

Brand, U., & Wissen, M. (2015). Strategies of a green economy, contours of a green capitalism. In K. van der Pijl (Ed.), *Handbook of the international political economy of production* (pp. 508-523). Cheltenham: Edward Elgar Publishing.

Cramb, R. (2016). The political economy of large-scale oil palm development. In R. Cramb & J. McCarthy (Eds.), *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia* (pp. 189-246). Singapore: NUS Press.

Cramb, R., & McCarthy, J. (2016a). Characterising oil palm production in Indonesia and Malaysia. In R. Cramb & J. McCarthy (Eds.), *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia* (pp. 22-77). Singapore: NUS Press.

Cramb, R., & McCarthy, J. (Eds.). (2016b). *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia*. Singapore: NUS Press.

DOSM. (2017). *Malaysia economy Q4 2017*. Retrieved from https://www.dosm.gov.my/v1/index.php?r=column/cthemeByCat&cat=100&bul_id=emUyMzI4eElNK0hZQzRyaEgyZGhlZz09&menu_id=TE5CRUZCblh4ZTZMODZIbmk2aWRRQT09

Ferguson, S., & McNally, D. (2015). Precarious migrants: Gender, race and the social reproduction of the global working class. *Socialist Register, 51*, 1-23.

Ford, M. (2014). Contested borders, contested boundaries. The politics of labour migration in Southeast Asia. In R. Robison (Ed.), *Routledge handbook of Southeast Asian politics* (pp. 305-314). New York: Routledge.

Garcés-Mascareñas, B. (2012). *Labour migration in Malaysia and Spain. Markets, citizenship and rights*. Amsterdam: Amsterdam University Press.

ILO. (2016). *Triangle in ASEAN quarterly briefing note. Malaysia, July-September 2017*. Retrieved from https://ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_ 580148.pdf

Kamal, M. (2016). *Waste not the oil palm biomass.* Retrieved from http://www.bioeconomycorporation.my/waste-not-the-oil-palm-biomass/?hilite=%27Palm% 27% 2C%27Oil%27

Kamal, M. (2015). *Bioeconomy Malaysia. Delivering a green potential for the palm oil industry.* Retrieved from http://biomalaysia.bioeconomycorporation.my/ speakerssliders/day1/session1pinang/20150813_Dato%20CEO%20Opening%20Remarks_BioMalaysia%20&%20ASEAN%20Bioeconomy%202015_Draft_v1.pdf

Kaur, A. (2006). Order (and disorder) at the border: Mobility, international labour migration and border controls in Southeast Asia. In A. Kaur & I. Metcalfe (Eds.), *Mobility, labour migration and border controls in Asia* (pp. 35-61). Wiesbaden: Springer VS.

Kaur, A. (2004, June/July). Mobility, labour mobilisation and border controls: Indonesian labour migration to Malaysia since 1900. Conference paper, 15th Biennial Conference of the Asian Studies Association of Australia, Canberra, Australia.

Kaur, A., & Metcalfe, I. (Eds.). (2006). *Mobility, labour migration and border controls in Asia*. Wiesbaden: Springer VS.

Khoo, B. (2001). The State and the market in Malaysian political economy. In G. Rodan, K. Hewison, & R. Robison (Eds.), *The political economy of South-East Asia. Conflicts, crises, and changes* (pp. 178-205). Oxford: Oxford University Press.

Khoo, B. (2000). Economic nationalism and its discontents: Malaysian political economy after July 1997. In R. Robison, M. Beeson, K. Jayasuriya, & H.-R. Kim (Eds.), *Politics and markets in the wake of the Asian Crisis* (pp. 212-237). New York: Routledge.

Kotecha, A. (2018). *Malaysia's palm oil industry*. Retrieved from https://static1.squarespace.com/static/5592c689e4b0978d3a48f7a2/t/5b9a15db88251b25f1bc59d1/1536824861396/Malaysia_Analysis_120218_FINAL.pdf

Kronauer, M. (2010). *Exklusion. Die Gefährdung des Sozialen im hoch entwickelten Kapitalismus*. Frankfurt a. M.: Campus.

Li, T. (2016). Situating transmigration in Indonesia's labour migration: A perspective from Sarawak, In R. Cramb & J. McCarthy (Eds.), *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia* (pp. 354-377). Singapore: NUS Press.

Li, T. (2015). *Social impacts of palm oil in Indonesia*. Retrieved from http://www.cifor.org/publications/pdf_files/OccPapers/OP-124.pdf

Li, T. (2014). *Land's end. Capitalist relations on an indigenous frontier*. Durham: Duke University Press.

Li, T. (2009). To make live or let die? Rural dispossession and the protection of surplus populations. *Antipode, 41*(1), 66-93.

Lindquist, J. (2017). Brokers, channels, infrastructure: Moving migrant labor in the Indonesian-Malaysian oil palm complex. *Mobilities, 12*(2), 1-14.

McCarthy, J. (2010). Processes of inclusion and adverse incorporation: Oil palm and agrarian change in Sumatra, Indonesia. *The Journal of Peasant Studies, 37*(4), 821-850.

McCarthy, J., & Zen, Z. (2016). Agribusiness, agrarian change, and the fate of the oil palm smallholders in Jambi. In R. Cramb & J. McCarthy (Eds.), *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia* (pp. 109-154). Singapore: NUS Press.

McCormick, K., & Kautto, N. (2013). The bioeconomy in Europe. An overview. *Sustainability, 5*(6), 2589-2608.

Mikl-Horke, G. (2011). *Historische Soziologie, Sozioökonomie, Wirtschaftssoziologie*. Wiesbaden: Springer VS.

Missbach, A., & Palmer, W. (2018). *Indonesia: A country grappling with migrant protection at home and abroad*. Retrieved from https://www.migrationpolicy.org/article/indonesia-country-grappling-migrant-protection-home-and-abroad

Mohr, K. (2005). Stratifizierte Rechte und soziale Exklusion von Migranten im Wohlfahrtsstaat. *Zeitschrift für Soziologie, 34*(4), 383-398.

Neilson, J. (2016). Agrarian transformations and land reform in Indonesia. In J. McCarthy & K. Robinson (Eds.), *Land and development in Indonesia. Searching for the people's sovereignty* (pp. 245-264). Singapore: ISEAS.

OECD. (2017). *Employment implications of green growth: Linking jobs, growth, and green policies*. Retrieved from https://www.oecd.org/environment/Employment-Implications-of-Green-Growth-OECD-Report-G7-Environment-Ministers.pdf

Peluso, N., & Lund, C. (Eds.). (2013). *New frontiers of land control*. New York: Routledge.

Pichler, M. (2015). Legal dispossession: State strategies and selectivities in the expansion of Indonesian palm oil and agrofuel production. *Development and Change, 46*(3), 508-533.

Pries, L. (2018). Internationalisierung von Arbeitsmobilität durch Arbeitsmigration. In F. Böhle, G. Voß., & G. Wachtler (Eds.), *Handbuch Arbeitssoziologie. Band 2: Akteure und Institutionen* (pp. 451-473). Wiesbaden: Springer VS.

Pye, O. (2017). A plantation precariate: Fragmentation and organizing potential in the palm oil global production network. *Development and Change, 48*(5), 942-964.

Pye, O. (2015). Transnational space and workers' struggles. Reshaping the palm oil industry in Malaysia. In K. Dietz, B. Engels, O. Pye, & A. Brunnengräber (Eds.), *The political ecology of agrofuels* (pp. 186-201). London: Routledge.

Pye, O. (2013). Introduction. In O. Pye & J. Bhattacharya (Eds.), *The palm oil controversy in Southeast Asia. A transnational perspective* (pp. 1-18). Singapore: ISEAS.

Pye, O. (2009). Palm oil as a transnational crisis in South-East Asia. *Austrian Journal of South-East Asian Studies, 2*(2), 81-101.

Pye, O., Daud, R., Harmono, Y., & Tatat (2012). Precarious lives: Transnational biographies of migrant oil palm workers. *Asia Pacific Viewpoint, 53*(3), 330-342.

Pye, O., Daud, R., Manurung, K., & Siagan, S. (2016). *Workers in the palm oil industry. Exploitation, resistance and transnational solidarity*. Retrieved from https://www.asienhaus.de/archiv/user_upload/Palm_Oil_Workers_-_Exploitation__Resistance_and_Transnational_Solidarity.pdf

Rahmat, S. (2015). Global value chains and the role of innovation for sustainable palm oil: An international bioeconomy analysis for Malaysia. PhD dissertation, Department of Agriculture, Rheinischen Friedrich-Wilhelms-Universität Bonn.

Richards, L. (2005). *Handling qualitative data. A practical guide*. London: SAGE.

Sanderson, S. (2016). Malaysian oil palm and Indonesian labour migration: A perspective from Sarawak. In R. Cramb & J. McCarthy (Eds.), *The oil palm complex. Smallholders, agribusiness and the state in Indonesia and Malaysia* (pp. 378-408). Singapore: NUS Press.

Saravanamuttu, J. (2013). The political economy of migration and flexible labour regimes. The case of the oil palm industry in Malaysia. In. O. Pye & J. Bhattacharya (Eds.), *The palm oil controversy in Southeast Asia. A transnational perspective* (pp.120-139). Singapore: ISEAS.

Sugiyarto, G. (2015). Internal and international migration in Southeast Asia. In I. Coxhead (Eds.), *Routledge handbook of Southeast Asian economics* (pp. 270-299). New York: Routledge

Tenaganita. (2002). *Poisoned and silenced. A study of pesticide poisoning in the plantation*. Retrieved from https://www.publiceye.ch/fileadmin/doc/Pestizide/2002_EvB_Poisoned-and-Silenced.pdf

UBA. (2014). *Arbeit und Qualifikation in der Green Economy*. Retrieved from https://www.umweltbundesamt.de/publikationen/arbeit-qualifikation-in-der-green-economy

USDA. (2018). *Oilseeds: World markets and trade, December 2018*. Retrieved from https://downloads.usda.library.cornell.edu/usda-esmis/files/tx31qh68h/ng451n501/gt54ks07t/oilseeds.pdf

Weber, M. (1985). *Wirtschaft und Gesellschaft. Grundriss der verstehenden Soziologie*. Tübingen: J.C.B. Mohr.

White, B., & Dasgupta, A. (2010). Agrofuels capitalism: A view from political economy. *The Journal of Peasant Studies, 37*(4), 593-607.

ABOUT THE AUTHOR

Janina Puder is a sociologist and researcher in the Junior Research Group "Bioeconomy and Inequalities. Transnational Entanglements and Interdependencies in the Bioenergy Sector" at the Friedrich Schiller University Jena, Germany. In her PhD project she observes transnational rural labor conditions in the context of the emerging bioeconomy in Malaysia exemplified by the case of migratory labor.

▸ Contact: janina.puder@uni-jena.de

ACKNOWLEDGEMENTS

The research was funded by the German Federal Ministry of Education and Research (BMBF) in the course of the Junior Research Group "Bioeconomy and Inequalities. Transnational Entanglements and Interdependencies in the Bioenergy Sector". I would like to thank the members of the Junior Research Group, two anonymous reviewers, and the editors of ASEAS for their helpful comments as well as Ramlah Binti Daud and Ryan Mukit from the Universiti Malaysia Sabah (UMS) for their support during my field research.

The Third Wave of Indonesia's Food Markets: Practices at Small Community Markets in Yogyakarta

Dodi Widiyanto

▸ Widiyanto, D. (2019). The third wave of Indonesia's food markets. Practices at small community markets in Yogyakarta. *Austrian Journal of South-East Asian Studies, 12*(1), 49-67.

There is growing awareness among people living in developing countries of the importance of healthy lifestyles. Farmers' markets (FMs) are a rather new type of market in Indonesia, succeeding traditional and modern markets. They began to appear in 2006 in Bali and were established in Yogyakarta in the early 2010s. This article contributes to limited research in this area by presenting a qualitative analysis of market participants with three main aims: to explore the meanings of local and healthy food from the vendors'/managers' perspective, to identify the vendors'/managers' motives for using FMs, and to examine the mechanisms underpinning the performance of FMs. I found no consensus regarding the meanings of local and healthy food. Instead, market participants have a geographically wide concept of 'local' that includes perceived high-quality (and healthy) raw materials from all over the Indonesian Archipelago. To assure the quality of food from such distant sources, formal and informal market mechanisms are used in Greater Yogyakarta FMs, as evidenced by the unique practices designed by the markets' vendors and managers.

Keywords: Community Markets; Farmers' Markets; Food and Health; Indonesia; Market Practices

www.seas.at doi 10.14764/10.ASEAS-0013

~

INTRODUCTION

In Indonesia, there are several types of food markets that can broadly be classified into traditional and modern (Dyck, Woolverton, & Rangkuti, 2012). The modern type includes hypermarkets, supermarkets, mini-marts, and other similar modern retailers, whereas *warung*[1], semi-permanent stands, traditional wet markets, and peddlers represent the traditional type. Traditional markets (commonly called *pasar* in Indonesian) have served people's daily needs in Indonesia for centuries (Tumbuan, Kawet, & Shiratake, 2006), and the government has developed traditional markets in both rural and urban areas (Shepherd & Schalke, 1995). In these markets, consumers can buy fresh food such as vegetables and fruits and other items to meet their daily needs (Tumbuan et al., 2006). These traditional markets sell local food with its characteristic "food quality and freshness" (Ostrom, 2006, p. 66). In addition, modern supermarkets have served Indonesian customers since the 1970s (Chowdury, Gulati, & Gumbira-Sa'id,

1 A warung is a "small store, usually 25–50 square meters, one story, sometimes built in front of residential houses, sometimes in 'shopping areas/streets'" (Rahtz & Sidik, 2006, p. 277).

2005; Dyck et al., 2012; Suryadarma et al., 2010), as have hypermarkets since the end of the 1990s (Dyck et al., 2012).

A third market type – and the focus of this article – is the small community farmers' market (FM). This rather new market could be defined as a third wave[2] of Indonesian market styles, with the traditional markets being the first wave, and the modern super- and hypermarkets being the second. FMs in Indonesia[3] can further be classified into two types, depending on their initiators: 1) FMs initiated by the government (Handayani, 2014), also known as *pasar tani* and 2) small community markets or FMs initiated at the grassroots level. The second type is the focus of this article. The first FM was most likely initiated on 16 December 2006 in Bali (Ubud Organic Market, n.d.). According to my interviewees (M1, V8), the second group of small community market initiatives started in Yogyakarta in 2012, and another community market was established in Bandung about two years later (Dwiartama, Tresnadi, Furqon, & Pratama, 2017). In 2016, a market, *Pasar Papringan*, was set up in the rural community of Temanggung ("Lokomotif gerakan membangun desa", 2017). FMs are located in urban areas such as Jakarta, Bogor, Bandung, Yogyakarta, and Surabaya, and sometimes in more rural areas, such as in Temanggung and Bali, where they are related mainly to tourism.

This article aims to describe the meaning of local and healthy food from the perspective of the vendors and managers at the FMs, to analyze the practices and mechanisms by which FMs guarantee the localness and healthfulness of their products, and to discuss the significance of alternative food markets in the context of a developing country or urbanizing society by focusing on the production and supply side. FMs are still small-scale activities in Indonesia, and a better understanding of their context should help to fill the urgent need for research on FMs in developing countries (Chiffoleau, 2009). Previous research on FMs has concentrated mostly on consumers or producers/vendors (Hinrichs, Gillespie, & Feenstra, 2004; Schmitt, Dominique, & Six, 2018). This study thus focuses on the supply-side perspective of the vendors and managers who operate the FMs.

Specifically, this article explores: (1) the meaning of localness of the products sold at the FMs in the Greater Yogyakarta (GY) area, especially as it is interrelated with quality, health, and food, (2) the vendors'/managers' motives for using FMs, and (3) the mechanisms that underpin the FMs, paying particular attention to the practices of vendors/managers as the principal actors in these communities. The article first reviews the relevant literature and conceptual framework of local food initiatives and FMs and then explains the methods used. It then presents an overview of Yogyakarta's FMs and discusses the interview results, particularly as they relate to proximity, relationships, vendor/manager motivation, and market mechanisms.

2 This third wave can also be seen as a kind of revival of traditional markets, with their focus on face-to-face interactions between producers and sellers.

3 These markets are also called alternative, healthy, and community markets. The interviewees in this study used the term "farmers' market", which I also deploy in this article.

LOCAL FOOD INITIATIVES AND FARMERS' MARKETS

Le Heron (2016) categorized agrifood into three main themes, namely "Global Commodity Chains (GCC), Food Regimes (FR), and Alternative Food Movement and Networks (AFMN)" (p. 57). The last one is the main focus of this study. Constance, Friedland, Renard, and Rivera-Ferre (2014, p. 5) discuss Alternative Agrifood Movements, focusing on "local and regional food systems"; they include FMs as part of their case studies. Also, Barbera and Dagnes (2016) identified the importance of proximity, health, and safety as they relate to agrifood products and networks.

Local Food Initiatives and Farmers' Markets

Local food is increasingly seen as an alternative to global food (Heis, 2015; Jung & Pearson, 2014; Kimura & Nishiyama, 2008; Lehtinen, 2012; Yokoyama & Sakurai, 2009). Worldwide, local food initiatives began to spring up in the 1970s (Lehtinen, 2012). Examples include *Chisan-Chisho* (Locally Produced, Locally Consumed) in Japan, Food Miles in the United Kingdom, Slow Food in Italy, *Shintobuli* (Body-Soil Inseparable) in South Korea, Community Supported Agriculture (CSA) in the United States, and Rural Regeneration Programs run by the Jia-Nan Cultural Association in Taiwan (Cheng, 2016; Jung & Pearson, 2014; Kimura & Nishiyama, 2008; Yokoyama & Sakurai, 2009). Many studies have discussed the connections between FMs and local food initiatives. For example, a study of more than 120 community food projects in Ontario, Canada, includes FMs as an example of local food initiatives (Mount et al., 2013). FMs act as an alternative food space (Bosco & Joassart-Marcelli, 2018) and play a role as outlets for local and healthy food (Engelseth, 2016; Hammer, Vallianatos, Nykiforuk, & Nieuwendyk, 2015; Printezis & Grebitus, 2018).

Inspired by European agrarian markets, FMs were first established in the USA, specifically in Boston in 1634 (Robinson & Hartenfeld, 2007, p. 35). From 1960 to 1970, modern FMs were re-introduced with the spirit of "healthfulness and freshness of foods" (Gillespie, Hilchey, Hinrichs, & Feenstra, 2007, p. 65). Basil (2012) explains the development of Canada's FMs and how they regained popularity in the 1970s, largely owing to environmental concerns. In the UK, the first FMs emerged in Bath in 1997 (Kirwan, 2006; Spiller, 2012; Youngs, 2003).

In developing countries, however, markets developed differently from developed countries. In many places, some type of traditional market, such as a wet market, still retains the essential food-supply role for city and village dwellers on the basis of food supply chains involving local farmers, not only as product distributors but also as retailers. The influence of the Western lifestyle and a rising middle class in Asian cities have, however, changed people's buying habits (De Jong et al., 2017). Food safety concerns related to traceability, accountability, and quality are reasons why Asian customers increasingly prefer to buy food at modern-type retail stores, which are viewed as being more hygienic (Chowdury et al., 2005; Dyck et al., 2012; Ehlert & Voßemer, 2015). At the same time, in larger cities and metropolitan areas, an alternative type of FM, seemingly similar to those in Western developed countries, is beginning to emerge.

Local and Healthy Food at Farmers' Markets

Regardless of the different definitions of local food held by different food protagonists, there is clearly at least an informal association between the concepts of *local* and *healthy* at FMs. Eriksen (2013) argued that "there is no consistent definition of 'local food'" (p. 49), but defined local food on the basis of three types of proximity: geography, social relations, and values. Other definitions have been offered by Granvik, Joosse, Hunt, and Hallberg (2017) in Sweden, and by Tchoukaleyska (2013), who examined these concepts in France's FMs. Connell, Smithers, and Joseph (2008) discussed how "good food" meant various things to their interviewees from FMs in British Columbia, Canada, but the meanings shared two basic aspects: a local theme and health-related issues.

Several scholars have defined FMs and their relationship to health issues. For example, Sadler (2016) defined FMs as "ideal sites for nutrition and food security programming because they primarily offer healthy foods", pointing out that "interpersonal relationships with vendors offer the opportunity to learn more about the food being purchased casually" (p. 120). Hammer et al. (2015) explained that FMs are places where consumers obtain local and healthy food, and Granvik et al. (2017) noted in their review that "local food is fresher and healthier than conventional food" (p. 2).

Motivations and Mechanisms of Vendors and Managers Underpinning FMs

There are two motivations for vendors to participate in FMs: social and economic (Feagan, Morris, & Krug, 2004; Hinrichs, 2000). According to Migliore, Caracciolo, Lombardi, Schifani, and Cembalo (2014), farmers participate in Civic Agriculture or FMs because of (social) embeddedness. The concept of embeddedness was first introduced by Karl Polanyi (1957/2001) and later adopted by several scholars (Block, 2001). Granovetter (1985) found that there was an "impact of such change on the social relations in which economic life is embedded" (p. 507). Fred Block (1990) expanded on Granovetter's work, explaining social relations with the terms "instrumentalism" and "marketness" (p. 53). Higher instrumentalism shows that an actor tends to maximize economic goals, whereas higher marketness shows that price is the critical factor (Block, 1990; Galt, 2013; Hinrichs, 2000). In a study of Community Supported Agriculture, Galt (2013) stated that both low instrumentalism and marketness are evidenced in customer behaviors. Consumers paid attention to neither price nor economic motives; rather, they emphasized social embeddedness or a sense of "moral economy" (p. 348). Bloom and Hinrichs (2011) explained the role of social relations and trust in social embeddedness. In short, they said that it was the interrelationship of the three concepts of embeddedness, instrumentalism, and marketness that drives farmers to participate in FMs (Hinrichs, 2000). Moreover, Bloom and Hinrichs (2011) explained how interorganizational coordination mechanisms (formal and informal) can be explained by social embeddedness, particularly as it relates to social relations and trust. Trust and social interaction drive social embeddedness (Classens, 2015; Trupp, 2017), with face-to-face interactions leading to trust (Milestad, Bartel-Kratochvil, Leitner, & Axmann, 2010).

METHODS

The study was conducted in Yogyakarta, a city in Java, Indonesia. The area is well known for tourism, educational institutions, and its multicultural characteristics (Zudianto, 2010). Administratively, Yogyakarta Special Province consists of four regencies (Sleman, Gunungkidul, Bantul, and Kulonprogo) and one municipality (Yogyakarta). In 2017, the population of the province was 3,762,167 and that of the capital city, Yogyakarta, was 422,732 (Badan Pusat Statistik Provinsi Daerah Istimewa Yogyakarta [BPS DIY], 2018). The development of Yogyakarta's urban areas during the last decade has created a metropolitan area known as *Kawasan Perkotaan Yogyakarta* (*Aglomerasi Perkotaan Yogyakarta*) which is the second-fastest-growing metropolitan area in Indonesia after the Greater Jakarta Metropolitan Area (Legates & Hudalah, 2014; Pemerintah Provinsi Daerah Istimewa Yogyakarta, 2010). Yogyakarta is the second most popular international tourist destination in Indonesia after Bali (Hampton, 2003).

The data for this study were obtained from in-depth unstructured interviews, combining "informal and ethnographic interviews" (Bernard, Wutich, & Ryan, 2017, pp. 74-76) with 12 FM vendors and managers from the 6 FMs that I visited (Table 1). Of the 17 people contacted, 14 people agreed to meet, and 12 agreed to be interviewed. They included 8 vendors, 3 vendor/managers, and 1 manager. They were intentionally sampled based on the snowball-sampling method (Bernard, 2006). The interviews were conducted between September and November 2017.

NO	CODE	ROLE AT THE FM	DATE OF INTERVIEW	FMs
1	V1	Vendor	November 21, 2017	FM1
2	V2	Vendor	November 17, 2017	FM2
3	V3	Vendor & Manager	November 22, 2017	FM2
4	V4	Vendor	November 25, 2017	FM6
5	V5	Vendor	October 3, 2017	FM2, FM3, FM4, FM6
6	V6	Vendor	November 14, 2017	FM1
7	V7	Vendor	September 23, 2017	FM4
8	V8	Vendor & Manager	September 7 + 28, 2017	FM5, FM6
9	V9	Vendor & Manager	November 14, 2017	FM1
10	V10	Vendor	November 15, 2017	FM3, FM5, FM6
11	V11	Vendor	September 9, 2017	FM3, FM4
12	M1	Manager	November 22, 2017	FM3

Table 1. Informants' details (own compilation).

Two main questions guided the interviews: (1) Could you explain your experience (individually) as a vendor or manager or both? and (2) Could you tell me what the farmers' market is? The questions that followed were related to thematic issues such as proximity, motivations, prospects, challenges, historical stories, and interactions with other actors such as producers and traders. Sometimes, the informants

told related stories about their businesses and the FMs themselves, even though I had not directly asked about them. I would then raise questions related to their stories. The conversations were conducted in Indonesian and sometimes Javanese languages, lasting from about 15 to 120 minutes. The interviews were digitally recorded, later transcribed into written text with the interviewees' permission and finally translated into English. Not all parts of the conversations were transcribed because some parts (such as general chatting) were unrelated to the research focus. At the end of the interview, I asked the informants for permission to observe them at their respective FMs and to inform others about my presence. To analyze the transcribed text, I also was guided by Phillips and Hardy's (2002) work on discourse analysis. With this strategy information (e.g., the meaning of local food) derived from the interviews, the story-based data can be analyzed qualitatively by developing and examining codes and categories (Phillips & Hardy, 2002). For this article, I present results from the analyzed and coded textual data. The first result (Figure 1) contains information reconstructing the food supply chains, and helps to describe and analyze where the raw materials originated. I classified the areas into three spatial scales (Marston, Jones, & Woodward, 2005; Taylor, 1982, p. 24), namely Greater Yogyakarta (GY), the province, and out of the province. I also describe where the original raw materials come from by adopting the supply chain diagram of Ilbery and Maye (2005). I also analyzed the transcribed interview texts (Bernard, 2006) as the second result to show what the informants' discourses are by intentionally selecting typical examples.

RESULTS AND DISCUSSION

This section is divided into five sub-sections. First, the overall structure of the FMs is presented. Then, the meaning of local and healthy food as expressed by the practices of the vendors and managers is evaluated. Next, the concept of proximity is explored, particularly as it relates to supply chains. The fourth sub-section examines the motives of the vendors and managers, and the fifth looks at how non-local food is perceived to be local through the concept of health. Finally, the mechanisms underpinning the FMs are described.

The Landscape of Greater Yogyakarta FMs

I summarize the history of the FMs based on my conversations with the interviewees. The first FM in Yogyakarta was established in 2012. The second and third FMs were set up in 2014, and these were followed by the establishment of four more FMs in 2016 and three more in 2017. By 2017, a total of 10 FMs were established in GY. Each FM is autonomous; so although there was once an FM association in Yogyakarta, it was no longer in operation at the time of the interviews. Each FM has its own management style; for example, FMs can employ a communal system or group-based management, but some are managed by a single manager or leader.

My observations indicate that the FMs have a hybrid physical appearance that combines aspects of traditional and modern markets. Two commonly used spaces for the markets are restaurants and houses. The prices of products at FMs are fixed, so there is no apparent bargaining system. Customers can choose to pay some vendors

in cash or by an e-payment or other type of digital payment. These transactions are therefore similar to those used in a modern supermarket. Human interaction is a common characteristic of all of the FMs because the face-to-face interaction between sellers and customers is desired. Most of the commodities sold in the FMs are advertised as local and are promoted as being healthy. The products are presented in various types of packaging; the packaging used for artisanal products is particularly attractive.

Each FM has a different vision and mission, but in general they aim to educate people (producers and consumers) about food (V8), particularly about healthy food and sustainable food systems. One informant (V8) said that one of their big dreams was to achieve food sovereignty in Indonesia, whereas another stressed that he wanted to provide organic, healthy, fresh local products. The goal proposed by the informant is similar to the emerging food sovereignty activities in today's Southeast Asia (Voßemer, Ehlert, Proyer, & Guth, 2015). Another informant (V7) told me that the market should provide responsible products, use fair practices, and be accountable to achieve the vendors' vision and mission.

The FMs open variously twice a week, once a week, twice a month, or once a month, each with its own market day(s) and in general operate three to four hours. Yogyakarta's FMs are also characterized by selling two kinds of products: "wet" products and durable products (V8). The GY FM community defines "wet" products as fresh food, ready-to-eat food, snacks, fruits, and vegetables. Durable products refer to foods that can be kept for a relatively long time, such as soybean sauces, coconut oil, and fermented drinks or beverages.

There are several types of actors participating in Yogyakarta's FMs. The first are the vendors. On average, there are 10 to 25 vendors at each FM. According to Stephenson, Lev, and Brewer (2008), FMs consisting of fewer than 30 vendors are categorized as small FMs. A vendor can be a farmer, a producer, or a trader of food products. Lyson (2004) defined three types of vendors in their case study: (1) "traditional full-time farmers"; (2) "part-time growers and market gardeners"; and (3) "local artisans, craftspeople, and other entrepreneurs" (pp. 92-93). My fieldwork showed, however, that the vendors at Yogyakarta's FMs are dominated by the third type: local artisans and craftspeople, and food processors or food entrepreneurs – but very rarely farmers. The vendors categorized as food processors usually buy raw materials and process these into finished products such as traditional foods and beverages, bread, and other healthy foods to sell at the FMs. Some of the vendors also produce or process artisanal food.

The second type of actor includes the managers or leaders. A manager or leader can be an initiator of the FM or a representative selected by the vendors. The manager may operate her/his stall during the market days or execute management tasks without working in a stall. The third type of actor is the host, who is usually the owner of the space where the FMs are regularly held. The host may be a third party who does not sell commodities, but he or she often has a good understanding of the FMs' activities. The fourth type includes the producers and suppliers who regularly support the vendors' needs, and the final actors are the consumers. During my observation, I identified that the consumers are local residents, domestic as well as international tourists.

The Meanings of Local and Healthy Food

Proximity and the supply chain are two ideas that permeate the local food literature (Eriksen, 2013; Giampietri, Finco, & Giudice, 2016). Similar to the findings of previous research (Eriksen, 2013), I found no apparent consensus among the vendors and managers regarding the meanings of local and healthy food. Each vendor has a good knowledge of local geography; such knowledge is essential to their understanding relating their materials (Chang & Lim, 2004). One vendor (V3) explained where their raw materials came from and noted, for example, that a particular vegetable was from upland Magelang (not too far from Yogyakarta) and that some raw materials such as flour and tea originated in Java. A geographically wide but limited context is also important in understanding the idea of 'local'. This critical point was supported by two informants (V3, V8) who explained that, although their raw materials come from Java, they were still considered to be local. Other informants explained that the term 'local' also applies to locally grown commodities that were not originally grown in Java: "Like broccoli, these are not vegetables from Java. But they can still be considered natural because they have become naturalized in this area and have been grown here with no problem (M1)". Finally, nostalgic food ("Indian flavours are my identity", 2019) – for example, food that close family members have traditionally eaten – is also considered to be local. One informant (V8) mentioned 'nostalgic food' talking with a pedicab driver who said that the food (containing *kimpul* and *canthel/sorghum*) the vendor sold was "like his grandparents' food".

Several points were identified as related to the concept of health: (1) clarity in the specifications of the raw materials and processes (V5), (2) chemical free (V9, V10, V11), (3) supporting a healthy lifestyle (V2), and (4) similar to ancestral food (V8). A vendor who provides dairy products explained his belief that clarity in the specification of raw materials and processes contributes to health as follows:

> We, and our friends in the organic market of the natural food market community, have two principles: specification of raw materials and transparency of processes. If we want organic, sometimes it's difficult. There are so many requirements: You want natural? That's more difficult than organic. (V5)

Several informants paid attention to the idea of 'chemical-free' when defining their products as healthy. When I asked one of them to explain, she said:

> The best food is what we plant. We know what we use for production in the garden, I mean, what we use for cultivation. We give the best: the best is natural and doesn't contain drugs or chemical elements; the consequences of unhealthy farming practices will return to us and to what we eat. (V11)

One informant responded to my question regarding what is healthy food by saying that "We have never said that our menu is a diet menu. These foods are healthy and balanced for those people who are concerned with having a healthy life" (V2). Another informant told me that healthy food is the food his ancestors ate: "We just interpret it as: What we eat has been consumed by our grandparents" (V8).

Defining Proximity for Material Supply Chains

In the previous section, the informants expressed their perceived meanings of local and healthy food. It is clear that these respondents paid attention to where the raw materials come from. In this section, the local concept will be explored through Eriksen's (2013) three types of proximity: geography, social relations, and values. In this quote, one informant explained the origin of his materials by describing the various distances of the source from Yogyakarta.

> I bought tea from Kendal . . . that is the farthest . . . However, for the fruits, I bought them all from my friends, who supply them. For cinnamon and spices, I have suppliers from Menoreh, but sometimes they are not always ready to supply them . . . Moreover, the vegetables are from Merbabu north of Jogja, the chilis are from my friends in Jogja, and a lot of the other food is also supplied from Jogja. The dragonfruit comes from here, from Jakal an area in Jogja[4]. There is a dragonfruit garden there, but because it is seasonal, I sometimes . . . go to the market trader. For other products, I still use imported products. (V7)

Another informant explained the distance of the raw material from the market and defined a specific distance to be local: "As far as I know, the standard of 'local' is 100 km from the node where the source is available, in other words, within a circle of 100 km" (M1). The same informant described the role of friends in explaining relational proximity: "They bought materials from their friends. Their supply comes from their friends, and the food sellers provide lunch for their friends" (M1).

The informants mentioned many values in addition to health, including those related to local food. This informant, for example, described his value perceptions and prioritizes the values:

> For me, to educate them [consumers] I should be patient and we must progress step by step . . . For us in Indonesia, mostly halal is the first priority, then health, environmentally friendly, and organic. We must patiently educate them [consumers] one by one about the products. (V1)

Another informant explained relational and value proximity in this way:

> For the new vendor(s) that I try to look for and accommodate . . . I persuade my friends to join. When there is a friend(s) who has a good product and can be responsible, we invite them to join. Consumers need variation, and we also need more vendors. If many vendors come, the market will not shrink. (V7)

Generally, local food correlates with a geographically short food supply chain or a short distance from the source materials (Giampietri et al., 2016). However, according to my fieldwork in Yogyakarta's FMs, examples of short geographic distances indicating 'local' were given only by two vendors (V2 & V7). Most of the sources were outside

4 The informant explained Jogja refers to Yogyakarta Special Province.

GY (either within the province or outside of the province; see Figure 1). Some vendors reported that some of their materials were obtained from traditional markets or were even imported, but they did not give any information regarding the specific geographic locations of such sources. Overall, the second and third parts of Eriksen's elements of proximity (relationships and values) were demonstrated by the vendors in GY FMs.

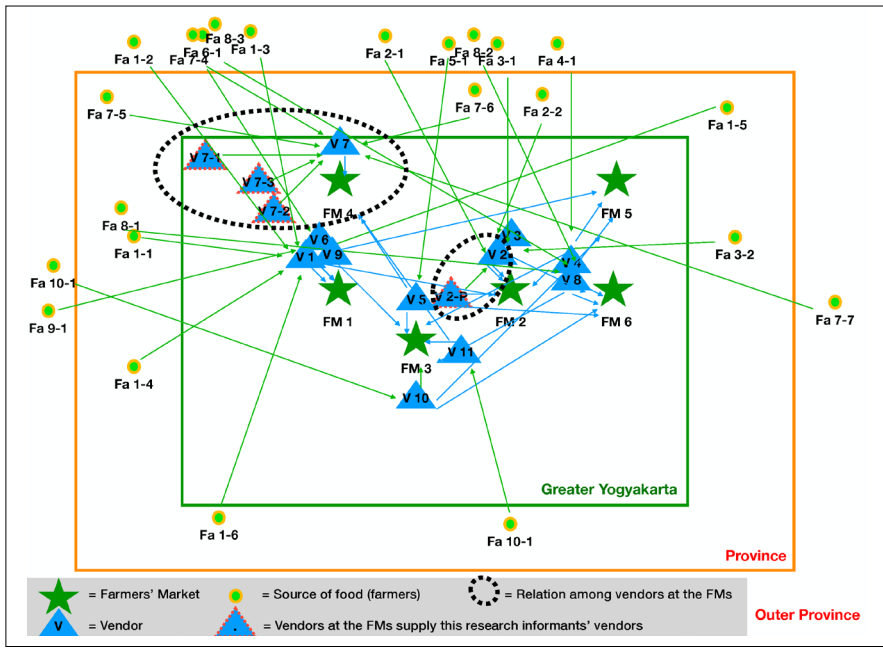

Figure 1. FM food supply chains in GY FMs (own compilation).

Figure 1 shows where the interviewed vendors buy their raw materials, process them, and sell the finished products (i.e., the FMs). There are three geographic scale-based groups of raw material sources. The first is the *inter-supporting local groups* of vendors (V2, V7, and others) who sell at the FMs. The second is at the *within-province-scale* and includes ten locations as the origins of raw materials. The last is from *outside the province*; most of the raw materials originate in this outer area. The network of relationships is also depicted: For example, V7 → FM4 indicates that V7 (vendor number 7) sells in FM4 (farmers' market 4) and V7-1 (another vendor in FM4) supplies raw material to V7. The farmers who supply products to the vendors are also shown. For example, Fa7-5 (a farmer/producer) who lives in the province and Fa7-4 from outside the province both supply raw materials to V7.

Non-Local Food Perceived as Local Through the Concept of Health

At the FMs, non-local food is transformed into local food through the concept of health. A concept critical to understanding the idea of localness at the FMs is the previously discussed concept of proximity and its components. As Figure 1 shows, most

of the vendors collect raw materials from outside GY. This raises the question of why they use raw materials that are not locally sourced (i.e., in geographical proximity). According to the informants, there are three main reasons for using these products: (1) They sell a variety of products, and sometimes specific ingredients or materials are needed; (2) some materials are not available in GY, or even in the province; and (3) even if the materials can be found within GY or the province, out-of-season high prices sometimes make the vendors reluctant to buy them. Therefore, the vendors often try to look for appropriate raw materials, regardless of the distance from GY to maintain their products' high quality.

Even in this expanded context of local, healthy food is not necessarily synonymous with local food. How, then, do the vendors try to embody these two concepts: local and healthy in the food products they provide? According to the vendors and managers, there are two types of attitudes toward practices related to healthy and local food. The first type can be thought of as a trade-off model, whereby the vendors must decide where to place their priority – healthy or local. In general, the overall sentiment for this trade-off was expressed by one vendor, who said: "Providing excellent products for customers is our main priority" (V5). As a result, some of the food sold at the market may be from the GY area, some from outside the GY area, and some may even be imported from other countries. The second type of attitude attempts to satisfy both ideas, at least conceptually under the notion that local food is healthy food. To provide what they perceive as excellent food, the vendors look for high-quality materials from a variety of places, ranging from farmers, friends, and traditional markets, both within and outside the province. How do they treat this geographically non-local food as being local and therefore healthy food? The idea of localness is essential to conveying the quality of healthiness in food sold at these FMs, but most vendors prefer healthy products over local ones, so they must extend the meaning of local and widen its geographic scale. Previously, Gupta and Makov (2017) examined "the degree of localness" by observing where a material comes from as an approach to explain what is local/non local food from the physical and economical viewpoint (p. 620). Further discussion is still needed to determine how to approach the local concept from a proximity perspective (O'Neill, 2014).

O'Neill (2014) also discussed the places where products are marketed and attempted to conceptualize localness by first identifying the meaning of local food through a scale approach. In my interviews, an informant (V7) who is an artisan said that he collaborates with another organization involved in tourism and craft programs. They attempted to conserve and add value to a food product from outside Java. He said that during their collaboration they conducted a survey and identified a commodity – a fruit grown in one particular area – that may have become extinct. They hoped that they could increase the value – both of the product and for the community – by introducing this fruit widely and educating others about its sustainable use. The goal was to first sell the product in the local community before sharing the product more widely. This story is an example of how one artisan attempted to develop his brand by 'importing' a raw material that originated outside Yogyakarta but was then processed in Yogyakarta and became a local product.

As noted earlier, the practices of the vendors/managers regarding the concept of the 'local' can be explained by using Eriksen's notion of relational proximity (Eriksen,

2013). In particular, relational proximity at Yogyakarta FMs can be seen from the vendors'/managers' practical ways of looking for the materials from their friends or trusted suppliers. For example, one informant said: "The raw materials I got from my friends, so I guarantee the process" (V7).

Vendor/Manager Motives

As a whole, vendors have two reasons for participating in the FMs: economic and social reasons. Two quotes are presented as examples of economic motives. In the first, a vendor notes that selling their healthy products is the reason for participating in the market: "My reason is to run this business. Before I started this business in Jogja, if we looked for a place to sell healthy food, the options were limited" (V2). In the second quote, however, a vendor said that if the primary reason for providing healthy food at the market was to gain profit, the vendor would not participate: "As an example of the joys and sorrows of the business, say with regard to money, I would have given up from the beginning. It is difficult for marketing (to make a profit). I face frequent losses" (V1).

Most of the informants share such strong non-economic motives. They often expressed their pleasure at providing alternative spaces where customers could obtain healthy, high-quality food. An example of this point of view was expressed as follows:

> We do not work here for . . . economic reasons. I think my friends are committed to their ideas. Most of them point out that commerce is the second or third priority; the first priority is to create excellent products. (V5)

One vendor's reason for providing fresh and healthy food was in line with the notion of "good food" (Connell et al., 2008, p. 181). Based on the FMs' customers perceptions in British Columbia, Canada, Connell et al. (2008) state that "organic is good, family-scale farming is good, local is good, natural is good, and shopping at farmers' markets is good" (p. 181). In particular, this vendor was concerned with providing fresh products: "I don't intend to compete with other FMs . . . However, it [my participation] would extend or enlarge a place where people could obtain fresh and local products" (V3).

Other motives were also cited; for example, "helping others" (V1) was noted as a reason to participate. These social ties between producers and consumers probably reflect a mixture of economic and non-economic motives. Social ties can be thought of as being embedded in the economic relationships of the FMs' activities (Block, 1990).

Formal and Informal Mechanisms to Ensure Local and Healthy Food at the FMs

In general, there are two types of mechanisms in any social system: formal and informal (Bloom & Hinrichs, 2011). A formal mechanism might include the use of certificates or other 'official' sanctions, whereas informal mechanisms are more relationship driven. A formal mechanism in the FM context might be the use of a

third-party certificate as proof of quality products. One vendor, when discussing farmers who supply raw materials, said: "Yes, previously we have been willing to cooperate with farmers because they have shown us their certificates" (V6). In practice, however, few, if any, vendors/managers at Yogyakarta's FMs rely on certificates from third-party institutions. Instead, they have initiated the use of informal mechanisms that are expected to provide assurance of the quality of the products sold at the FMs. Darby and Karni (1973) coined the term "credence" for the relationship developed between vendors and customers and said that "credence qualities are those which, although worthwhile, cannot be evaluated in normal use" (p. 68-69).

Most of the informants described informal mechanisms to ensure the quality of their products. For example, one of the FMs pays particular attention to the vendors' homemade products as a primary requirement when joining that market:

> So, for the new members or vendors, I say 'Do you make the products yourself or not?' That way, when the consumers want to buy a product, they can ask many questions, and the vendors could answer those questions. It this communication leads to trust between the producers and the consumers. (V3)

Another informal mechanism is the use of quality control (V9) or curator (V7) teams that are informally organized in some FMs. A team or committee is made of vendors who are selected by the FM community. A primary task is to ensure that the products sold in the FM are of high quality and healthy. This team also plays an important role when the FM acquires a new vendor, and it usually examines the quality of the products of prospective vendors before they can join the market. New vendors have to personally assure the quality of their products; this is another informal mechanism stipulated by the particular FMs. However, this mechanism also sometimes enforces efforts to build trust, particularly with new vendors. One vendor (V1), for example, mentioned that he is happy to explain the quality of his products, regardless of whether she/he makes a sale. Another explained that it takes time, and a process, to sell products. Trust-building occurs in face-to-face interactions between vendors and buyers at the FMs (Penker, 2006). One informant (V3) said that after trust has been established between the vendor and the consumer, the consumer also begins to trust the quality of the products. Nevertheless, one informant points out that gaps in knowledge can sometimes occur between a vendor and new consumers. Some mechanisms that are practiced to address trust are exemplified in this informant's statement:

> There are precise requirements: the origins of the products should be clear; and the origin means the geographical region's name, the identity of the producers, and the process of how crops are converted into products. Usually for vendors joining a healthy market community, if their products are rice and vegetables, typically the products are requested to be organic, healthy, natural, and environmentally friendly. (V1)

Trust is an essential component of the market, and the market participants have worked hard to build trust. This quote illustrates the experiences of one vendor:

> In the group, we have had this process for a long time, maybe almost nine years. So, positive interaction with generous intention can be seen . . . We have proved that our process gives benefit to the community so they will provide support . . . trust is developed from a remarkable friendship. (V11)

When I asked a manager to describe any challenges related to community interactions he first explained the importance of the relationship between vendors and customers and emphasized trust as a critical element:

> We need to develop confidence and to trust each other. That is our aim . . . because if there is distrust between the vendors and consumers, the vendors will lose out . . . they [the vendors] do indeed need consumers. (M1)

Hinrichs et al. (2004) argued that FMs are an example of "an embedded or embedding institution" through their role in supporting "material and social resources" (p. 36). Moreover, FMs are "social institutions mediating economic activity" (Hinrichs et al., 2004, p. 37). Clear evidence exists of the markets' material role: "These activities are their, the vendors', occupation and also their business development" (M1). The previously discussed informal mechanisms and relations among vendors, managers, and consumers, highlight the social relations that shaped trust and improved economic opportunity. The informants stressed the importance of friendship and trust and how they contributed to the shaping of the FMs. This was particularly true when the FMs were first being established, and the close relationships that existed between friends helped to assure product quality. One vendor described the role of friendship as follows:

> I started with my closest friends because I knew what kinds (of products they made), the quality of their products, and the extent of their story regarding their products, so most of them, suppliers and vendors, are my closest friends. (V3)

CONCLUSION

Previous research showed that there is limited research about alternative food practices in developing countries (Chiffoleau, 2009). This article has discussed GY FMs as an example of this rather new practice in Indonesia which co-exists with traditional and modern markets. First, this article has identified the importance of local and healthy attributes of the products offered by the vendors and managers at the GY FMs. However, the understanding of local is not limited to geographic proximity, but rather can be understood from a variety of interpretations of what can be considered to be proximate. Second, findings highlighted the social relationships between sellers and consumers and the GY FMs' mission to inform and educate the latter. Social embeddedness within vendors and FM structures based on trust also plays an important role in order to gain entry into GYs FMs.

This article contributes to agrifood market studies, specifically elucidating why and how FMs co-exist with other market types in urban metropolitan areas of

developing countries. Although the role of small community markets as discussed in this article in supplying food and produce for city dwellers may be minor in quantitative terms, these markets are becoming more common as an alternative food space to provide localness and healthy food as a means to provide quality products to customers who are interested in a healthy lifestyle. Vendors and microentrepreneurs at these markets thus meet needs that are not being met in more conventional outlets, including traditional markets and modern supermarkets.

This article further shows how vendors and managers at GY FMs are operating based on informal market mechanisms which mostly depend on trust as a foundation of social capital. This mechanism is closely related to the vendors' motivation and their social and economic entrepreneurship. The vendors and managers at the GY's FMs have both economic and social motives. The vendors are businesspeople trying to both sell products and scale-up their businesses, but the prices at the FMs are fixed, and the participants themselves report that the economic component is not their primary reason for joining the market. Essential social components of the markets are friendship and trust, which shape social embeddedness. Although geographical proximity is an important part of the markets' local nature, relational proximity creates the social ties that bind the relationships among the actors.

Despite providing important insights on alternative food practices in developing countries, this article has limitations. First, the discussion mainly focuses on FMs, whereas other market types which co-exist with these FMs are not analyzed. It would be useful to compare the social and economic mechanisms of the different market types within GY. Secondly, this article employed a rather small sample since it pursued an explorative qualitative research approach. Third, this article focused on the vendors and managers' perspectives and thus neglected the demand and consumer perspective. Fourth, this article discussed FMs within one single metropolitan area, GY. A comparison to other Indonesian cities would be useful. Further research is needed to determine whether these Yogyakarta FMs can be said to be part of a larger community-based food movement and whether similar phenomena can be seen in other places in Indonesia. In particular, more detailed examinations of the mechanisms underlying the FMs, as well as the inclusion of consumers' perspectives, are needed. Overall, it is essential to examine comprehensively why and how the different actors become involved in FMs in developing countries and how their small businesses can succeed. Finally, the use of a more comprehensive qualitative method, such as grounded theory, to build or develop theory, and the integration of quantitative methods to determine economic impacts should also be considered in future studies.

REFERENCES

Badan Pusat Statistik Provinsi Daerah Istimewa Yogyakarta [BPS DIY]. (2018). *Provinsi Daerah Istimewa Yogyakarta dalam angka [Daerah Istimewa Yogyakarta in figures].* Yogyakarta: Badan Pusat Statistik Propinsi D.I. Yogyakarta.

Barbera, F., & Dagnes, J. (2016). Building alternatives from the bottom-up: The case of alternative food networks. *Agriculture and Agricultural Science Procedia, 8*, 324-331.

Basil, M. (2012). A history of farmers' markets in Canada. *Journal of Historical Research in Marketing, 4*(3), 387-407.

Bernard, H. R. (2006). *Research methods in anthropology: Qualitative and quantitative approaches*. Lanham: Rowman & Littlefield Publishers.

Bernard, H. R., Wutich, A., & Ryan, G. W. (2017). *Analyzing qualitative data: Systematic approaches*. Thousand Oaks, CA: SAGE.

Block, F. (1990). *Postindustrial possibilities: A critique of economic discourse*. Berkeley: University of California Press.

Block, F. (2001). Introduction. In K. Polanyi, *The great transformation: The political and economic origins of our time* (pp. xviii-xxxviii). Boston: Beacon Press.

Bloom, J. D., & Hinrichs, C. C. (2011). Informal and formal mechanisms of coordination in hybrid food value chains. *Journal of Agriculture, Food Systems, and Community Development, 1*(4), 143-156.

Bosco, F. J., & Joassart-Marcelli, P. (2018). Spaces of alternative food: Urban agriculture, community gardens, and farmers' markets. In P. Joassart-Marcelli & F. J. Bosco (Eds.), *Food & place: A critical exploration* (pp. 187-205). London: Rowman & Littlefield.

Chang, T. C., & Lim, S. Y. (2004). Geographical imaginations of 'new Asia-Singapore'. *Geografiska Annaler. Series B, Human Geography, 86*(3), 165-185.

Cheng, E. S. K. (2016). Return migrants, mini-tours and rural regeneration: A study of local food movement in Taiwan. *Asia Pacific Viewpoint, 57*(3), 338-350.

Chiffoleau, Y. (2009). From politics to co-operation: The dynamics of embeddedness in alternative food supply chains. *Sociologia Ruralis, 49*(3), 218-235.

Chowdury, S. K., Gulati, A., & Gumbira-Sa'id, E. (2005). The rise of supermarkets and vertical relationships in the Indonesian food value chain: Causes and consequences. *Asian Journal of Agriculture and Development, 2*(1&2), 39-48.

Classens, M. (2015). Food, space and the city: Theorizing the free spaces of foodshare's good food markets. *Canadian Journal of Urban Research, 24*(1), 44-61.

Connell, D. J., Smithers, J., & Joseph, A. (2008). Farmers' markets and the "good food" value chain: A preliminary study. *Local Environment, 13*(3), 169-185.

Constance, D. H., Friedland, W. H., Renard, M.-C., & Rivera-Ferre, M. G. (2014). The discourse on alternative agrifood movements. In D. H. Constance, M.-C. Renard, & M. G. Rivera-Ferre (Eds.), *Alternative agrifood movements: Patterns of convergence and divergence* (pp. 3-46). Bingley, UK: Emerald.

Darby, M. R., & Karni, E. (1973). Free competition and the optimal amount of fraud. *The Journal of Law & Economics, 16*(1), 67-88.

De Jong, B., Worsley, A., Wang, W. C., Sarmugam, R., Pham, Q., Februhartanty, J., & Ridley, S. (2017). Personal values, marketing attitudes and nutrition trust are associated with patronage of convenience food outlets in the Asia-Pacific region: A cross-sectional study. *Journal of Health, Population and Nutrition, 36*(1), 6.

Dwiartama, A., Tresnadi, C., Furqon, A., & Pratama, M. F. (2017). From initiative to movement: The growth and evolution of local food networks in Bandung, Indonesia. *Asian Journal of Social Science Studies, 2*(4), 91-98.

Dyck, J., Woolverton, A. E., & Rangkuti, F. Y. (2012). *Indonesia's modern retail sector: Interaction with changing food consumption and trade patterns*. Washington, DC: USDA.

Ehlert, J., & Voßemer, C. (2015). Food sovereignty and conceptualization of agency: A methodological discussion. *Austrian Journal of South-East Asian Studies, 8*(1), 7-26.

Engelseth, P. (2016). Developing exchange in short local foods supply chains. *International Journal on Food System Dynamics, 7*(3), 229-242.

Eriksen, S. N. (2013). Defining local food: Constructing a new taxonomy – three domains of proximity. *Acta Agriculturae Scandinavica: Section B, Soil & Plant Science, 63*, 47-55.

Feagan, R., Morris, D., & Krug, K. (2004). Niagara region farmers' markets: Local food systems and sustainability considerations. *Local Environment, 9*(3), 235-254.

Galt, R. E. (2013). The moral economy is a double-edged sword: Explaining farmers' earnings and self-exploitation in community-supported agriculture. *Economic Geography, 89*(4), 341-365.

Giampietri, E., Finco, A., & Giudice, T. D. (2016). Exploring consumers' behaviour towards short food supply chains. *British Food Journal, 118*(3), 618-631.

Gillespie, G., Hilchey, D. L., Hinrichs, C. C., & Feenstra, G. (2007). Farmers' markets as keystones in rebuilding local and regional food systems. In C. C. Hinrichs & T. A. Lyson (Eds.), *Remaking the North American food system: Strategies for sustainability* (pp. 65-83). London: University of Nebraska Press.

Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology, 91*(3), 481-510.

Granvik, M., Joosse, S., Hunt, A., & Hallberg, I. (2017). Confusion and misunderstanding. Interpretations and definitions of local food. *Sustainability, 9*(11), 1981.

Gupta, C., & Makov, T. (2017). How global is my local milk? Evaluating the first-order inputs of "local" milk in Hawai'i. *Agriculture and Human Values, 34*(3), 619-630.

Hammer, B. A., Vallianatos, H., Nykiforuk, C. I. J., & Nieuwendyk, L. M. (2015). Perceptions of healthy eating in four Alberta communities: A photovoice project. *Agriculture and Human Values, 32*(4), 649-662.

Hampton, M. P. (2003). Entry points for local tourism in developing countries: Evidence from Yogyakarta, Indonesia. *Geografiska Annaler: Series B, Human Geography, 85*(2), 85-101.

Handayani, S. A. (2014). Pemasaran produk hortikultura melalui pasar tani. Retrieved from http://cybex.pertanian.go.id/materipenyuluhan/detail/8925/pemasaran-produk-hortikultura-melalui-pasar-tani

Heis, A. (2015). The alternative agriculture network Isan and its struggle for food sovereignty – a food regime perspective of agricultural relations of production in Northeast Thailand. *Austrian Journal of South-East Asian Studies, 8*(1), 67-86.

Hinrichs, C. C. (2000). Embeddedness and local food systems: Notes on two types of direct agricultural market. *Journal of Rural Studies, 16*(3), 295-303.

Hinrichs, C. C., Gillespie, G. W., & Feenstra, G. W. (2004). Social learning and innovation at retail farmers' markets. *Rural Sociology, 69*(1), 31-58.

Ilbery, B., & Maye, D. (2005). Food supply chains and sustainability: Evidence from specialist food producers in the Scottish/English borders. *Land Use Policy, 22*(4), 331-344.

Indian flavours are my identity: Chef Ranveer Brar takes us on a nostalgic food ride. (2019, February 2). *Free Press Journal*. Retrieved from https://www.freepressjournal.in/food/indian-flavours-are-my-identity-chef-ranveer-brar-takes-us-on-a-nostalgic-food-ride/1450240

Jung, M.-C., & Pearson, D. (2014). The current status and potential of local food in South Korea. *Locale: The Australasian-Pacific Journal of Regional Food Studies, 4*, 61-78.

Kimura, A. H., & Nishiyama, M. (2008). The chisan-chisho movement: Japanese local food movement and its challenges. *Agriculture and Human Values, 25*(1), 49-64.

Kirwan, J. (2006). The interpersonal world of direct marketing: Examining conventions of quality at UK farmers' markets. *Journal of Rural Studies, 22*(3), 301-312.

Lokomotif gerakan membangun desa. (2017, October 7). *Kompas,* 9.

Le Heron, R. (2016). Rethinking the economic and social history of agriculture and food through the lens of food choice. In A. Murcott, W. Belasco, & P. Jackson (Eds.), *The handbook of food research* (pp. 50-68). London: Bloomsbury.

Legates, R., & Hudalah, D. (2014). Peri-urban planning for developing East-Asia: Learning from Chengdu, China and Yogyakarta/Kartamantul, Indonesia. *Journal of Urban Affairs, 36*(s1), 334-353.

Lehtinen, U. (2012). Sustainability and local food procurement: A case study of Finnish public catering. *British Food Journal, 114*(8), 1053-1071.

Lyson, T. A. (2004). *Civic agriculture: Reconnecting farm, food, and community*. Medford, MA: Tufts University Press.

Marston, S. A., Jones, J. P., & Woodward, K. (2005). Human geography without scale. *Transactions of the Institute of British Geographers, 30*(4), 416-432.

Migliore, G., Caracciolo, F., Lombardi, A., Schifani, G., & Cembalo, L. (2014). Farmers' participation in civic agriculture: The effect of social embeddedness. *Culture, Agriculture, Food and Environment, 36*(2), 105-117.

Milestad, R., Bartel-Kratochvil, R., Leitner, H., & Axmann, P. (2010). Being close: The quality of social relationships in a local organic cereal and bread network in Lower Austria. *Journal of Rural Studies, 26*(3), 228-240.

Mount, P., Hazen, S., Holmes, S., Fraser, E., Winson, A., Knezevic, I., . . . Landman, K. (2013). Barriers to the local food movement: Ontario's community food projects and the capacity for convergence. *Local Environment, 18*(5), 592-605.

O'Neill, K. J. (2014). Situating the 'alternative' within the 'conventional'. Local food experiences from the East Riding of Yorkshire, UK. *Journal of Rural Studies, 35*, 112-122.

Ostrom, M. (2006). Everyday meanings of "local food": Views from home and field. *Community Development, 37*(1), 65-78.

Pemerintah Provinsi Daerah Istimewa Yogyakarta. (2010). Peraturan Daerah Provinsi Daerah Istimewa Yogyakarta Nomor 2 Tahun 2010 Tentang Rencana Tata Ruang Wilayah Provinsi Daerah Istimewa Yogyakarta Tahun 2009-2029. Yogyakarta.

Penker, M. (2006). Mapping and measuring the ecological embeddedness of food supply chains. *Geoforum, 37*(3), 368-379.

Phillips, N., & Hardy, C. (2002). *Discourse analysis: Investigating processes of social construction*. Thousand Oaks, CA: Sage.

Polanyi, K. (1957/2001). *The great transformation: The political and economic origins of our time*. Boston: Beacon Press.

Printezis, I., & Grebitus, C. (2018). Marketing channels for local food. *Ecological Economics, 152*, 161-171.

Rahtz, D. R., & Sidik, I. G. (2006). Indonesia: Transition at a crossroads. In A. Pecotich & C. J. Schultz II (Eds.), *Handbook of markets and economies: East Asia, Southeast Asia, Australia, New Zealand* (pp. 234-285). Armonk, NY: M.E. Sharpe.

Robinson, J. M., & Hartenfeld, J. A. (2007). *The farmers' market book: Growing food, cultivating community*. Bloomington: Quarry Books.

Sadler, R. C. (2016). Strengthening the core, improving access: Bringing healthy food downtown via a farmers' market move. *Applied Geography, 67*, 119-128.

Schmitt, E., Dominique, B., & Six, J. (2018). Assessing the degree of localness of food value chains. *Agroecology and Sustainable Food Systems, 42*(5), 573-598.

Shepherd, A. W., & Schalke, A. J. F. (1995). *An assessment of the Indonesian horticultural market information service*. Retrieved from http://www.fao.org/fileadmin/user_upload/ags/publications/INDONMIS.pdf

Spiller, K. (2012). It tastes better because … consumer understandings of UK farmers' market food. *Appetite, 59*(1), 100-107.

Stephenson, G., Lev, L., & Brewer, L. (2008). 'I'm getting desperate': What we know about farmers' markets that fail. *Renewable Agriculture and Food Systems, 23*(3), 188-199.

Suryadarma, D., Poesoro, A., Akhmadi, Budiyati, S., Rosfadhila, M., & Suryahadi, A. (2010). Traditional food traders in developing countries and competition from supermarkets: Evidence from Indonesia. *Food Policy, 35*(1), 79-86.

Taylor, P. J. (1982). A materialist framework for political geography. *Transactions of the Institute of British Geographers, 7*(1), 15-34.

Tchoukaleyska, R. (2013). Regulating the farmers' market: Paysan expertise, quality production and local food. *Geoforum, 45*, 211-218.

Trupp, A. (2017). *Migration, micro-business and tourism in Thailand: Highlanders in the city*. London: Routledge.

Tumbuan, W. A., Kawet, L., & Shiratake, Y. (2006). Significance of traditional market and supermarket functions for local farmers and consumers: A case study on marketing of vegetables in Manado, North Sulawesi, Indonesia. *Bulletin of the Faculty of Agriculture Saga University, 92*, 79-94.

Ubud Organic Market. (n.d.). About the market. Retrieved from http://www.ubudorganicmarket.com/About-us

Voßemer, C., Ehlert, J., Proyer, M., & Guth, R. (2015). Editorial: Sovereignties of food: Political struggle and life-world encounters in Southeast Asia. *Austrian Journal of South-East Asian Studies, 8*(1), 1-6.

Yokoyama, S., & Sakurai, S. (2009). Social capital and the local food movement in Japan: The case of the Chiba Prefecture. *Asian Journal of Agriculture and Development, 6*(1), 29-48.

Youngs, J. (2003). Consumer direct initiatives in North West England farmers' markets. *British Food Journal, 105*(8), 498-530.

Zudianto, H. (2010). *Yogyakarta: Management of multiculturalism*. Paper presented at the 3rd UCLG ASPAC Congress 2010 Hamamatsu, Hamamatsu, Japan. Retrieved from https://www.city.hamamatsu.shizuoka.jp/foreign/english/intercity_cooperation/pdf/congre_06.pdf

ABOUT THE AUTHOR

Dodi Widiyanto is a PhD student in geography at the Department of Social and Human Environment at the Graduate School of Environmental Studies, Nagoya University, Japan. He is an assistant professor at the Faculty of Geography, Universitas Gadjah Mada, Indonesia. His research interests are geography of food, regional development, society and space, and behavioral geography.

▸ Contact: dodi.widiyanto@ugm.ac.id

ACKNOWLEDGEMENTS

The author is grateful to all informants for their voluntary participation and their sharing of stories and information. He wishes to thank all vendors and managers at Yogyakarta's FMs for their hospitality. He is also grateful to Makoto Takahashi, Masaya Iga, and Masashi Tachikawa for their valuable inputs, feedback, comments, and guidance. He thanks the Indonesian Ministry of Research, Technology and Higher Education and Indonesia Endowment Fund for Education (LPDP) the Ministry of Finance of the Republic of Indonesia for the BUDI-LN Scholarship (grant number: PRJ-3873 /LPDP.3/2016). Finally, he wishes to thank the editors and anonymous reviewers of ASEAS for their valuable inputs, comments, and corrections for this article.

Recalling Hydraulic Despotism: Hun Sen's Cambodia and the Return of Strict Authoritarianism

David J. H. Blake

▸ Blake, D. J. H. (2019). Recalling hydraulic despotism: Hun Sen's Cambodia and the return of strict authoritarianism. *Austrian Journal of South-East Asian Studies, 12*(1), 69-89.

Mirroring trends elsewhere in Southeast Asia, Cambodia has witnessed a pronounced shift towards stricter authoritarianism over recent years. The state appears more firmly ruled by prime minister Hun Sen than at any time during the past three decades, while the *de facto* status of the Cambodian People's Party (CPP) more closely resembles the single party regimes of neighboring states. One of the major tools of political control and expansion of authority employed by the hierarchical CPP network is the construction of major infrastructure projects, most notably hydropower dams and irrigation schemes. This article focuses attention on the hydraulic infrastructure aspects of exacting political authority and social control by the elite over the nation, drawing upon Wittfogelian perspectives for a conceptual framework. It maintains that Cambodia increasingly represents a modern variant of a hydraulic society, but primarily functions as a satellite hydraulic state of China. The growing influence of China over Cambodia's hydraulic development has helped elevate Hun Sen to resemble a neo-classic hydraulic despot. Hydraulic society concepts help provide partial understanding of contemporary power relations and party-state ascendency, including the longevity and resilience of Hun Sen's supremacy.

Keywords: Authoritarianism; Cambodia; Hun Sen; Hydraulic Society; Wittfogel

INTRODUCTION

Over the course of 2017-18, Cambodia demonstrably shifted towards a considerably harsher form of authoritarian governance, with several senior political opponents to the incumbent regime jailed, intimidated, exiled, or threatened with violence amidst a general crackdown on pro-democratic groups, free speech, and civil liberties (Morgenbesser, 2019). There was a rise in the use of extra-legal violence against environmental and human rights activists, including several state-linked assassinations, while a climate of impunity was widely recognized to be the norm for members of Cambodia's well-connected elite who had been implicated in a range of alleged crimes. This is not to imply that any of these symptoms of "hegemonic authoritarianism" (Morgenbesser, 2019) were not previously present, but merely that the indicator gauge of democratic freedoms had lurched further into the red zone, and few observers held any illusions that there would be a rapid reversal. The trend in Cambodia matches a general trend seen across Southeast Asia towards an authoritarian "problem region" (Einzenberger & Schaffer, 2018, p. 2; Pongsudhirak, 2018) and, indeed, a wider

global pattern of more populist, nationalist, and authoritarian regimes (Freedom House, 2017). This retreat of democracy is mirrored by a notable rise in personalist dictatorships, defined as regimes where power is highly concentrated in the hands of a single individual, changing from 23% in 1988 up to 40% of authoritarian regimes in 2017 (Kendall-Taylor, Frantz, & Wright, 2017). This rise in authoritarianism comes at a time when the development of hydraulic infrastructure has been accelerating across the Mekong region, with China being the main investor.

This article begins by examining Cambodia's recent shift towards a stricter form of authoritarianism, arguing that this should be viewed as part of a longer historical trend, in part reflecting the ostensible failure of Western attempts to liberalize and democratize Cambodia (Un, 2011). This failure cannot be separated from the parallel assertion of economic and political hegemony by China throughout the Mekong region, showing its strongest expression in Cambodia in the throes of being transformed into a bulwark state for Chinese state expansionist interests over resources on land and at sea, raising concerns of neo-colonialism (Caceres & Ear, 2013). The article posits that examining these political developments through a lens that acknowledges Wittfogel's (1957) hydraulic society thesis – in particular claims that such states are generally ruled by autocratic leaders he labelled as "hydraulic despots" – would allow for a more nuanced way of understanding some of the inherent socio-political dynamics and processes at work in contemporary Cambodia, both internally and at the level of inter-state relationships. Adopting this conceptual framework allows for an examination of the contention that a key tool and mechanism used by the increasingly centralized state to enact its authority over the nation, particularly its periphery, is via the construction of hydraulic infrastructure, especially hydropower and irrigation schemes. The timeframe examined is primarily the post-Khmer Rouge period since Hun Sen's rise to power, with a strong emphasis on events of the last decade. Taking this line of argumentation further, the article proposes that Cambodia is moving incrementally towards becoming a satellite hydraulic state of China, doing its bidding on the regional geopolitical stage in return for political gifts and favors to the elite, a cultural practice that aids Hun Sen's personalized, neopatrimonial style of political rule (Un, 2011). The article is based on an extensive literature review, supported by the author's empirical observations in several provinces of recent hydraulic infrastructure developments during field visits between 2017 and 2018.

CAMBODIA'S RECENT SHIFT TO PERSONALIZED AUTHORITARIANISM

The slide towards deeper authoritarianism in Cambodia culminated during the run up to the 2018 general elections. The main opposition party to the ruling Cambodian People's Party (CPP), the Cambodian National Rescue Party (CNRP) was dissolved on 16 November 2017 by the Supreme Court, while 118 of its senior members were banned from politics for 5 years and its 55 National Assembly seats were redistributed to the CPP (Sutton, 2017). The CNRP's former leader, Kem Sokha, was accused of conspiring with foreign governments to overthrow the incumbent regime and was arrested on 3 September 2017 on charges of "treason and espionage" (Agence France-Presse, 2017). Leading Hun Sen opponent, Sam Rainsy, was earlier forced into exile in France and has little chance of being granted a safe return to Cambodia to rejoin the

political fray. In the June 2017 commune council elections the CNRP won 44% of the national vote, a result which was perceived to have rattled the confidence of the CPP about its chances of outright victory at the 29 July 2018 general elections.[1] Sutton (2017) argues that the deliberate break-up of the CNRP marked a "turning point" in Cambodian politics, from "a system that was relatively balanced at the elite level into a personalist dictatorship centred on Hun Sen". He notes the death of King Norodom Sihanouk in 2012, then the demise of Senate president Chea Sim who commanded a powerful internal faction in June 2015, followed by the quashing of the CNRP, have allowed Hun Sen an opportunity to consolidate and expand his already formidable power base. Hun Sen has been quick to shrug off any foreign accusation of a power grab. Reacting to EU threats to impose sanctions on Cambodia, potentially freeze the overseas assets of senior officials, and remove Cambodia's preferential trade status in the Everything But Arms agreement over the dissolution of the CNRP, Hun Sen berated the EU by stating,

> when we break the legs of their children, who robbed and stole things from us . . . the father will be furious . . . The father is furious because his children got broken legs while they crawled to set bombs in our house (Sokhean & Kijeswki, 2017).

Hun Sen's reference to "the children" was apparently aimed at the CNRP leadership whom he accused of fomenting "revolution", supposedly with the help of the EU and US. The use of extreme metaphors and even direct threats of violence by Hun Sen have become increasingly commonplace in recent years. For example, during a rally for garment workers in late November 2017, Hun Sen claimed that he would have assassinated opposition leaders Sam Rainsy and Kem Sokha, had he watched a video from 29 December 2013 in which the two had apparently called on the large crowds at a non-violent protest to "organize a new government" and contest the close-run result of the earlier general elections (Niem & Chen, 2017). Hun Sen is quoted in the same source as saying,

> if I had seen that at the time they would already be dead; it would be their funeral. They are lucky that I missed it. If I had watched that clip on the day they announced that, a few hours later, I would have attacked from all sides at once (Niem & Chen, 2017).

The same article reported that during the run up to the 2017 commune elections, Hun Sen had threatened "to eliminate 100 to 200 people" in the event of protests against the result, claiming this would be in the interests of national stability and security.

Simultaneously with the extensive and systematic persecution of political opposition figures and parties, Hun Sen has waged an unrelenting attack against civil society, including attempts to silence media outlets deemed unsympathetic to him, while threatening certain outspoken NGOs with violence, censure, and closure. For

1 In the event, the CPP won by a landslide, taking all 125 seats in the National Assembly and 76.9% of the popular vote. FUNCINPEC, the closest party to CPP gained just 5.89% of the vote, amidst widespread claims that the election had been "a sham" (Morgenbesser, 2018a; Prak Chan Thul, 2018b).

example, the *Cambodian Center for Human Rights* (CCHR), founded by Kem Sokha, incurred the wrath of Hun Sen at a November 2017 rally, stating that the center "must close because they follow foreigners" (Sokhean, 2017). Two months earlier, the government forced the *Cambodia Daily* newspaper to cease operations after 24 years of independent journalism, claiming it owed a USD 6.3 million tax bill (Baliga & Chheng, 2017). The final edition of the paper ran with the headline, "Descent into Outright Dictatorship". Its closure coincided with a state clampdown on other print and broadcast media sources such as *Radio Free Asia*, *Voice of America*, and *Voice of Democracy*, amongst 15 domestic radio stations ordered shut by the Ministry of Information (Dara & Baliga, 2017). The remaining English language daily, the *Phnom Penh Post*, is now run by a Malaysian businessman with alleged connections to Hun Sen (Styllis, 2018).

By the end of 2017, accusations that Cambodia was sliding towards a fully-fledged dictatorship or autocratic state appeared more frequently in mainstream media sources (e.g., Hoekstra, 2017; Hurst, 2017; Ward, 2017). Hun Sen has shown strong indications that he aims to establish a ruling family dynasty by appointing several of his sons and other family members to key positions within the government and military (Morgenbesser, 2019; Strangio, 2014). Cambodia has been recognized as one of the most dangerous countries in the world for grassroots human rights and environmental activists, following systematic state intimidation and violence directed towards innumerable activists over recent years, a reality reinforced by the 2012 murder of prominent forest defender Chut Wutty at the hands of a military police officer (Parnell, 2015) and the assassination of political activist Kem Ley in July 2016 (Morgenbesser, 2019). In January 2018, a court jailed two environmental activists with the NGO *Mother Earth* for filming suspected illegal sand mining activity in Koh Kong province (Prak Chan Thul, 2018a).

While it seems apparent that Cambodia has become decidedly more authoritarian over the last few years, with Hun Sen more firmly at the helm than ever and driving forward new hydraulic mega-projects, how best to conceptually account for this shift towards a more centralized bureaucratic and patrimonial polity? Einzenberger and Schaffar (2018) point to the possibility that China may be serving as a role model for nearby countries, in part through its economic engagement and desire for political stability. The article proceeds by offering a brief recap of the general theory of hydraulic society via a consideration of Wittfogel's claims concerning the peculiar quasi-theocratic nature of despotic rulers that I maintain takes on some relevance to the contemporary Cambodian context.

WITTFOGEL'S HYDRAULIC SOCIETY THESIS REVISITED

Wittfogel (1957/1981) originally theorized that control of water through large-scale irrigation and other hydraulic works was the basis of a peculiarly "Asiatic mode of production"[2] and accompanied the rise of an attendant, powerful, and exploitative ruling

2 Wittfogel devotes an entire chapter in *Oriental Despotism* to an analysis of "The rise and fall of the theory of the Asiatic mode of production" (Chapter 9), calling for its re-examination, based on the twentieth century rise of totalitarian states under the banner of 'Marxism-Leninism'.

class (termed the "hydraulic bureaucracy"). Following emigration from Germany to the United States prior to the Second World War, Wittfogel started to substitute the phrase "Oriental society" with "hydraulic society" to indicate the water controlling mode of production and its associated social order, although he retained the former term in the title of his magnum opus, *Oriental Despotism: A Comparative Study of Total Power*, inviting criticisms of cultural determination or orientalism[3] (e.g., Robbins, 2004). Control of water for irrigation expansion purposes took on special significance in the emergence of certain early Asian societies centered on rivers flowing through semi-arid or arid environments, which differed fundamentally from the more feudalistic development pathway of most early European states, which were mostly based on rainfed agriculture. According to the theory, only a powerful and complex state organization can manage the multiple activities and problems associated with large-scale irrigated agriculture, such as its planning, construction, enlargement, operation, and maintenance, the allocation of water between upstream and downstream cultivators; the arbitration of conflicts, and tax collection functions. The hydraulic state occupied a position of "unrivalled operational leadership and organizational control" over the construction of productive and protective public works, plus the labor force required to build them (Peet, 1985, p. 8). Furthermore, Wittfogel maintained the highly centralized power afforded by technological control of water resources resulted in fundamentally despotic forms of governance found in such early hydraulic civilizations as Egypt, China, Mesopotamia, Sri Lanka, the Indus valley, and pre-Columbian Mexico and Peru.[4] Absolutism was presumed to be the norm, while civil society was characteristically poorly developed and routinely oppressed wherever it appeared. Wittfogel noted that these societies demonstrated particular class differentiations, labor divisions, and specialization typical of centralized urban life within a limited core area, surrounded by large interstitial and peripheral areas connected to the center.

Wittfogel (1981) maintained that a defining feature of any hydraulic society was the presence of an autocratic emperor, pharaoh, or king (often revered as a semi-divine deity), who would be responsible for playing "the decisive role in initiating, accomplishing, and perpetuating the major works of hydraulic economy" (p. 27). He referred to the existence of an organizational web for managing the hydraulic works covering the whole, or at least the "dynamic core" of the nation; emphasizing that "those who control this network are uniquely prepared to wield supreme political power" (p. 27). In considering the nature of the power of the leader of a hydraulic society, Wittfogel described it as "benevolent in form, oppressive in content" (p. 136) and noted an absence of effective constitutional or societal checks on its absolutism. Consequently, the ruler tends to "expand his authority through alliances, maneuvers, and ruthless schemes until, having conquered all other centers of supreme decision, he alone prevails" (Wittfogel, 1981, p. 107).

---

3 In fact, Wittfogel identifies a number of societies lying outside the classical 'orient' in his classification scheme of hydraulic societies, including several in Central and South America.

4 It should be acknowledged that Wittfogel makes no mention of the Khmer empire or Cambodia in Oriental Despotism, suggesting he had not studied the nation in any detail and offered no opinion as to its hydraulic credentials.

THE (RE-)EMERGENCE OF A HYDRAULIC SOCIETY IN MODERN CAMBODIA REFLECTED IN HUN SEN'S RISE

Most critiques of Wittfogel's concepts concerning Southeast Asia have primarily been interested in the context of pre-modern societies, usually paying scant attention to the theory's applicability to contemporary nation states and modern geopolitics. Price (1994) noted a tendency for some anthropologists studying irrigation to ignore Wittfogel's work "or to merely cite it to dismiss it instantly as 'reductionistic', 'simplistic', or 'mechanical'" (p. 193). Also referring to a slew of scholarly dismissals, Worster[5] (1992) maintained that

> one of the most serious weaknesses in that literature [anthropological scholarship of the 1960s and 70s], it must be said straight off, is that the modern experience with irrigation hardly appears in it. Nowhere do the ecological anthropologists – nor does Wittfogel for that matter – seem to realise that the link between water control and social power might occur in places other than the archaic cradles of civilization nor that the past hundred years have seen more irrigation development than all of previous history (p. 30).

This criticism of a failure to consider the modern context could equally apply to some anthropological portrayals of Cambodia that have stoked a long-running debate regarding the validity of the hydraulic society hypothesis to the formation of the ancient Khmer empire (e.g., Rigg, 1992). While it is now generally accepted amongst academics that the impressive reservoir structures (known as *barai*) around Angkor were unlikely to have been built for irrigation, but rather for domestic water supply and more significantly, theocratic displays of power and religious symbolism (Mabbett & Chandler, 1995; van Liere, 1980), the irrigation trope is now part of modern Khmer folklore. The lack of an irrigational purpose has not prevented contemporary powerful irrigation promoters from regularly invoking the memory and symbols of Angkor kings in speeches and development propaganda (Hughes, 2006). Rather than disturbing historical constructions concerning early state formation, this article is primarily concerned with examining the modern Cambodian state since the end of the Khmer Rouge regime (1975-79), a period when wildly ambitious, poorly designed, and ecologically illiterate irrigation schemes were built with the technical assistance of Chinese advisors and the forced labor of tens of thousands of citizens, only to fail alongside the regime's own disintegration (Himel, 2007). But it is the late 20th and early 21st century experience of concerted hydraulic infrastructure expansion, the emergence of an increasingly centralized bureaucracy, and the CPP hierarchy pursuing a more subtle form of irrigation-driven social engineering than the Khmer Rouge employed, that warrants closer scrutiny with regards to the nature of contemporary modes of hydraulic governance.

---

5 Worster's (1992) book *Rivers of Empire: Water, Aridity and the Growth of the American West* documents the extent to which the irrigation development paradigm of the modern "hydraulic West" has resulted in extensive ecological damage, a reallocation of power (as well as water) to bureaucratic and corporate elites, and societal conflict.

In discussing the nature of archetypal sovereigns ruling over hydraulic societies, Wittfogel noted how power was invariably concentrated and operationalized through a single, absolute leader:

> In his person the ruler combines supreme operational authority and the many magic and mythical symbols that express the terrifying (and allegedly beneficial) qualities of the power apparatus he heads. Because of immaturity, weakness, or incompetence, he may share his operational supremacy with an aide: a regent, vizier, chancellor, or 'prime minister'. But the exalted power of these men does not usually last long. It rarely affects the symbols of supreme authority. (Wittfogel, 1957, p. 305)

For most Cambodians born after 1980 (in other words the vast majority, given the relative demographic youth of the nation), Hun Sen has been the only national leader they have known. He is regarded as a consummate and skillful politician throughout his career, carefully plotting a rise to power, by ruthlessly out-maneuvering rival factions and individuals at each stage to ensure no one can seriously threaten his personal supremacy (Morgenbesser, 2018b). As Strangio (2014) notes, Hun Sen has played many roles during his three decades at the apex of the Cambodian political hierarchy, including "apparatchik and reformer, strongman and statesman, demagogue and free-wheeling marketer" (p. xiii). Yet beyond these external guises, he stresses that Hun Sen has "ruled in the traditional Cambodian way, through a system of personal patronage in which money was passed upwards in exchange for protection" (p. xiii), displaying a personality that offered little tolerance for internal dissent, with a penchant for unpredictable behavior and violence when rattled.

It is pertinent to note that Hun Sen arose from relatively humble beginnings to assume the prime ministership and at one time was a Khmer Rouge cadre, yet now blithely assumes the honorific title *Samdech Akka Moha Sena Padei Techo*, which roughly translates as "Illustrious Prince, Great Supreme Protector, and Famed Warrior" (Strangio, 2014, p. 116). He has actively encouraged the (re)creation of a hierarchical bureaucratic and parallel societal structure that recalls an absolute royal past, evident, for instance, in state propaganda in which the official narrative increasingly paints him as a near-legendary, rags-to-riches "peasant king" (Strangio, 2014, p. 117-119). In the manner of an Angkorian god-king, he has begun to bestow the equivalent of royal ranks to generous benefactors from the Cambodian elite, such as the title *okhna* to anyone contributing over USD 100,000 for the purpose of "national reconstruction".

Hun Sen's Hold Over the CPP Strengthens and the Shift to a Hydraulic Paradigm

Formerly known as the Kampuchean People's Revolutionary Party (KPRP), the CPP's rise to prominence dates back to the 1980s period of civil war and domestic chaos, as the United Nations Transitional Authority in Cambodia (UNTAC) and Western governments slowly returned with financial aid, development projects, and the promise

of democracy.[6] Donors showed considerable interest in financially supporting a slew of irrigation development schemes as a key component of returning the country to some degree of socio-economic 'normalcy' and peace, even though consultants' reports often cautioned against pushing too rapid an expansion of infrastructure, on account of a raft of technical, environmental, economic, and political risk factors (Blake, 2016). Invariably their words of caution were not heeded, with entirely new irrigation systems built or Khmer Rouge era systems rehabilitated and expanded, only to quickly fall into disrepair or be abandoned due to myriad technical deficiencies (Treffner, 2010).

Through the 1980s and 90s, the CPP emerged as the party most experienced and skilled at harnessing foreign donor-funded infrastructural development aid to benefit its own narrow interests, both as a political party and in terms of individual economic advancement. Simply put, the more senior the position attained in the party hierarchy, the greater the sense of entitlement to the spoils of development came with that office, with authority over infrastructure projects being regarded as a key reward within an entrenched patron-client gifting culture (Hughes, 2006; Norén-Nilsson, 2016; Roberts, 2002). As McCargo (2005) has argued, the CPP held virtual hegemony over Cambodian politics during the start of the 21st century, and any transition to a liberal democracy was largely illusory and wishful thinking on the part of the international community. During several coalition governments, the CPP usually ensured that its politicians controlled the most lucrative and influential government bureaucracies, including agriculture, forestry, and water resources agencies, after which it would stuff the agencies with followers in a nepotistic manner, carving out a solid fiefdom for personal enrichment (Un, 2005). In Cambodia, as is the case in Thailand (Blake, 2016), irrigation projects are invariably considered, on the one hand an integral component of an electoral strategy employed by politicians to offer rural people an incentive to vote for them, and on the other hand a means for elites to reward loyal bureaucrats, contractors, party members, and politicians (depending on their position within the patron-client hierarchy) through mutual rent-seeking opportunities during the scheme's construction (Blake, 2019; Sok, 2012). Following the 2008-09 spike in paddy prices, the CPP referred to itself as "the irrigation party" (Thavat, 2006) and has in subsequent elections repeatedly promised rural voters greater prosperity from the construction of irrigation schemes that would supposedly allow double cropping of rice (Blake, 2016). Having *de facto* control over much of the bureaucracy, in particular the Ministry of Water Resources and Meteorology (MoWRAM) and the Ministry of Agriculture, Forestry and Fisheries (MAFF), has allowed the CPP to exercise control over water flows, people, and development funds (whether domestic or international aid), with little interest in questions of equity, sustainability, or the environment (Venot & Fontenelle, 2018). The personalization of political elite gifting practices is epitomized by CPP posters featuring paternalistic images of Hun Sen and Heng Samrin[7] situated above pictures of state-funded infrastructure projects, including irrigation canals, that seemed ubiquitous in the countryside during the run-up

6 The KPRP formally changed its name to the CPP in 1991, less than a week before the signing of the Paris Peace Accords established the UNTAC and paved the way for 'free' elections in Cambodia (Frings, 1995).

7 Heng Samrin was a former army commander in the Khmer Rouge, general secretary of the KPRP from 1981 to 1991 and has been President of the National Assembly of Cambodia since 2006.

to the July 2018 elections. The CPP posters dominated those of minor party rivals in size and frequency, seen next to both relatively small irrigation projects, such as one funded by Australia in Prey Kabbas district, Takeo province (Blake, 2018a), and a Chinese-funded mega-project (albeit failed) in Prey Veng province (Blake, 2018b). That Hun Sen's party swept the board in every constituency was not surprising and points to the emergence of a hydraulic society, where all public infrastructure is ultimately associated with a single ruler and party.

With regards to the potential for national harm caused by poorly planned hydraulic development (both domestically and internationally), it is salient to note the quixotic nature of Hun Sen. This is reflected in a switch from adopting a rhetorical position of mild opposition towards large-scale hydraulic developments upstream on the Mekong river in the early years of the 21st century, including those in China, to offering unreserved support and even contemplating building its own 'mega-dams' on the mainstream Mekong in recent years, presumably reflecting altered geopolitical loyalties as main funding sources have changed. While it is most unlikely that he personally wrote the opening address for the Second International Symposium on the Management of Large Rivers for Fisheries held in Phnom Penh in February 2003, it is still instructive that Hun Sen stated that in terms of the Mekong hydraulic development, "continued upstream dam construction" and a "commercial navigation plan" were "a major concern" to Cambodia's interests, creating a worry that "the Tonle Sap could dry up, ending the famous river fishing industry" (Hun Sen, 2003).

However, even while the threats from upstream have increased, such concerns for potential social and environmental damage seem to have vanished in recent years, with Hun Sen ostensibly silent about major upstream riverine schemes, just at the time that (mostly) Chinese-funded hydraulic developments have blossomed in Cambodia and new plans are regularly being proposed. He has also advocated staunchly in favor of a mainstream dam just across the border in Laos, which a wide range of stakeholders have warned could be disastrous to fish migrations in the entire lower Mekong system (Boer et al., 2016). Since an announcement by the Laos government of the development of the 256 MW Don Sahong dam in 2014, civil society actors and Cambodian government officials have publicly expressed worries about the potential negative impacts this project might have on local communities reliant on eco-tourism and the wider Mekong ecosystem, in particular the agriculture and capture fisheries sectors of the economy (Phak, 2016). Yet after a long period of uncertainty regarding a market for the power generated by the dam, in 2016 with record low water levels on the Mekong causing negative impacts to reliant riverside communities, Hun Sen stepped up to offer a strong public endorsement of the project, shortly after it was announced that the Malaysian developer had done a deal with Cambodia (Khuon Narim, 2016). During a visit to the dam site in January 2017, he cordially thanked the Laos government "for selling cheap electricity to Cambodia" (Van Roeun, 2017). The Prime Minister, in echoes of the hydro-meteorological pronouncements of Thailand's King Bhumibol (Blake, 2015), pronounced that unusual water level changes had nothing to do with mainstream dams, but were instead the result of a capricious climate (Khuon Narim, 2016).

It was significant that Mega First Corporation Berhad, the Malaysian company developing Don Sahong with reportedly no prior experience of dam development,

invited Sinohydro Corporation to become the main contractor (Banktrack, 2016). It is unlikely to be coincidence that since the construction of the Lower Se San 2 (LS2) hydropower project began in 2014 (see section below for further details), the Cambodian government has tried to kickstart two highly controversial Mekong mainstream mega-dam projects downstream of Don Sahong, namely the Stung Treng and Sambor projects, that were previously no more than dormant plans with little international support (Peter & Ben, 2017). Like LS2, both proposed Mekong projects are under the control of the Royal Group, in association with Chinese state enterprise partners providing finance and technical capability (International Rivers, 2017). The proposed 2,600 MW Sambor hydropower project is seen by external analysts as having the most destructive potential of all the mainstream dams planned, due to its sheer size, impact on flows, and ability to block irreplaceable fish migrations at a critical point of the entire lower Mekong ecosystem (ICEM, 2010; National Heritage Institute, 2017). If constructed at full-scale,[8] it would lead to the resettlement of approximately 20,000 people, diminish the livelihoods of hundreds of thousands more in Cambodia, Laos, Thailand, and Vietnam, and likely lead to the extirpation of the Mekong's last population of endangered Irrawaddy dolphins (Peter & Ben, 2017).

THE ROLE OF CHINA IN EXPORTING A HYDRAULIC SOCIETY MODEL TO SATELLITE STATES

China, as the world's foremost dam building nation (World Commission on Dams, 2000), is considered *the* pre-eminent promoter of large dam schemes abroad. Chinese companies are said to be involved in 360 dams in 74 countries, and an estimated 39% of these projects are overseen by a single company (Sinohydro Corporation) (Yeophantong, 2016). Since the ascension of Xi Jinping to China's "paramount leader" in 2012, there has been a redirection of China's foreign policy, with Global South nations, including Cambodia, becoming enthusiastic recipients of the Chinese government's expanding penchant for overseas infrastructure construction (Caceres & Ear, 2013; Schaffar, 2018), much of it placed under the Belt and Road Initiative (BRI). Regionally, this has been interpreted as a sign of Beijing's strategy of "peripheral diplomacy" (Callahan, 2016), or alternatively, part of a "regional soft-power offensive" southwards to ASEAN countries (Yeophantong, 2016); though neither of these terms adequately captures the extent to which infrastructure specifically can be used as a tool of interstate "technopolitics" (see Sneddon, 2015, for a study of the United States of America's own dam diplomacy attempts during the Cold War era). Since the turn of the 21st century, there has been significant investment channeled to Cambodia for implementing a range of hydraulic infrastructure projects by Chinese state-run companies, in the form of Official Direct Assistance (ODA) grants, subsidies, and soft loans, usually given with few conditions compared to those demanded by Western nations (Harris, 2016; Heng, 2012; Siciliano et al., 2016). For example, at the opening ceremony of the Chinese-funded and built Kirirom-III hydropower project in Koh Kong province in February 2013, Hun Sen (2013b) lauded that one of the advantages

8 It should be noted that there are several possible design proposals under consideration, some less environmentally destructive than the original design, following the US-based Natural Heritage Institute (2017) being hired by the Ministry of Mines and Energy to study alternatives.

of Chinese investment was that it did not come with onerous debt terms for the Cambodian government to bear and that the projects all met their deadlines because they were well financed, with the backing of the Bank of China, thus helping Chinese-Cambodian relations reach "a new stage".

Chinese investments have included the construction of numerous large non-hydraulic infrastructure projects, including Special Economic Zones (SEZs), airports, ports (Sihanoukville being the largest), highways, IT networks, electricity distribution networks, and agri-business investments, including large and controversial Economic Land Concessions (ELCs) (Sok Serey, 2017). One estimate calculated that between 1994 and 2012, China had invested a total of USD 9.17 billion in Cambodia, and Chinese companies consistently head tables of foreign direct investment (Sullivan, 2015). Another source, citing the official website of the Chinese embassy in Phnom Penh, claimed that 80% of all power produced in Cambodia was provided by Chinese companies in 2016, with investment totaling USD 2.4 billion in seven plants built over the last decade (Kawase, 2017).

At a speech delivered at the opening of a March 2016 conference in Phnom Penh entitled "Getting Things Moving – Regional and National Infrastructure and Logistics for Connectivity, Growth and Development", Hun Sen stressed that the Royal Government of Cambodia's priorities were developing "roads, water, electricity and human" resource sectors in the national development strategy, as part of a move to improve regional connectivity and integration (Hun Sen, 2016). He welcomed the establishment of the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund as key sources of finance in supporting the nation's infrastructure investment plans.[9] Indeed, Cambodia has become a near model client state for China in recent years, both in terms of facilitating Chinese investment in Cambodia and in supporting its foreign policy goals in Southeast Asia. Hun Sen met with Chinese premier Xi Jinping twice in 2017, reinforcing a close bond of friendship between the two. As the *China Daily* reported, "Xi called Hun Sen a good friend, old friend and true friend of the CPC and the Chinese people", noting that "Cambodia always firmly supports China on issues concerning its core interests" (Xinhua, 2017).

A prime example of the support offered by Cambodia towards China's "core interests" was provided in 2012 when the Cambodian government, acting as rotating chair of ASEAN, prevented the foreign ministers of ASEAN countries from issuing a joint communiqué expressing concerns about the Chinese annexation of large swathes of the South China Sea, arguing that this was merely a bilateral issue between China and the countries concerned (Kawase, 2017). The interference caused a significant degree of friction within ASEAN at the time, as all the claimants of the disputed maritime areas are other ASEAN nations and stood to lose considerable resource right claims. Cambodia has proven a staunch supporter of China's one-country policy by recognizing its territorial claims over Taiwan, while offering up its strategic port of Sihanoukville to significant Chinese investment (Sullivan, 2015), including the construction of a new highway between the port and the capital. The apparent advantages to Hun Sen nurturing a cosy relationship with China over more onerous and less generous aid terms

9 According to a 2017 conference on resilient infrastructure, 70% of Cambodia's roads have been financed by China (Open Development Cambodia, 2015).

required by Western governments were once more apparent at the Mekong-Lancang Cooperation (MLC) Summit, held in Phnom Penh on 10-11 January 2018. At the end of the summit, the Chinese premier Li Kequiang "signed 20 new development agreements with host Cambodia worth several billion dollars", while simultaneously stressing "the MLC's firm commitment to non-interference in other members internal affairs" as part of a "Phnom Penh Declaration" and prerequisite to a five year action plan (Hutt, 2018; see also Nachemson, 2018). Insisting that Cambodia would never allow a foreign country to interfere in its internal affairs, Hun Sen insisted at a February 2019 ground-breaking ceremony for a USD 50 million Chinese-funded hospital, "China's approach to foreign policy is that it does not want to control any countries [sic]. China only wants to develop friendships around the world" (Lipes, 2019).

The author contends that an important aspect of the deepening bilateral relationship between the two states is Cambodia's emergence as a satellite or peripheral hydraulic state of China, adding a new dimension to the hydraulic society hypothesis. This is manifested by the numerous, but rather opaque, Chinese-funded hydropower and irrigation schemes steadily appearing that are fundamentally altering the socio-natural landscape in a manner not seen since the Khmer Rouge era. According to Macan Markar (2013), Chinese investment in hydropower projects in Cambodia amounted to USD 1.6 billion in 2013 and was described as, "the most potent symbol of bilateral ties between the two countries". The largest and most controversial of the schemes constructed thus far has been the USD 816 million LS2 hydropower project in northeast Cambodia, built by a consortium including China's Hydrolancang International Energy Co. Ltd. (51% share), the Royal Group (39% share), and Electricity of Vietnam International Joint Stock Company (Harris, 2016). Construction commenced in 2014, and the controversial 400 MW installed capacity hydropower project was completed in December 2018, with a grand opening ceremony attended by Hun Sen (Soth Komsoeun, 2018). Financing for the project has reportedly come from shareholder company capital (30%) and an undisclosed loan from a Chinese bank (70%), believed to be the China Development Bank (Banktrack, n.d.). Some 4,800 people were resettled for the project's reservoir, and a further 80,000 people could be affected through loss of migratory fisheries and other environmental impacts. Much domestic and international criticism has been directed against the developers for inadequate levels of compensation and rights afforded to affected communities (Harris, 2016), while several villager and NGO protests have been violently suppressed by state forces. However, the criticism seems to have made little difference to the eventual outcome. The chairman of the Royal Group, Kith Meng, controls extensive banking and business interests and is known to have close links to Hun Sen (Powell, 2011).

Besides LS2, China has been involved in the construction of at least seven large dams in Cambodia, including the 194 MW Kamchay hydropower project in Kampot province developed by Sinohydro; the 18MW Kirirom III hydropower project in Koh Kong province developed by State Grid Xin Yuan company; the 338 MW Lower Russei Chrum hydropower project in Koh Kong province; the 246 MW Stung Tatay hydropower project developed by China National Heavy Machinery; the 120 MW Stung Atay hydropower project in Pursat province developed by Datang Corporation; and the 12 MW Kirirom I hydropower project in Kompong Speu province, developed

by China Electric Power Technology Import and Export Corporation, a subsidiary of the State Grid Corporation of China (Grimsditch, 2012). In addition to these existing projects, other Chinese corporations exploring the potential of developing further hydropower schemes in Cambodia include China Gezhouba Group Corporation, Huadian, China Southern Power Grid, and China Guodian Corporation (Grimsditch, 2012).

To take one example from the above list, the Kamchay dam built between 2006 and 2011 by Sinohydro at an estimated cost of USD 311 million was financed by the China ExIm Bank as part of a USD 600 million aid, trade, and investment package extended to Cambodia. The project was "strongly supported and driven forward by the Cambodian Prime Minister" (Siciliano et al., 2016, p. 3) and became the first of a series of large dams built with Chinese money. Indeed, the dam was officially opened by Hun Sen in December 2011, the same year that China and Cambodia deepened bilateral relations with a "comprehensive strategic partnership of cooperation" (Sullivan, 2015, p. 123). On the basis of fieldwork conducted around the dam site and stakeholder interviews, Siciliano et al. (2016) conclude that within Cambodia, "the political alliance at the top level crushes much opposition or concerns at the local level" (p. 13). They note that while local people had suffered immediate and perpetual losses of livelihood and access to natural resources as a result of the Kamchay dam, mostly uncompensated, the developers would receive potential benefits from electricity revenue over 44 years under a Build, Operate, Transfer (BOT) agreement. There appeared to be a singular lack of communication between Sinohydro and relevant bureaucracies on the one hand and impacted persons on the other hand at each stage of planning, construction, and operation, including sudden releases of water leading to downstream flooding, probably reflecting the inter-elite nature of this project and prevailing power inequities in Cambodia (Siciliano et al., 2016).

Beyond Hydropower – Chinese-Funded Irrigation Development Schemes

Beyond the hydropower sector, China has also been *the* major bilateral aid donor and source of loans for irrigation development by a significant margin. After the transport sector, irrigation infrastructure accounted for the second largest target of state funds between 2008 and 2012, with much of the funds being channeled towards constituencies that support the CPP (Blake, 2019). A list of agricultural water management sector infrastructure projects derived from an Asian Development Bank *Inception Report* suggested that China had loaned USD 601 million on seven projects for the period from 2010 to 2015, putting it far ahead of all other bilateral and multilateral aid donors involved in the sector (Pech et al., 2013). This sum included a purported USD 260 million figure for constructing two phases of the Vaico River Irrigation Development Project in eastern Cambodia,[10] supposedly completed in 2015 but which was in a non-operational mode when the author visited the area in March 2017 (Blake, 2017) and again in July 2018 (Blake, 2018b). This project was built to supply irrigation to a large area of poor-quality land in an area that does not drain well in the

10 The project was awarded to Guangdong Foreign Construction Co. with the Cambodian government securing a reported concessionary loan from the Export-Import Bank of China. It has a targeted irrigation command area of 300,000 ha across Prey Veng, Svay Rieng and Kampong Cham provinces (Blake, 2017).

wet season and was deemed "marginally suitable" or "not suitable" for irrigated agriculture investment by a Western consultant's report in the early 1990s (Blake, 2017). The field visits revealed that not a single hectare of land has been irrigated by the scheme, despite the digging of a reported 78 km of canals and associated hydraulic infrastructure, pointing to a fundamental technical design flaw by the joint Chinese designers and Cambodian bureaucratic agencies involved. Despite the outright failure of Cambodia's most extensive and expensive irrigation scheme, tellingly there has been no discernible outcry from domestic civil society, academia, or the media. While Western-funded irrigation schemes elsewhere have also suffered from abandoned, non-functional, or partially-functional infrastructure over many years and attracted some criticism as a result (Blake, 2019; Treffner, 2010), the Vaico project represents the most striking example of a transnational cultural gifting phenomenon that benefits few beyond national elites, but harms many. That it is being implemented in plain sight (a brief reconnoiter of the relevant Google satellite image of Prey Veng is instructive) yet simultaneously obscured from public view or discussion, points to a cowed populace fearful of retribution should they speak out against such monumental examples of environmental destruction, corruption, and official ineptitude.

CONCENTRATING POWER THROUGH HYDRAULIC MODES OF GOVERNANCE

The consequences of this remarkably rapid hydraulic infrastructure development trajectory have been profound and have been felt beyond the geographical limits of the individual projects themselves to affect state-society relations from local to national levels. This is a result of both the concentration of wealth and political power that the hydraulic development paradigm enables amongst elites, but also due to the altered characteristics of Cambodia's party-state machinery and associated centralization of bureaucratic power, now under the control of a single tyrannical ruler similar to that envisaged by Wittfogel. Hydraulic infrastructure, in particular large-scale irrigation, offers potential opportunities to create order and stability through its re-configuration of the rural landscape, a key concern of the Cambodian elite (Springer, 2009) and inherently recognized by Pol Pot and Chinese Maoist state backers during the Khmer Rouge period (Bultmann, 2012). There are now distinguishable similarities between some aspects of the Khmer Rouge ideological discourse over irrigation development and that of the present regime's visions (Blake, 2019).

As with the case of China and its "controlocracy" (Ringen, 2016), Cambodia now employs a two-tier system of socio-political control, with an interdependent bureaucratic state and single dominant party, where the state controls society and the CPP controls the state (Hutt, 2017). Each large-scale hydraulic project built offers multiple opportunities for the state to incorporate previously unrealized social engineering potential and subjectivization of marginalized peoples (Scott, 1998). Imposing a supposedly modernizing, technological solution, whether a hydropower dam, flood control project, or irrigation scheme on a river system allows for a fundamental reordering of society according to (dis)utopian, state-centric visions. This implies the forced mass movement of people from the reservoir footprint to resettlement sites, allowing for the imposition of state and expert-led development practices, processes, and propaganda that invariably leave those impacted considerably worse

off economically and socio-culturally more impoverished than before (see Scudder, 2019, for examples from across the developing world). The administrative gridlines that water control, irrigation canals, and parallel roads create, provide enhanced opportunities for authoritarian states to more easily subjugate citizens in line with the will of the ruling elites, weakening any remnants of civil society in the process. It unfolds in a more hegemonic and less coercive manner than during the forced corvée labor parties of the Khmer Rouge era (Bultmann, 2012), but nevertheless still leads to the incapacitation of local initiative and suppression of opposition voices.

Blake and Barney (2018), for example, document the case of the Theun-Hinboun hydropower dam, which became a vehicle for the increasingly authoritarian Lao state to impose its will and vision on subaltern peoples, described in terms of "structural injustice and slow violence". There are strong parallels between the contemporary socio-political paradigms of hydraulic infrastructure development in Laos and Cambodia. At the same time, there seems to be sufficient evidence to suggest that the open armed receipt by Hun Sen of significant amounts of Chinese development grants, loans, and technical assistance to construct numerous large-scale hydraulic infrastructure projects, conducted under a cloak of opacity, is pulling Cambodia away from traditional close links to Vietnam's polity towards China's embrace. China's domestic approach to hydraulic development has always been to first attend to the construction of infrastructure on a grand scale, which has allowed for the exertion of greater social control and bureaucratization from the center, leaving concerns about actual demand for water or electricity to later. This has led to the vast over-supply of hydropower capacity such as that currently found in Yunnan (Kynge & Hornby, 2018). China seems to currently export this development model to other countries and, creating satellite hydraulic states in the process.

CONCLUSION

This article has argued that Cambodia is tending towards certain characteristics that resemble a modern variant of a hydraulic society, in particular the rise of an unashamedly autocratic ruler directing the workings of a state that is increasingly organized along hydraulic lines. Cambodia clearly does not exhibit a typical hydraulic core configuration, as found in a number of other classical hydraulic societies, which were established in discrete arid or semi-arid large river basins. The topography, climate, and hydrology of Cambodia are significantly different from that found in the ancient hydraulic societies, but rather the landscape lends itself to what Wittfogel (1981) termed "hydro-agriculture" (p. 3), with most agriculture relying on rainfed and flood recession conditions. However, in Cambodia's case these limitations have not formed an obstacle to the whims of an aspiring hydraulic ruler wanting to (re-)create a hydraulic society, buoyed on by the influence and technological assistance of an expansionist Chinese hydraulic state and nationalist visions of past Khmer greatness. Indeed, the inherent geo-physical limitations help to explain the failure of a series of large-scale irrigational developments, spectacularly demonstrated again by the Vaico river project. By adopting a ruthless approach that has virtually destroyed all internal opposition, Hun Sen now commands the state polity in a similar manner to past

rulers of classical hydraulic societies. Examples such as the Se San 2 and Vaico projects, where local people impacted are cowed by fear to protest, tend to confirm one of Wittfogel's (1981) key observations concerning the despotic nature of the ruling class of hydraulic states and a corresponding weakened civil society, described as a "beggar's democracy" (p. 108). Without a doubt, he has attained supreme operational authority over the nation and demonstrated Machiavellian adroitness by deepening control of the most important institutions of statecraft.

Morgenbesser (2018b) has described Hun Sen's Cambodia as a "party-personalist dictatorship", a state of affairs that recognized the ruler's tendency towards an autocracy that relies on the complete dominance of the CPP. As I have argued, such an analysis overlooks the hydraulic control dimensions of this style of statesmanship, which is best accounted for through Wittfogel's hydraulic society hypothesis. The Cambodian government has over a relatively short period of time allocated escalating resources for the construction of grandiose hydraulic infrastructure projects, which in many instances are designed, bankrolled, and constructed by Chinese state-owned enterprises, with the implicit (and occasional explicit) benediction of Hun Sen and Xi Jinping. Whether Hun Sen or his immediate family have directly profited from the massive Chinese investment in such projects over the last decade can only be speculated upon due to the opacity surrounding the finances of such deals conducted between secretive regimes. Thus, this article may be seen as tentatively contributing to a more nuanced understanding of Wittfogel's hypothesis in the light of recent geopolitical developments where a weak state has fallen into the patron-client orbit of a deeply entrenched and powerful hydraulic state to emerge as a new form of hydraulic society on the periphery. This contention is worth further investigation in future research.

While the lines between authoritarianism, autocracy, and despotism are patently blurred, it is apparent that many of the concrete actions taken by the Hun Sen regime in the last few years reflect an autocratic tendency to centralize control and destroy any credible political opposition, including rivals within the ranks of the CPP. The last two years have demonstrated that Hun Sen's firebrand public rhetoric is frequently matched by violent and coercive actions, leading to a severely diminished civil space in Cambodian politics, replaced by fear and self-censorship amongst its citizens. However, while Hun Sen closely resembles a Wittfogelian hydraulic despot and is being helped in this quest by the actions of China, this does not imply that Cambodia is or ever will be a strong hydraulic state, as it lacks the necessary basic environmental conditions. At best, it can function as a weak, satellite hydraulic state under the ultimate suzerainty of China, which will continue to dominate Cambodia at the expense of any former influence exerted by Western states and Vietnam, as altered geopolitical poles reflect new hegemonic realities.

~

REFERENCES

Agence France-Presse. (2017, September 5). Cambodian opposition leader Kem Sokha charged with treason and espionage. *South China Morning Post.* Retrieved from https://www.scmp.com/news/asia/southeast-asia/article/2109802/cambodian-opposition-leader-kem-sokha-charged-treason-and

Baliga, A., & Chheng, N. (2017, September 4). Daily silenced after 24 years. *The Phnom Penh Post*. Retrieved from http://www.phnompenhpost.com/national/daily-silenced-after-24-years

Banktrack. (2016). *Don Sahong hydropower project. Laos*. Retrieved from https://www.banktrack.org/project/don_sahong_dam/pdf

Banktrack. (n.d.) *Lower Sesan Dam II. Cambodia*. Retrieved from https://www.banktrack.org/project/lower_sesan_2_dam

Blake D. J. H. (2015). King Bhumibol. The symbolic "father of water resources management" and hydraulic development discourses in Thailand. *Asian Studies Review, 39*(4), 649-668.

Blake, D. J. H. (2016). Iron triangles, rectangles or golden pentagons? Understanding power relations in irrigation development paradigms of northeast Thailand and northern Cambodia. In D. J. H. Blake & L. Robins (Eds.), *Water governance dynamics in the Mekong Region* (pp. 23-58). Petaling Jaya: Strategic Information and Research Development Centre.

Blake, D. J. H. (2017). Taking Cambodian irrigation to the extremes: The Vaico river project. *East by Southeast*. Retrieved from http://www.eastbysoutheast.com/taking-cambodian-irrigation-to-the-extremes-the-vaico-river-project/

Blake, D. (2018a, October 2). The Cambodian People's Party and a "proof-of-concept" irrigation scheme. *Mekong Eye*. Retrieved from https://www.mekongeye.com/2018/10/02/11078/

Blake, D. (2018b, October 11). Encountering Cambodia's biggest irrigation project, but where's the irrigation? *Mekong Eye*. Retrieved from https://www.mekongeye.com/2018/10/11/encountering-cambodias-biggest-irrigation-project-but-wheres-the-irrigation/

Blake D. J. H. (2019). Is irrigationalism a dominant ideology in securing hydrotopia in Mekong nation states? Journal of Contemporary Asia. Advance online publication.

Blake D. J. H., & Barney, K. (2018). Structural injustice, slow violence? Theun-Hinboun hydropower and the political ecology of 'best practice' dams in Lao PDR. *Journal of Contemporary Asia, 48*(5), 808-834.

Boer, B., Hirsch, P., Johns, F., Saul, B., & Scurrah, N. (2016). *The Mekong: A socio-legal approach to river basin development*. Oxon: Routledge.

Bultmann, D. (2012). Irrigating a socialist utopia: Disciplinary space and population control under the Khmer Rouge, 1975-1979. *Transcience 3*(1), 40-52.

Caceres, S. B., & Ear, S. (2013). *The hungry dragon. How China's resource quest is reshaping the world*. New York: Routledge

Callahan, W. A. (2016). China's "Asia Dream": The Belt Road Initiative and the new regional order. *Asian Journal of Comparative Politics, 1*(3), 226-243.

Dara, M., & Baliga, A. (2017, August 25). Government closes 15 radio stations. The Phnom Penh Post. Retrieved from https://www.phnompenhpost.com/national/government-closes-15-radio-stations

Einzenberger, R., & Schaffar, W. (2018). The political economy of new authoritarianism. *Austrian Journal of South-East Asian Studies, 11*(1), 1-12.

Freedom House. (2017). *Freedom in the world 2017*. Retrieved from https://freedomhouse.org/sites/default/files/FH_FIW_2017_Report_Final.pdf

Frings, K. V. (1995). The Cambodian People's Party and Sihanouk. *Journal of Contemporary Asia, 25*(3), 356-365.

Grimsditch, M. (2012). *China's investments in hydropower in the Mekong Region. The Kamchay hydropower dam, Kampot, Cambodia*. Washington, DC: World Resources Institute.

Harris, M. (2016). Diverted justice: The Lower Sesan 2 dam and the role of law in Cambodian hydropower development. In D. J. H. Blake & L. Robins (Eds.), *Water governance dynamics in the Mekong Region* (pp. 91-122). Petaling Jaya: Strategic Information and Research Development Centre.

Heng, P. (2012). Cambodia-China relations: A positive-sum game? *Journal of Current Southeast Asian Affairs, 31*(2), 57-85.

Himel, J. (2007). Khmer Rouge irrigation development in Cambodia. *Searching for the Truth, First Quarter* (pp. 42-49). Phnom Penh: Documentation Centre of Cambodia.

Hoekstra, A. (2017, November 21). Is Cambodia an autocratic state now? *Deutsche Welle*. Retrieved from http://www.dw.com/en/is-cambodia-an-autocratic-state-now/a-41469690

Hughes, C. (2006). The politics of gifts: Tradition and regimentation in contemporary Cambodia. *Journal of Southeast Asian Studies, 37*(3), 469-389.

Hun Sen. (2003). Address of Samdech Hun Sen at the Second International Symposium on the Management of Large Rivers for Fisheries – "Sustaining livelihoods and biodiversity in the new millennium". *Cambodia New Vision.* Retrieved from http://cnv.org.kh/address-of-samdech-hun-sen-at-the-second-international-symposium-on-the-management-of-large-rivers-for-fisheries-sustaining-livelihoods-and-biodiversity-in-the-new-millennium/

Hun Sen. (2013b, February 23). Selected extempore comments during the inauguration of the Kirirom-III hydropower station in the district of Sre Ambel, Koh Kong province. *Cambodia New Vision*. Retrieved from http://cnv.org.kh/selected-extempore-comments-during-the-inauguration-of-the-kirirom-iii-hydropower-station-in-the-district-of-sre-ambel-koh-kong-province/.

Hun Sen. (2016, March 7). Keynote address by Samdech Akka Moha Sena Padei Techo Hun Sen, prime minister of the kingdom of Cambodia. At the 2016 Cambodia Outlook Conference: A partnership of CDRI and ANZ Royal Bank. "Getting things moving – Regional and national infrastructure and logistics for connectivity, growth and development". *Cambodia New Vision*. Retrieved from http://cnv.org.kh/keynote-address-by-samdech-akka-moha-sena-padei-techo-hun-sen-prime-minster-of-the-kingdom-of-cambodia-at-the-2016-cambodia-outlook-conference-a-partnership-of-cdri-and-anz-royal-bank-g/

Hurst, D. (2017, November 17). Hun Sen is 'dictator' of Cambodia after supreme court bans opposition party. *The Times*. Retrieved from https://www.thetimes.co.uk/article/hun-sen-is-dictator-of-cambodia-after-supreme-court-bans-opposition-party-7tjghpszd

Hutt, D. (2017, August 4). Cambodia, a party with a country. *New Mandala*. Retrieved from http://www.newmandala.org/cambodia-party-country/

Hutt, D. (2018, January 11). China flexes its control on the Mekong. *Asia Times.* Retrieved from http://www.atimes.com/article/china-flexes-control-mekong/

International Centre for Environmental Management. [ICEM]. (2010). *MRC Strategic Environmental Assessment (SEA) of hydropower on the Mekong mainstream. Final report.* Hanoi: International Centre for Environmental Management.

Kawase, K. (2017, March 16). The 'Chinazation' of Cambodia. *Nikkei Asian Review*. Retrieved from https://asia.nikkei.com/magazine/20170316/On-the-Cover/The-Chinazation-of-Cambodia?page=1

Kendall-Taylor, A., Frantz, E., & Wright, J. (2017). The global rise of personalized politics: It's not just dictators anymore. *The Washington Quarterly, 40*(1), 7-19.

Khuon Narim. (2016, April 12). Mekong dams not cause of drought, PM says. *The Cambodia Daily*. Retrieved from https://www.cambodiadaily.com/news/mekong-dams-not-cause-of-drought-pm-says-111220/

Kynge, J., & Hornby, L. (2018, June 7). China eyes role as world's power supplier. *The Financial Times*. Retrieved from https://www.ft.com/content/bdc31f94-68aa-11e8-b6eb-4acfcfb08c11

Lipes, J. (2019, March 1). Cambodia's PM Hun Sen defends embrace of China amid concerns of 'occupation'. *Radio Free Asia*. Retrieved from https://www.rfa.org/english/news/cambodia/occupation-03012019164104.html?utm

Mabbett, I., & Chandler, D. (1995). *The Khmers*. Oxford: Blackwell Publishers.

Macan Markar, M. (2013, March 29). Chinese investments in Cambodia ignore environment queries. *The Irrawaddy*. Retrieved from http://www.irrawaddy.org/archives/30883

McCargo, D. (2005). Cambodia: Getting away with authoritarianism? *Journal of Democracy, 16*(4), 98-112.

Morgenbesser, L. (2018a, July 30). Fake monitors endorse Cambodia's sham election. *Foreign Policy*. Retrieved from https://foreignpolicy.com/2018/07/30/fake-monitors-endorse-cambodias-sham-election/

Morgenbesser, L. (2018b). Misclassification on the Mekong: The origins of Hun Sen's personalist dictatorship. *Democratization, 25*(2), 191-208.

Morgenbesser, L. (2019). Cambodia's transition to hegemonic authoritarianism. *Journal of Democracy,30*(1), 158-171.

Nachemson, A. (2018, January 12). Analysis: Cambodia signing up for Chinese billions – at a price. *The Phnom Penh Post*. Retrieved from http://www.phnompenhpost.com/national/analysis-cambodia-signing-chinese-billions-price?utm

National Heritage Institute. (2017). Sambor hydropower dam alternatives assessment. Final report. Executive summary and key conclusions. Retrieved from https://n-h-i.org/programs/restoring-natural-functions-in-developed-river-basins/mekong-river-basin/cambodia-sambor/

Niem, C., & Chen, D. (2017, November 23). Rainsy and Sokha 'would already be dead': PM. T*he Phnom Penh Post*. Retrieved from http://www.phnompenhpost.com/national-politics/rainsy-and-sokha-would-already-be-dead-pm

Noren-Nilsson, A. (2016). Good gifts, bad gifts, and rights: Cambodian popular perceptions and the 2013 elections. *Pacific Affairs, 89*(4), 795-815.

Open Development Cambodia. (2015, November 28). Infrastructure. Retrieved from https://opendevelopmentcambodia.net/topics/infrastructure/

Parnell, T. (2015). Story-telling and social change: A case study of the Prey Lang Community Network. In S. Milne & S. Mahanty (Eds.), *Conservation and development in Cambodia: Exploring frontiers of change in nature, state and society* (pp. 258-279). London: Earthscan.

Peet, R. (1985). Introduction to the life and thought of Karl Wittfogel. *Antipode, 17*(1), 3-21.

Pech, S., Seng, S., Mak, S., Wu, N., Wei, L., Xu, C., Wang Z., Dong, B., Rendell, R., Turral, H., & Koster, A. (2013). *Cambodia Australia China irrigation dialogue*. CACID Aide Memoire No. 1 Cambodia Visit, 3-8 November 2013. Phnom Penh: Australian Aid. Unpublished report.

Peter, Z., & Ben, S. (2017). Kith Meng backs plans for three hydropower dams. *The Cambodia Daily*. Phnom Penh.

Phak, S. (2016, December 8). Dam's impacts being felt. *The Phnom Penh Post*. Retrieved from https://www.phnompenhpost.com/national/dams-impacts-being-felt

Pongsudhirak, T. (2018, January 1). Authoritarianism is accelerating in Southeast Asia. *Nikkei Asian Review*. Retrieved from https://asia.nikkei.com/Editor-s-Picks/Looking-ahead-2018/Authoritarianism-is-accelerating-in-Southeast-Asia

Powell, S. (2011, March 21). Royal connections. *The Australian*. Retrieved from https://www.theaustralian.com.au/business/the-deal-magazine/royal-connections/news-story/5abd5affa35af2cdafce61a2e19d2d55

Prak Chan Thul. (2018a, January 26). Cambodia jails two environment activists for filming sand export activity. *Reuters*. Retrieved from https://www.reuters.com/article/us-cambodia-human-rights/cambodia-jails-two-environment-activists-for-filming-sand-export-activity-idUSKBN1FF16G?utm

Prak Chan Thul. (2018b, July 30). Spoilt Cambodian ballot papers seen as protest over 'sham' election. *Reuters*. Retrieved from https://uk.reuters.com/article/uk-cambodia-election-spoilt/spoilt-cambodian-ballot-papers-seen-as-protest-over-sham-election-idUKKBN1KK176

Price, D. H. (1994). Wittfogel's neglected hydraulic/hydroagricultural distinction. *Journal of Anthropological Research, 50*(2), 187-204.

Ringen, S. (2016). *The perfect dictatorship: China in the 21st Century*. Hong Kong: Hong Kong University Press.

Rigg, J. (Ed.). (1992). *The gift of water: Water management, cosmology and the state in Southeast Asia*. London: School of Oriental and African Studies, University of London.

Robbins, P. (2004). *Political ecology: A critical introduction*. Malden: Blackwell Publishing.

Roberts, D. (2002). Democratization, elite transition, and violence in Cambodia, 1991-1999. *Critical Asian Studies, 34*(4), 520-538.

Schaffar, W. (2018). The iron silk road and the iron fist: Making sense of the military coup d'état in Thailand. *Austrian Journal of South-East Asian Studies*, *11*(1), 35-52.

Scott, J. C. (1998). *Seeing like a state. How certain schemes to improve the human condition have failed*. New Haven: Yale University Press.

Scudder, T. (2019). *Large dams: Long term impacts on riverine communities and free flowing rivers*. Singapore: Springer.

Siciliano, G., Urban, F, Tan-Mullins, M., Pichdara, L., & Kim, S. (2016). The political ecology of Chinese large dams in Cambodia: Implications, lessons and challenges learnt from the Kamchay dam. *Water, 8*(9), 405-423.

Sneddon, C. (2015). *Concrete revolution: Large dams, cold war geopolitics, and the US Bureau of Reclamation*. Chicago: University of Chicago Press.

Sok, S. (2012). State building in Cambodia. PhD dissertation, Deakin University, Melbourne.

Sok Serey. (2017). Chinese agricultural investment in Cambodia: Opportunities and challenges for poverty reduction. Phnom Penh: Royal University of Phnom Penh.

Sokhean, B. (2017, November 26). Breaking: PM says prominent human rights NGO 'must close'. *The Phnom Penh Post*. Retrieved from http://www.phnompenhpost.com/national-politics/breaking-pm-says-prominent-human-rights-ngo-must-close

Sokhean, B., & Kijewski, L. (2017, December 18). Hun Sen dares EU to impose sanctions. *The Phnom Penh Post*. Retrieved from http://www.phnompenhpost.com/national-politics/hun-sen-dares-eu-impose-sanctions

Soth Koemsoeun. (2018, December 18). Lower Sesan II dam opens. T*he Phnom Penh Post*. Retrieved from https://www.phnompenhpost.com/national/lower-sesan-ii-dam-opens

Springer, S. (2009). Violence, democracy and the neoliberal "order": The contestation of public space in posttransitional Cambodia. *Annals of the Association of American Geographers, 99*(1), 138-162.

Strangio, S. (2014). *Hun Sen's Cambodia*. Chiang Mai: Silkworm Books.

Styllis, G. (2018, May 19). Phnom Penh Post's new owner denies government links. *Nikkei Asian Review.* Retrieved from https://asia.nikkei.com/Business/Companies/Phnom-Penh-Post-s-new-owner-denies-government-links

Sullivan, M. (2015). Contested development and environment: Chinese-backed hydropower and infrastructure projects in Cambodia. In S. Milne & S. Mahanty (Eds.), *Conservation and development in Cambodia: Exploring frontiers of change in nature, state and society* (pp. 120-138). London: Earthscan.

Sutton, J. (2017, November 17). Hun Sen's gamble. *New Mandala*. Retrieved from http://www.newmandala.org/hun-sens-gamble/

Thavat, M. (2006). Cambodia: Landscapes of uneven development. *AFG Venture Group*. Retrieved from http://www.afgventuregroup.com/asian_analysis/Cambodia-%20Landscapes%20of%20Uneven%20Development.php

Treffner, J. (2010). Irrigation governance in Cambodia: Analyzing the role of aid, intervention models and institutional traditions. Master thesis, Irrigation and Engineering Group, Wageningen University.

Un, K. (2005). Patronage politics and hybrid democracy: Political change in Cambodia, 1993-2003. *Asian Perspective, 29*(2), 203-230.

Un, K. (2011). Cambodia: Moving away from democracy? *International Political Science Review 32*(5): 546-562.

van Liere, W. J. (1980). Traditional Water Management in the Lower Mekong Basin. *World Archaeology* (3), 265-280.

van Roeun (2017, January 11). Hun Sen visits Laos dam site, again promises cheap power. *The Cambodia Daily*. Retrieved from https://www.cambodiadaily.com/news/hun-sen-visits-laos-dam-site-again-promises-cheap-power-123248/

Venot, J.-P., & Fontenelle, J.-P. (2018). Irrigation policy in Cambodia: History, achievement and challenges of AFD's Interventions. *Governance Focus Research Report*. Costea.

Ward, O. (2017, December 1). Hun Sen pushes Cambodia to the brink of dictatorship. *ASEAN Today*. Retrieved from https://www.aseantoday.com/2017/12/hun-sen-pushes-cambodia-to-the-brink-of-a-dictatorship/

Wittfogel, K. A. (1957/1981). *Oriental despotism: A comparative study of total power*. New Haven: Vintage Books.

World Commission on Dams. (2000). *Dams and development: A new framework for decision-making*. London: Earthscan.

Worster, D. (1992). *Rivers of empire: Water, aridity and the growth of the American West*. Oxford: Oxford University Press.

Xinhua. (2017, December 1). Chinese president meets Cambodian PM. *China Daily*. Retrieved from http://www.chinadaily.com.cn/china/2017-12/01/content_35159670.htm

Yeophantong, P. (2016). China's dam diplomacy in the Mekong region: Three game changers. In D. J. H. Blake & L. Robins (Eds.), *Water governance dynamics in the Mekong region* (pp. 123-148). Petaling Jaya: Strategic Information and Research Development Centre.

ABOUT THE AUTHOR

David J. H. Blake holds a PhD from the School of International Development, University of East Anglia, UK. His research focuses on the political ecology of water resources development, environmental politics, critical human geography, and food systems, with a regional focus on Southeast Asia.

▸ Contact: djhblake@yahoo.co.uk

The New Politics of Debt in the Transition Economy of Vietnam

Hong-Kong T. Nguyen, Viet-Ha T. Nguyen, Thu-Trang Vuong, Manh-Tung Ho, & Quan-Hoang Vuong

▸ Nguyen, H-K. T., Nguyen, V-H. T., Vuong, T-T., Ho, M-T., & Vuong, Q-H. (2019). The new politics of debt in the transition economy of Vietnam. *Austrian Journal of South-East Asian Studies, 12*(1), 91-110.

This study reviews the rising household debt and nonfinancial corporation debt in Vietnam, a socialist-oriented, lower middle-income emerging economy. Vietnam has made huge strides in economic growth within three decades of reforms, lifting millions of people out of poverty thanks to better access to credit. At the same time, there are lending and borrowing practices that signal troubles ahead. Based on a thorough examination of the theoretical literature on indebtedness, the study sets out to identify the drivers of borrowing and over-borrowing in Vietnam in recent years. Particularly, the abundant financial and physical resources have given rise to consumerism and the boom of the super-rich. These are two of the four factors that have shifted Vietnamese culture from one that traditionally condemned debt as a vice to one that now tolerates indebtedness. The other two factors can be found at the corporate level where there is an over-reliance on debt financing and rampant rent-seeking. Here, a kind of 'resource curse' threatens sustainable corporate growth – businesses rely too much on borrowing to fuel their operations, but in fact are overlooking the innovation factor. The new politics of debt, we suggest, have created a toxically pro-consumption, debt-tolerant society.

Keywords: Consumerism; Corporate Debt; Culture of Indebtedness; Emerging Market; Household Debt; Vietnam

INTRODUCTION

From as early as the 1990s, economists began to note the shift in attitudes towards debt that had taken place in the course of the 20th century, such that debt was no longer abhorred but had gained acceptance as part of a modern consumer society, laying ground for the growing "culture of indebtedness" (Lea, Webley, & Levine, 1993; Lea, Webley, & Walker, 1995). The level of indebtedness is an important measure of economic health, whether that be for an individual consumer, a household, a business, or a whole nation. A chronically indebted household, especially those with low income or limited financial literacy, can become trapped in long-run poverty (Barbier, López, & Hochard, 2016). The problem of financial debt is more acute at the macro level in developing countries: the financial crises in, for example, Nicaragua, Morocco, Pakistan, and India, were linked to the uncontrolled expansion of microfinance (Chen, Rasmussen, & Reille, 2010; Lascelles, Mendelson, & Rozas, 2012). Given its severity, numerous

studies have sought to explicate the causes and challenges of debt, particularly at the microfinancing level, in developing economies, such as in Thailand and Vietnam (Chichaibelu & Waibel, 2017, 2018), Cambodia (Liv, 2013), Nepal (Risal, 2018), Bangladesh (Godquin, 2004), South Africa (Meniago, Mukuddem-Petersen, Petersen, & Mongale, 2013), and Ghana (Schicks, 2013b). In most cases, over-indebtedness is found to be accompanied by poor economic and social conditions, a high incidence of poverty, multiple borrowing, and low financial literacy (Grohmann, 2018; Gutiérrez-Nieto, Serrano-Cinca, & de la Cuesta González, 2017; Lea et al., 1993; Schicks, 2013a). In an attempt to explain both the causes and consequences of over-indebtedness in Spain, Gutiérrez-Nieto et al. (2017) applied a comprehensive explanatory model that takes into account both the borrower aspects, such as propensity to indebtedness and financial illiteracy, and the borrower circumstances, such as adverse external shocks, borrower's sudden job loss, and pressure from financial institutions. This holistic framework allows for an integration of psychological, behavioral, and economic theories in tracing the roots of excessive borrowing. Driven by the need to understand the lending and borrowing habits in Vietnam, this study uses a similarly combined framework to make sense of this emerging economy where more than half of its population still lives in rural areas, are yet to rely on formal financial channels, but have a huge demand for credit. As borrowing and lending behaviors vary across sectors, this study focuses on debt problems in a sectoral manner, systematically separating consumer debt from nonfinancial corporate debt.

The inquiry starts with the question of how just three decades after Vietnam began transitioning to a market economy taking out loans became so easy and popular. The first explanation is the country's stable and strong macroeconomic performance during this transition in comparison to that of most economies in Eastern Europe and of the former Soviet Union (Dollar, 1994). The decades of reforms have allowed the Southeast Asian country to overcome its triple-digit inflation rate (over 400% in 1988), brought in double-digit annual export growth, and revived the banking system from "the brink of collapse", in which it found itself in the early 1990s (Nguyen, 2008). Thanks to economic reforms, nearly 30 million Vietnamese people have escaped poverty since 1990, evidenced by the rise in GDP per capita from USD 100 in 1990 to USD 2,300 in 2015 (Oxfam, 2017; Vuong, 2019). In the past three decades, Vietnam's economic growth averaged 5% to 6% per year, with an average rate of 6.4% during the 2000s. Along with economic growth, though, came unbridled consumerism (Vuong, 2010, 2019; Vuong & Tran, 2011). While in economic terms, borrowing is a normal act for allowing an individual or institution to improve self-finance and support investment, to borrow past one's disposable income and become trapped in perpetual debt in a society like Vietnam nonetheless raises eyebrows. In Vietnamese culture, as in other Confucian cultures around the world, being in debt is considered a vice, and one ought to get out of debt as quickly as possible (Hansen, 2016; Kang, Matusik, & Barclay, 2017; Roiland, 2016; Tsai, 2006). This raises the question as to how Vietnamese people started to become more comfortable with debt. As previous studies have suggested, to give a fuller account of the behaviors of Vietnamese people, one should investigate the psychological and cultural dimensions (Vuong et al., 2018; Vuong & Napier, 2015; Vuong & Tran, 2009). What has changed so significantly that the culture, which has predominantly morally condemned being in financial debt

and praised frugality, could bring about a mindset tolerating exactly the opposite?

To answer this question, the article investigates the volume of rising debt in Vietnam at the household and corporate levels. By contextualizing the lending and borrowing practices in this transition economy in the theoretical literature the study is able to identify the drivers of borrowing and the risks of over-borrowing in Vietnam.

The article is structured as follows. We first present a brief overview of Vietnam's financial system. After that we review the scholarship on the economic and psychological theories that help explain debt and over-indebtedness. This section serves as the foundation for an in-depth examination of personal and nonfinancial corporate debt in Vietnam. The qualitative approach aims to shed light on the attitudes towards and practices of borrowing and lending, offering insights for other emerging economies at risk of over-borrowing and falling into over-indebtedness.

OVERVIEW OF THE VIETNAMESE FINANCIAL SYSTEM

Like most developing countries, Vietnam marks the co-existence of the formal and informal sectors, plus a semi-formal sector comprising lenders that do not exactly fit into the first two groups, as summarized in Figure 1. This is in line with the literature on credit markets in the developing world (Hoff & Stiglitz, 1993, p. 33).

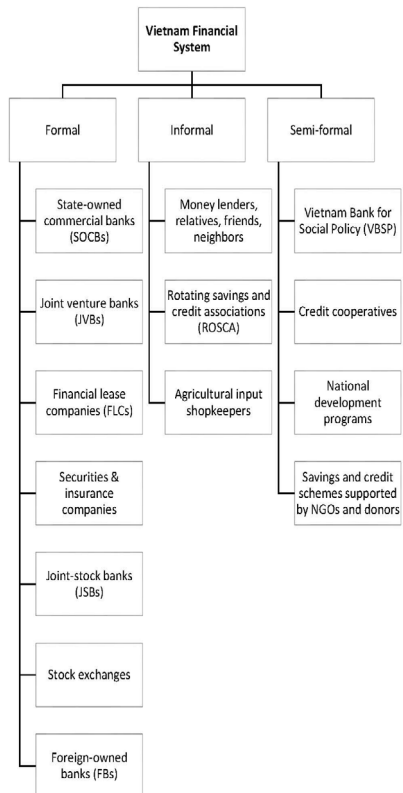

Figure 1: An overview of the Vietnamese financial system (Pham & Lensink, 2007, 2008).

The informal sector increases credit accessibility for the rural population in Vietnam, which accounts for about 66% of the total population of over 93 million (General Statistics Office of Vietnam, 2017). Rural households, however, obtain credit through both formal and informal lenders, drawing on the former allegedly for production and asset accumulation and the latter for consumption (Barslund & Tarp, 2008).

Informal lenders dominate the rural credit market due to their low requirements for collateral (Pham & Lensink, 2007; Ruddle, 2011). While the size of the black credit or shadow banking market is not known, estimations have put this at between 22% and 30% of the total credit provided by commercial banks, equivalent to about USD 50 billion, a very high figure by international standards (Le Phu Loc et al., 2016; Nguyen, 2016). The accessibility of borrowing from informal lenders is most evident in the ubiquity of pawn shops in cities as well as in the prevalence of money lending advertisements on almost every power pole. Students, low-income earners, or those in need of quick cash can go to pawn shops to get a fast loan, putting up one of their belongings, such as a motorbike, car, laptop, mobile phone, or an ID card, as collateral (Barslund & Tarp, 2008; Hoang, 2018).

As in other emerging economies, Vietnamese businesses finance their operations either through external debt or internally retained earnings (Hoang, Biger, & Nguyen, 2007; Nguyen, Diaz-Rainey, & Gregoriou, 2012). For external debt, two options exist: a firm can take out loans by contacting the formal and semi-formal sectors or by issuing bonds. Though corporate bonds have long been a popular type of debt finance around the world, they appeared in Vietnam only in the early 1990s and were not widely discussed in academic circles and under-utilized by the business sector (Vuong, 2000; Vuong & Tran, 2011). In their research, Vuong and Tran (2009) pointed out that the government not only intervenes in the bond markets with its budget and policies but also competes directly with enterprises. There were only 12 'corporate' bond issuances between 1992 and 2003 that were considered notable in terms of size and socioeconomic effect. Until 2017, this number remained modest (Noonan, 2017). Since late 2017, the Vietnamese have become more interested in the debt market as the government announced a 2030 vision to enhance the bond market by strengthening the legal framework and improving transparency in the market.

From a macroeconomic viewpoint, Vietnam has nonetheless witnessed a dramatic surge in credit over the years of reforms. The credit supply multiplied a factor of 13.7 between 2000 and 2010, while the GDP doubled during the same period (Vuong & Napier, 2014). Figure 2 shows the rising loans to the private sector with respect to GDP. The line was not continuous in 1994 because there was no data (by World Bank) for that year. Domestic credit to the private sector peaked in 2010, with the rate reaching 114.72% of GDP before dropping down to 94.83% in 2012 and rebounding to 123.81% in 2016.

THE ECONOMICS AND PSYCHOLOGY OF INDEBTEDNESS

The extensive literature on the economic and psycho-social factors associated with indebtedness serves as the foundation for this article to examine the drivers of borrowing and over-borrowing in Vietnam in recent years.

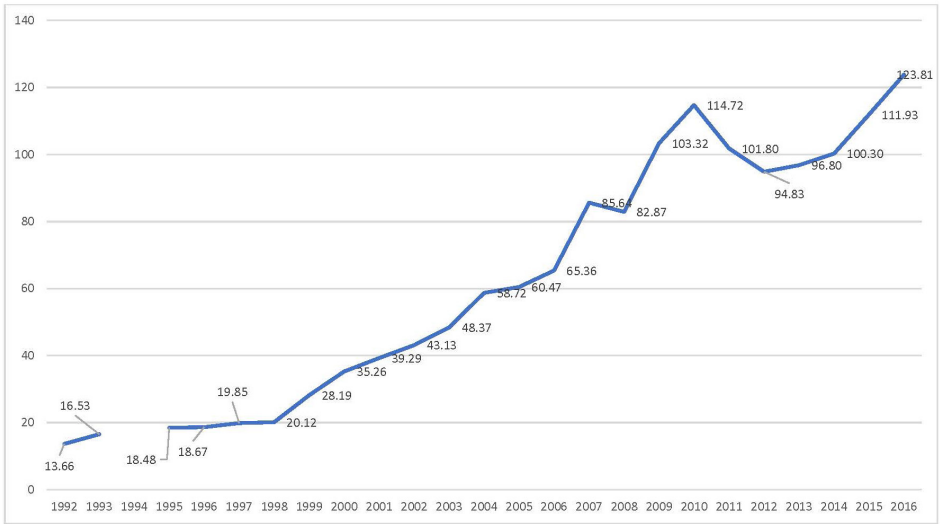

Figure 2: Domestic credit to the private sector in percentage to GDP (World Bank).

In terms of economic theories, the amount of actual debt observed is the result of both demand and supply factors, both of which affect consumers' decisions to enter the debt market (Chen & Chivakul, 2008; Schicks, 2013a). On the demand side, the probability of joining the credit market is determined by the consumers' desire to borrow. On the supply side, the lender decides whether and how much to lend upon considering the consumers' capacity to repay the loans. Credit constraint happens when the consumer is unable to obtain the desired loan, either due to credit rationing or the high price of borrowing, whether that be costly collateral or high interest rates (Chen & Chivakul, 2008). Borrowing is eased when such barriers are removed, which would help consumers to meet their credit demand, but also drive up consumption, and potentially threaten individuals' financial sustainability in the long run if easy borrowing persists. In a study on the implications of credit constraints for risk behavior in less developed countries, assuming that individuals are risk-averse, Kotwal and Eswaran (1990) showed that those with access to more credit will have greater capacity "to absorb random shocks in income" (p. 480).

From a theoretical perspective, studies on household debt and credit constraints often start with the life-cycle model of Modigliani (1986), Ando and Modigliani (1963), and Friedman's (1957) permanent income hypothesis. The models analyze the spending and saving habits of people over the course of their lives, assuming that individuals value stable lifestyles. The assumption of the basic life cycle model is that in a perfect capital market, households will be able to borrow to their desire to smooth their consumption. As such, current consumption is independent of current income (Chen & Chivakul, 2008). Put differently, indebtedness is the result of a planned and rational decision as it supports the inter-temporal redistribution of consumption (Ando & Modigliani, 1963). By comparison, the behavioral life-cycle theory of Shefrin and Thaler (1988) has three additional important behavioral features that are often absent in economic analyses: self-control, mental accounting, and framing. Through the lens of behavioral

economics, mental accounting, as opposed to discount rates, takes central stage in an individual's decisions about whether to spend and borrow (Shefrin & Thaler, 1988).

It is worth noting that there is a lack of a comprehensive framework uniting the fields of economics, sociology, and psychology in the study of over-indebtedness and its causes, possibly because there is no universal definition of personal over-indebtedness (Schicks, 2013a). While over-indebtedness is clearly an undesirable consequence for both the borrower and lender and should not exist in perfect markets, there are outside influences such as external shocks, personal shocks, and the behavior of both lender and borrower that ultimately result in hazardous lending and borrowing practices (Schicks, 2013a). In terms of the external factors, Meniago et al. (2013) confirmed that rising household debt was heavily affected by positive changes in the consumer price index, GDP, and household consumption. Negative changes in income also affected household borrowing (Meniago et al., 2013). In sum, most cases of severe indebtedness mark the coexistence of poor socio-economic conditions, vulnerability to destitution, multiple borrowing, financial illiteracy (Grohmann, 2018; Gutiérrez-Nieto et al., 2017; Schicks, 2013a), lack of home ownership, and having more children or being single parents (Lea et al., 1993). Additionally, the demand for debt, especially in developing-country settings, may be driven by household income, the age of household head, and level of education (Chen & Chivakul, 2008), poor health conditions, gender, and ethnicity (Godquin, 2004).

In reviewing the literature on the cognitive and psychological biases that can lead to over-borrowing, Schicks (2013a) listed bounded rationality, financial illiteracy, overconfidence bias, and habit persistence as some major causes of over-consumption and underestimation of indebtedness risk. Gutiérrez-Nieto et al. (2017) agreed that the propensity to indebtedness concerns the borrower's financial attitudes, which could be explained through behavioral economics and psychology. For instance, the prospect theory of Kahneman and Tversky (1979), which argues that people are risk-averse in gains and risk-takers in losses, may explain the pursuit of a highly materialistic lifestyle as well as over-borrowing. Several studies have provided evidence for the association of materialism with lack of financial well-being and personal debt (Garðarsdóttir & Dittmar, 2012; Nepomuceno & Laroche, 2015), in addition to a positive association between the lack of self-control and self-reported excessive financial burdens of debt (Gathergood, 2012; Strömbäck, Lind, Skagerlund, Västfjäll, & Tinghög, 2017). As part of the theory of economic socialization (Lunt & Furnham, 1996), when looking at the social support for debt, Lea et al. (1993, 1995) found a crucial predictor of debt status was whether an individual knew other people around them who were indebted. Similarly, the attitude of debt tolerance could arise from social comparisons – one may compare oneself to other people who have more economic resources, and, thus, want to have the same goods and services enjoyed by others, risking overspending one's income (Lunt & Livingstone, 1991).

DEBT, DEBT, MORE DEBT

On the basis of the economics and social-psychology of indebtedness, this section delves into (a) the severity of the debt problem at the household and corporate levels in Vietnam and (b) the underlying causes of these problems.

Rising Personal Debt

This section first looks at Vietnam's rising personal debt, which includes household and consumer debt. According to Le et al. (2016), Vietnam does not have official household debt statistics in line with OECD definition – which covers "all liabilities that require payment or payments of interest or principal by household to the creditor at a date or dates in the future" (OECD, 2018). The available data from the banking system only allow us to evaluate household debt through the outstanding loans to individuals and outstanding loans to production and business households. Despite the limitation in unifying the data, we note the rapid growth in household debt in Vietnam between 2000 and 2016. Debt grew by an average of 28.58% per year, a 51-fold surge from VND 41.3 trillion in 2000 to VND 2,116.2 trillion in 2016 (Le et al., 2016). In terms of household debt-to-GDP ratio, the figure hovered around 12% from 2000 to 2006, but rose sharply to 30.2% by 2011, then hit 47% in 2016 (Le et al., 2016). This is significantly higher than the median household debt-to-GDP ratio in emerging market economies, which was 21% in 2016 (International Monetary Fund, 2017). Economists have cautioned that if this figure surpasses 65% it could jeopardize the financial stability of both the households and the nation (Alter, Feng, & Valckx, 2018; International Monetary Fund, 2017). Given the rapid surge of the household debt-to-GDP ratio in recent years and the well-documented incidence of multiple borrowing and over-indebtedness among microcredit borrowers in developing countries (Chichaibelu & Waibel, 2018), the risk of over-borrowing is of legitimate concern.

When looking at household indebtedness in rural Vietnam, one study has noted a high incidence of indebtedness in the period between 2007 and 2011 such that up to 76% of Vietnamese households had taken out at least one loan, and the trend of taking out multiple loans rose steadily and peaked in 2011 (Chichaibelu & Waibel, 2018). However, household over-indebtedness in rural Vietnam, which is counted in terms of a household's ratio of debt service to income (above 50%), was found to be a less persistent problem than in rural Thailand due to the social monitoring of debt status and repayment by the rural communities (Chichaibelu & Waibel, 2018; Okae, 2009). As discussed in the literature on over-indebtedness, unexpected shocks to income and expenses are seen to be important causes of over-borrowing in Vietnam, although its effects, whether transitory or long-term, depend on community support and social ties (Chichaibelu & Waibel, 2018). A potential explanation for why indebtedness in rural Vietnam is not yet problematic is the recent development of rural credit, which means rural financial institutions still rely on customary norms and peer pressure within local communities to facilitate loan repayment (Chichaibelu & Waibel, 2018). In most cases, the high transaction costs and complex procedures at formal credit institutions would drive low-income Vietnamese consumers toward informal sources, such as *họ/hụi*, a rotating savings and credit association (ROSCA), to meet their financial needs (Vietnam Microfinance Working Group, 2014). While microfinance is often hailed as an alternative channel that improves credit accessibility for low-income clients (Vietnam Microfinance Working Group, 2014, p. 101), two problems remain: (a) low-interest rate loans are not available to everyone because semi-formal lenders tend to seek out borrowers who meet their criteria (Pham & Lensink, 2008, p. 243), and (b) the lack of effect on the income components of ethnic

minorities and households with less favorable economic conditions (Do & Bauer, 2016). Even worse, Schicks (2013a) has argued that microfinance, whose initial goal is to promote poverty reduction rather than consumption smoothening, actually risks pushing borrowers further into poverty as they may have no choice but to borrow continuously from microfinance institutions for both consumption and repayment purposes.

In the larger picture, particularly concerning consumer loans, which were equivalent to 22.4% of GDP as of the first half of 2018 (StoxPlus, 2018), studies have noted the locals' large appetite for shopping, whether for household goods or luxury goods, which means there are consumer finance providers working to meet the demand of low to average income earners (Breu, Salsberg, & Tu, 2010; Iwase, 2011; Nguyen, Özçaglar-Toulouse, & Kjeldgaard, 2018). Given that 48% of the Vietnamese population is either unbanked or has a low income (StoxPlus, 2018), they will not be able to meet the banks' stringent requirements for collateral, such as land use certificates or house ownership certificates. It is arguable that the high consumption in Vietnam is backed by the consistently high expenditure-to-income per capita ratio, at 70% and above between 2002 and 2016, as Figure 3 shows.

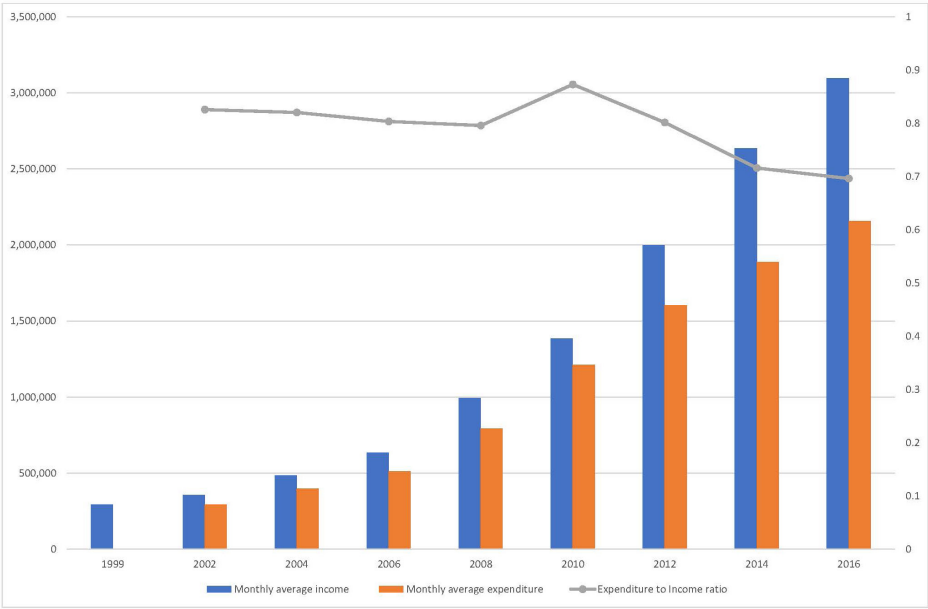

Figure 3: The monthly average income and expenditure per capita in Vietnam 1999-2016; Unit: VND (General Statistics Office of Vietnam).

A Debt-Tolerant Pro-Consumption Society

As much of the literature has noted, among the psycho-social factors driving over-borrowing are pressures from consumer society and materialism as well as widening inequality and social comparison (Lunt & Livingstone, 1991; Schicks, 2013a).

Various sources have pointed out the rising economic inequality in the country in the past two decades, evidenced in the gap between the incomes of the highest-earning and the lowest-earning groups. For example, an individual working in the agricultural sector earns an average of VND 2.63 million (USD 125) a month, while another working in the banking-finance-insurance sector earns 2.5 times as much, at VND 7.23 million (USD 344) a month (Oxfam, 2017). By comparison, agricultural wages in the European Union are lower by less than half of the average wages in all other economic sectors (European Union, 2018, p. 15). Moreover, in 2014, data showed that Vietnam had 210 ultra-high-net-worth individuals (UHNWI), which are defined as persons worth USD 30 million or more, with a combined asset value of USD 20 billion, equivalent to 12% of Vietnam's GDP, or half of the GDP of the country's southern economic hub of Ho Chi Minh City (Oxfam, 2017).

The middle-class population in Vietnam, defined as those earning enough to cover basic daily needs, being able to save, and spending over USD 5.5 a day per capita, has also been growing at a remarkable rate. From 2012 to 2016, the number of people meeting the above criteria rose by 20% to approximately 75 million people, creating a class of emerging consumers ("VN Middle Class Booms", 2018). Even by more conservative estimations, the Boston Consulting Group in 2016 projected Vietnam's "middle and affluent class" to double to 33 million people by 2020 ("Vietnam's Growing Middle Class", 2016).

Such a rapid surge in private wealth, especially in urban prosperity, has undoubtedly helped the country's transition toward a more robust consumer society. In observing the patterns of Vietnamese consumers switching to higher quality products just because others are using them, Unilever Vietnam's chairman, Marijn van Tiggelen, has used the word "leapfrog" to describe this behavior (Breu et al., 2010). In a recent study on young Vietnamese consumers, Nguyen et al. (2018) revealed a link between everyday consumption practices and a rejection of the communist identity – a kind of "individualization through self-emancipation, self-enrichment, and self-actualization" (p. 490). From a theoretical approach, the contributors to an edited volume by Nguyen-Marshall, Welch, and Bélanger (2012) have suggested not to define the "middle class" in terms of income or political liberalism but instead in terms of consumption, social distinction, and modernity. The underlying reason is a changing attitude towards consumer behaviors in the market reform period. While Marxism condemns bourgeois consumption, which is measured in terms of 'needs', contemporary Vietnamese society, despite its socialist propaganda, is moralizing middle-class consumption as "modern, civilized, and patriotic" (Nguyen-Marshall et al., 2012, p. 21). Yet, the act of depoliticizing and normalizing consumption in Vietnam is nonetheless political as its goal is to ensure the economic needs of the citizens, thereby, preserving political stability (Vann, 2012). This casts the nascent middle class as "modern citizens" who are both economically successful and partly aligned with the socialist state's definition of progress: "wealthy people; strong country; democratic, just, and civilized society" (Le, 2016).

As a *pro-consumption society* becomes ever more normalized people will increasingly find it normal to borrow past their income and be indebted so long as everyone around them is also indebted. According to the social support theory of debt (Lea et al., 1993, 1995), indebted Vietnamese consumers are less likely to think that their

acquaintances or relatives would disapprove if they knew these other people were also in debt. A debt tolerant attitude may arise out of social comparison, as Lunt and Livingstone (1991) showed: one may end up overspending one's income and over-borrowing because of the desire to have the same goods and services enjoyed by others. Although researchers have noted the social monitoring of debt in Vietnam (Chichaibelu & Waibel, 2018), one must take into account that in most industrialized countries there is a tendency for community and familial ties to wither (Harari, 2014; Miguel, Gertler, & Levine, 2003; Wellman, 2018). This study calls for increased attention to the expansion of consumer lending, the ease to borrowing, and the ever-rising costs of pursuing "middle class and affluent" lifestyles, for these factors may push debts to spiral out of control.

Corporate Debt and Rent-Seeking

The corporate sector also contributes to the rising debt in the country due to a combination of rampant rent-seeking and inefficient corporate governance. Studies on capital structure in Vietnamese corporations have noted some key elements to firms' borrowing behavior such as cash flow, fixed capital intensity, business risk, leverage, and firm size (Phan & Phan, 2013); or asset growth, ratio of sales to tangible assets, profit, liquidity (Vo, 2017). For instance, in examining data of public listed firms on the Ho Chi Minh City Stock Exchange (HOSE) from between 2006 and 2015, Vo (2017) noted a tendency among larger, profitable firms to take out long-term loans and among smaller firms to opt for short-term loans to finance their investments. Most studies also noted how the capital structure of Vietnamese firms is still dominated by the use

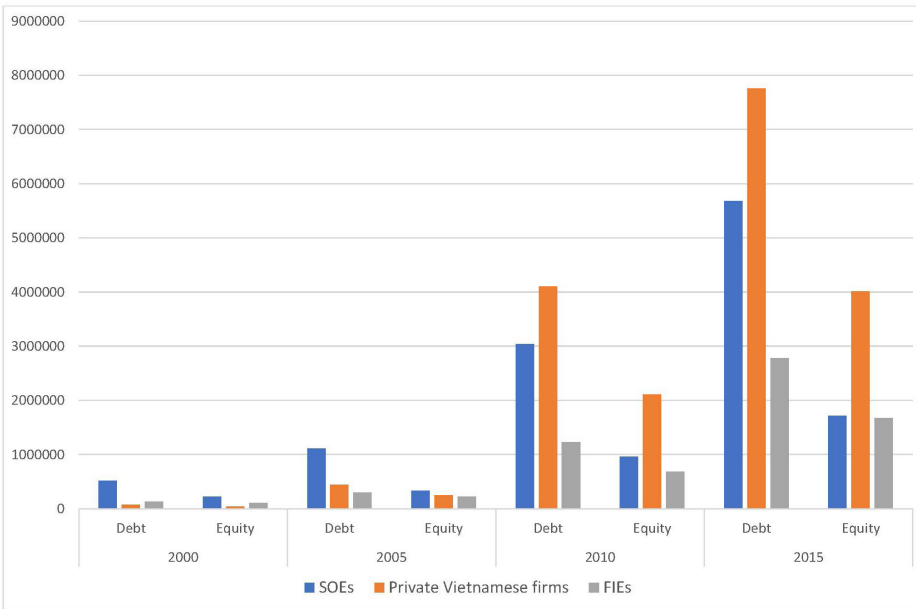

Figure 4a: The changes in debt and equity in Vietnam's state-owned enterprises (SOEs), private domestic firms, and foreign-invested enterprises (FIEs) 2000-2015 (Unit: Billion VND); (General Statistics Office of Vietnam).

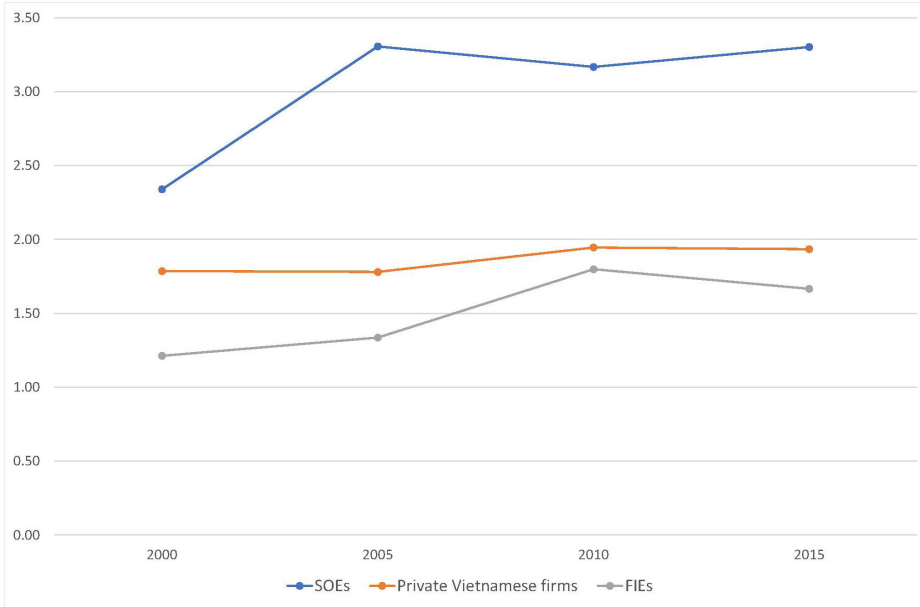

Figure 4b: The changes in the debt-to-equity ratio in Vietnam's SOEs, private domestic firms, and FIEs 2000-2015 (General Statistics Office of Vietnam).

of short-term financing sources (Nguyen et al., 2012; Vo, 2017). With regard to the debt-to-assets ratio, many Vietnamese firms have a rate above 0.5, even though economists suggest keeping the ratio below 0.5 to prevent financial distress (Vo & Ellis, 2017).

A better illustration of firm financing via debt is the rise in the debt-to-equity ratio (a firm's total debt divided by its total equity) in all three corporate sectors in Vietnam, as Figures 4a and 4b show. While the optimal debt-to-equity ratio for any corporation is 1.0, the data show that in Vietnam, not only were the ratios for all three types of enterprises, namely state-owned, privately-owned, and foreign-invested, above 1.0 during the 2000 to 2015 period, they also increased over the years. State-owned enterprises (SOEs) have the highest debt-to-equity ratio, which increased from under 2.5 in 2000 to nearly 3.3 in 2015. This is about 1.7 times higher than that of private firms and foreign-invested enterprises (FIEs). In terms of the absolute number (Figure 4a), the drastic surge in both debt and equity in the private domestic sector is attributable to the increase in the number of new businesses during the 2000 to 2015 period. Yet, by contrast, although the number of SOEs actually fell to 2,836 in 2015 from 5,591 in 2000 (General Statistics Office Vietnam, 2017), the debt-to-equity ratio in the state-run sector remained the highest, signaling inefficient restructuring as well as inadequate corporate governance.[1]

1 While increased use of debt financing is found in both developed and developing countries during the period of the financial crisis (Qureshi, Ahsan, & Azid, 2017), the continual dependence on debt in Vietnam during normal economic periods signals serious corporate debt vulnerability. To put this in perspective, the average debt-to-equity ratio in the five countries that went through the Asian crisis in 1997, namely Indonesia, Malaysia, Philippines, South Korea, and Thailand, was close to 1.45, whereas the average for emerging markets was 0.8 (Alfaro, Asis, Chari, & Panizza, 2017).

One of the reasons for the higher cost of borrowing is widespread rent-seeking in the economy (Beeson & Pham, 2012; Ngo & Tarko, 2018; Ngo, 2016; Wong, 2011). Interest groups (Vuong, 2014) or powerful business/political elites (Wong, 2011) heavily influence the creation and allocation of rents. This feature, combined with the liberalization of the financial market in Vietnam, has contributed to the increase of debts nationwide.

The close relations between SOEs and state-owned commercial banks (SOCBs), which enable the former to borrow capital for state-led development projects, have worsened the debt situation. By official data, SOEs contribute 30% of the economic output (Tung, 2017) but also hold over half of the whole banking system's loans (Tran, Ong, & Weldon, 2015). SOCBs owned approximately 90% of SOEs debts in the construction and transportation sectors (Beeson & Pham, 2012). A study done by Nguyen and Freeman (2009) on the effects of SOEs on private companies in 42 out of 64 provinces finds that indeed state-owned companies are more favored in accessing bank loans and lands.

The problem of heavy indebtedness and borrowing extends to the real estate sector. A study by Nguyen, Nguyen, and Dang (2017) on the capital structure of real estate companies listed on the Ho Chi Minh Stock Exchange from 2010 to 2015 showed that companies tend to use debt to finance their projects. Moreover, since 2012, the credit growth in the real estate sector has been steadily over 10% (Do, Nguyen, & Le, 2017). In the most recent report, the total outstanding loans of credit institutions in real estate have reached VND 471 trillion (USD 20.72 billion), and lending to this sector for some major banks is higher than 10% of their total outstanding loans; in some cases, such as for Sacombank and Techcombank, the figure is 17.6% and 12.6% respectively ("Real Estate Loans Remain", 2018). Many experts have raised concerns over this rising figure, fearing another housing bubble similar to the one that burst in 2011 (Cameron, 2018). To prevent this gloomy scenario, the government has issued two circulars that aim to reign in the excessive growth of credit in this risky market. Specifically, the central banks' Circular No. 6 from 2016 adjusted the risk weighting of real estate loans to 200%, while its supplemented Circular No. 19 from 2017 lowered the banks' proportion of short-term capital to be used for medium- and long-term lending in 2018 from 50% to 45%, and to 40% in 2019 (Cameron, 2018).

The 'Resource Curse'

A question worth asking, then, is whether corporate financing via debt has been efficient or turned into a kind of resource curse – an excessive reliance on physical and financial resources that is detrimental to long-term productivity and creativity. To evaluate the severity of the debt problems in Vietnam's corporate sector, researchers have suggested looking at the value of the capital being used by the sector, whether the huge resources helped to finance growth or was used inefficiently (Fforde, 2017; Pham, 2018; Tran, 2013; Vuong & Napier, 2014). One of the important indicators is the incremental capital-output ratio (ICOR), which is the increase in capital needed to produce higher output. Researchers have noted a sharp increase in Vietnam's ICOR from about 2 in the late 1980s to between 4 and 5 in the period 1997 to 2006, after which the figure kept increasing to 6 or higher (Fforde, 2017; Tran, 2013). Pham (2018)

noted Vietnam's ICOR fluctuated at around 5.5 during the period 2013 to 2017. And when compared with other developing countries such as China, India, and other Southeast Asian economies, Vietnam's figure is substantially higher, which suggested that there was a propensity to over-investment and economic inefficiency (Pham, 2018; Tran, 2013; Vuong, 2016).

Another indicator that has been proposed is the 'investment-to-GDP' ratio – the higher the ratio, the less efficient the output productivity of the economy becomes. Figure 5 illustrates the fluctuation in the capital investment-to-GDP ratio of Vietnam from the reform era of 1986 to 2017.

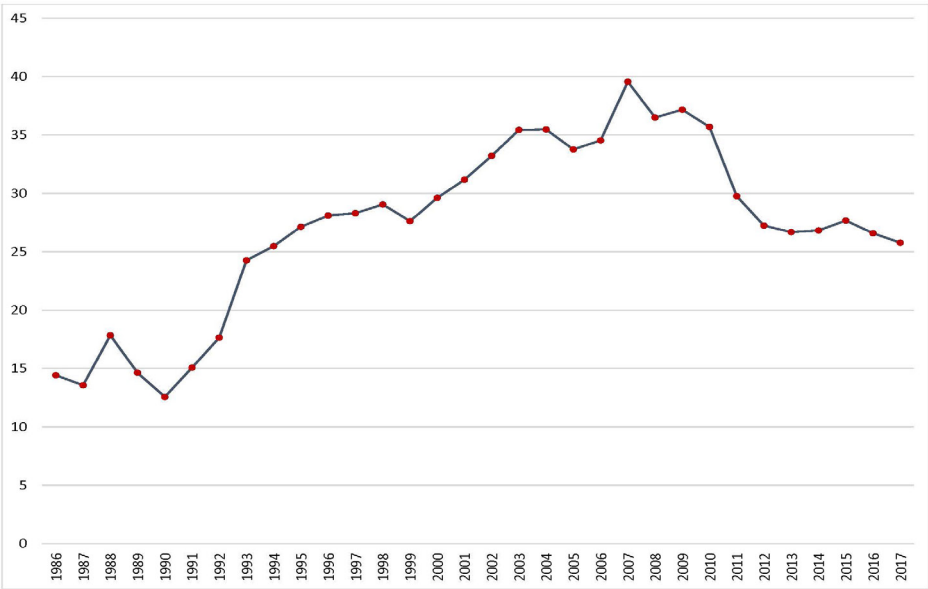

Figure 5: Total capital investment as percentage (%) of GDP in Vietnam 1986-2017 (World Bank).

The investment-to-GDP ratio climbed steadily from 25% in 1993 to its peak at 39.56% in 2007 before falling to 29.75% in the crisis year of 2011. The figures hint at the country's continuous use of scarce resources to finance and support its growth. Two recent empirical studies have confirmed the heavy reliance of Vietnamese companies on physical and capital assets in lieu of using creative processes, especially in times of turmoil (Vuong, 2016; Vuong & Napier, 2014). This tendency is counter to the "creative destruction" that Schumpeter (1942) describes – a process in which firms continuously destroy old economic structures from within and create new ones, resulting in innovations. In the case of Vietnam, however, there appears to be a kind of corporate 'destructive creation' instead, that is, companies appear to use abundant resources to fuel their operations, but, in fact, have neglected innovation, thus, missing the chance to improve productivity. Such behavior is especially dangerous when firms face increasing economic complexities in the age of computational entrepreneurship (Vuong, 2019). A vicious circle of multiple borrowing may arise out of the corporate sector's addiction to resources – poor performance would call for

consumption of more resources, including financial resources, which do not necessarily bring about better performance if no new values are created. The absence of innovation at the corporate level, driven by an over-reliance on debt financing, in a transitioning economy like Vietnam is worthy of concern for it risks a misallocation of resources and threatens sustainable growth.

CONCLUSION

This review article has brought attention to the rising personal and corporate debt in Vietnam, one of the fastest-growing economies in the world. Contrary to the traditional culture that condemns being in debt and highly values frugality, this article has discussed the transformation into a more debt-tolerant society, which is fueled by the rise of consumerism and the emergence of the super-rich. This transformation has entailed a sharp increase in the household debt-to-GDP ratio from 12% in the 2000s to 47% in 2016, which is four times as much as the median of emerging market economies. Many experts have warned that this trend, if it persists, will jeopardize the financial stability of both households and the country. In terms of corporate debt, the article has highlighted the predominance of short-term financing in the capital structure of Vietnamese firms, in addition to a high debt-to-assets ratio as a cause for concern. Similarly, the data show that the debt-to-equity ratio of Vietnamese firms, whether state-owned, privately-owned, or foreign-invested, has hovered well above the optimal 1.0 ratio and continued to increase during the 2000 to 2015 period. Empirical studies on the association between debt and the creative performance of Vietnamese firms point to the potentially negative effect of an over-reliance on equity and debt capital to promote growth, which amounts to a resource curse, rather than also seeking innovation to produce new value.

In the well-known folk story in Vietnam, ("Nợ như Chúa Chổm [In Debt Like Lord Chom]", n.d.), a man was so indebted and insolvent that all his creditors could not do anything but continue to let him have his way – to eat on credit. While it is true that borrowing is not necessarily a negative thing, borrowing one's way into the resource curse dynamic is the kind of behavior individuals, firms, and nations alike would be wise to avoid.

~

REFERENCES

Alfaro, L., Asis, G., Chari, A., & Panizza, U. (2017). *Lessons unlearned? Corporate debt in emerging markets*. NBER Working Paper No. 23470. Retrieved from https://www.nber.org/papers/w23407

Alter, A., Feng, A. X., & Valckx, N. (2018). *Understanding the macro-financial effects of household debt: A global perspective*. IMF Working Paper WP/18/76, Monetary and Capital Markets Department International Monetary Fund. Retrieved from https://www.imf.org/en/Publications/WP/Issues/2018/04/06/Understanding-the-Macro-Financial-Effects-of-Household-Debt-A-Global-Perspective-45744

Ando, A., & Modigliani, F. (1963). The "life cycle" hypothesis of saving: Aggregate implications and tests. *The American Economic Review, 53*(1), 55-84.

Barbier, E. B., López, R. E., & Hochard, J. P. (2016). Debt, poverty and resource management in a rural smallholder economy. *Environmental and Resource Economics, 63*(2), 411-427.

Barslund, M., & Tarp, F. (2008). Formal and informal rural credit in four provinces of Vietnam. *The Journal of Development Studies, 44*(4), 485-503.

Beeson, M., & Pham, H. H. (2012). Developmentalism with Vietnamese characteristics: The persistence of state-led development in East Asia. *Journal of Contemporary Asia, 42*(4), 539-559.

Breu, M., Salsberg, B. S., & Tu, H. T. (2010). *Growing up fast: Vietnam discovers the consumer society*. Retrieved from http://www.usvtc.org/info/wb/Mckinsey%20Vietnam%20August%202010.pdf

Cameron, J. M. (2018, February 24). Real estate lending risks.*Vietnam Investment Review*. Retrieved from http://www.vir.com.vn/real-estate-lending-risks-56466.html

Chen, G., Rasmussen, S., & Reille, X. (2010). *Growth and vulnerabilities in microfinance*. Focus Note No. 61. Washington, DC: CGAP. Retrieved from https://www.cgap.org/sites/default/files/CGAP-Focus-Note-Growth-and-Vulnerabilities-in-Microfinance-Feb-2010.pdf

Chen, K. C., & Chivakul, M. (2008). *What drives household borrowing and credit constraints? Evidence from Bosnia and Herzegovina*. IMF Working Paper 08/202. Retrieved from https://www.imf.org/external/pubs/ft/wp/2008/wp08202.pdf

Chichaibelu, B. B., & Waibel, H. (2017). Borrowing from "pui" to pay "pom": Multiple borrowing and over-indebtedness in rural Thailand. *World Development, 98*, 338-350.

Chichaibelu, B. B., & Waibel, H. (2018). Over-indebtedness and its persistence in rural households in Thailand and Vietnam. *Journal of Asian Economics, 56*, 1-23.

Do, H. T. K., Nguyen, N. T. M., & Le, T. H. (2017). Effects of the credit boom on the soundness of Vietnamese commercial banks. *International Journal of Financial Research, 8*(3), 57-73.

Do, X. L., & Bauer, S. (2016). Does credit access affect household income homogeneously across different groups of credit recipients? Evidence from rural Vietnam. *Journal of Rural Studies, 47*, 186-203.

Dollar, D. (1994). Macroeconomic management and the transition to the market in Vietnam. *Journal of Comparative Economics, 18*, 357-375.

European Union. (2018). *Agricultural and farm income*. Retrieved from https://ec.europa.eu/agriculture/sites/agriculture/files/statistics/facts-figures/agricultural-farm-income.pdf

Fforde, A. (2017). The emerging core characteristics of Vietnam's political economy. *Asian-Pacific Economic Literature, 31*(2), 45-60.

Friedman, M. (1957). *A theory of the consumption function*. Princeton: Princeton University Press.

Garðarsdóttir, R. B., & Dittmar, H. (2012). The relationship of materialism to debt and financial well-being: The case of Iceland's perceived prosperity. *Journal of Economic Psychology, 33*(3), 471-481.

Gathergood, J. (2012). Self-control, financial literacy and consumer over-indebtedness. *Journal of Economic Psychology, 33*(3), 590-602.

General Statistics Office of Vietnam. (2017). *Dân số trung bình phân theo giới tính và thành thị, nông thôn* [Average population categorized by sexes, rural, and urban areas]. Retrieved from https://www.gso.gov.vn/SLTK/Selection.aspx?rxid=8f161760-9ba0-4c6d-&px_db=02.+D%c3%a2n+s%e1%bb%91+v%c3%a0+-lao+%c4%91%e1%bb%99ng&px_type=PX&px_language=vi&px_tableid=02.+D%c3%a2n+s%e1%b-b%91+v%c3%a0+lao+%c4%91%e1%bb%99ng%5cV02.02.px

General Statistics Office Vietnam. (2017). *Doanh Nghiệp Việt Nam: 15 Năm Đầu Thế Kỷ (2000-2015)* [Vietnamese enterprises: the first 15 years of the century (2000-2015)]. Hanoi, Vietnam: Nhà Xuất Bản Thống Kê.

Godquin, M. (2004). Microfinance repayment performance in Bangladesh: How to improve the allocation of loans by MFIs. *World Development, 32*(11), 1909-1926.

Grohmann, A. (2018). Financial literacy and financial behavior: Evidence from the emerging Asian middle class. *Pacific-Basin Finance Journal, 48*, 129-143.

Gutiérrez-Nieto, B., Serrano-Cinca, C., & de la Cuesta González, M. (2017). A multivariate study of over-indebtedness' causes and consequences. *International Journal of Consumer Studies, 41*(2), 188-198.

Hansen, A. (2016). Doi moi on two and four wheels: Capitalist development and motorised mobility in Vietnam. In A. Hansen & K. B. Nielsen (Eds.), *Cars, automobility and development in Asia* (pp. 113-129). London: Routledge.

Harari, Y. N. (2014). *Sapiens: A brief history of humankind*. New York: Random House.

Hoang, Q. X., Biger, N., & Nguyen, N. V. (2007). The determinants of capital structure: Evidence from Vietnam. In S.-J. Kim & M. D. Mckenzie (Eds.), *Asia-Pacific financial markets: Integration, innovation and challenges*. Vol. 8 (pp. 307-326). West Yorkshire: Emerald Group Publishing Limited.

Hoang, T. (2018, May 27). Vay tiền trả góp dễ như thế nào? [How easy is it to get instalment loans?]. *Zing News.* Retrieved from https://news.zing.vn/vay-tien-tra-gop-de-nhu-the-nao-post845049.html

Hoff, K., & Stiglitz, J. E. (1993). Imperfect information and rural credit markets: Puzzles and policy perspectives. In K. Hoff, A. Braverman, & J. E. Stiglitz (Eds.), *The economics of rural organisation: Theory, practice and policy* (pp. 33-52). Oxford: Oxford University Press.

International Monetary Fund. (2017). *Household debt and financial stability*. *Global financial stability report: Is growth at risk?* Washington, DC: International Monetary Fund.

Iwase, M. (2011). Current situation on consumer credit in Vietnam: Legal framework for formal financial sector. *Japan Social Innovation Journal, 1*(1), 40-45.

Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica, 47*(2), 263-291.

Kang, J. H., Matusik, J. G., & Barclay, L. A. (2017). Affective and normative motives to work overtime in Asian organizations: Four cultural orientations from confucian ethics. *Journal of Business Ethics, 140*(1), 115-130.

Kotwal, A., & Eswaran, M. (1990). Implications of credit constraints for risk behaviour in less developed economies. *Oxford Economic Papers, 42*(2), 473-482.

Lascelles, D., Mendelson, S., & Rozas, D. (2012). *Microfinance Banana Skins 2012*. London: Centre for the Study of Financial Innovation.

Le, Q. L. (2016). Dân giàu, nước mạnh, dân chủ, công bằng, văn minh là mục tiêu, đích đến của Việt Nam [Wealthy people, strong country, democratic, just and civilized society are the goals and destinations of Vietnam]. *Tạp chí Lý luận chính trị [The Journal of Political Theories]*, *2.* Retrieved from http://lyluanchinhtri.vn/home/index.php/nguyen-cuu-ly-luan/item/1714-dan-giau-nuoc-manh-dan-chu-cong-bang-van-minh-la-muc-tieu-dich-den-cua-viet-nam.html

Le, P. L., Ngo T. H. L., Tran L. H. A., Truong H. D., Can T. T. H., Vu T. K. C., & Huyen, N. T. (2016). *Household debt in Vietnam: An overview. Household debt in SEACEN economies.* Retrieved from https://www.seacen.org/publications/RStudies/2018/RP102/8-VietnamHouseholddebt.pdf

Lea, S. E. G., Webley, P., & Levine, R. M. (1993). The economic psychology of consumer debt. *Journal of Economic Psychology, 14*(1), 85-119.

Lea, S. E. G., Webley, P., & Walker, C. M. (1995). Psychological factors in consumer debt: Money management, economic socialization, and credit use. *Journal of Economic Psychology, 16*(4), 681-701.

Liv, D. (2013). *Study on the drivers of over-indebtedness of microfinance borrowers in Cambodia: An in-depth investigation of saturated areas*. Retrieved from https://sanr.oikocredit.coop/l/es/library/download/urn:uuid:2982b1e3-2166-4461-b568-457f968427a3/over-indebtedness-in-cambodia-full-report.pdf

Lunt, P., & Furnham, A. (1996). *Economic socialization*. Cheltenham, UK: Edward Elgar Publishing.

Lunt, P. K., & Livingstone, S. M. (1991). Everyday explanations for personal debt: A network approach. *British Journal of Social Psychology, 30*(4), 309-323.

Meniago, C., Mukuddem-Petersen, J., Petersen, M. A., & Mongale, I. P. (2013). What causes household debt to increase in South Africa? *Economic Modelling, 33*, 482-492.

Miguel, E. A., Gertler, P., & Levine, D. I. (2003). *Did industrialization destroy social capital in Indonesia?* University of California, Berkeley, Department of Economics. Working Paper No.C03-131. Retrieved from http://faculty.haas.berkeley.edu/levine/papers/Miguel%20Gertler&%20Levine%20Did%20Industrialization%20Destroy%20Social%20Capital%20in%20Indonesia%20WP.pdf

Modigliani, F. (1986). Life cycle, individual thrift, and the wealth of nations. *Science, 234*(4777), 704-712.

Nepomuceno, M. V., & Laroche, M. (2015). The impact of materialism and anti-consumption lifestyles on personal debt and account balances. *Journal of Business Research, 68*(3), 654-664.

Ngo, C., & Tarko, V. (2018). Economic development in a rent-seeking society: Socialism, state capitalism and crony capitalism in Vietnam. *Canadian Journal of Development Studies/Revue Canadienne D'Études du Développement*, *39*(4), 1-19.

Ngo, C. N. (2016). Developmental rent management analysis: Learning, upgrading, and innovation. *Journal of Economic Issues, 50*(4), 1045-1068.

Nguyen-Marshall, V., Welch, L. B., & Bélanger, D. D. (Eds.). (2012). *The reinvention of distinction: Modernity and the middle class in urban Vietnam*. Dordrecht: Springer.

Nguyen, D., Diaz-Rainey, I., & Gregoriou, A. (2012). *Financial development and the determinants of capital structure in Vietnam*. Retrieved from https://ssrn.com/abstract=2014834

Nguyen, D. L. (2008). *Ngân Hàng Việt Nam Giai Đoạn 1986-1990: Những Trang Sử Khắc Nghiệt Cần Được Nhìn Lại Và Suy Ngẫm [Vietnam's Banking 1986-1990: Tough historical period that needs to be reviewed and reflected on]*. State Bank of Vietnam. Retrieved from https://www.sbv.gov.vn/webcenter/portal/vi/menu/fm/ddnhnn/nctd/nctd_chitiet?leftWidth=20%25&showFooter=false&showHeader=false&dDocName=CNTHWEBAP01162524875&rightWidth=0%25&centerWidth=80%25&_afrLoop=7869287812646432#%40%3F_afrLoop%3D7869287812646432%26centerWidth%3D80%2525%26dDocName%3DCNTHWEBAP01162524875%26leftWidth%3D20%2525%26rightWidth%3D0%2525%26showFooter%3Dfalse%26showHeader%3Dfalse%26_adf.ctrl-state%3Dpdue2bdln_9

Nguyen, N. N., Özçaglar-Toulouse, N., & Kjeldgaard, D. (2018). Toward an understanding of young consumers' daily consumption practices in post-Doi Moi Vietnam. *Journal of Business Research, 86*, 490-500.

Nguyen, N. T. P., Nguyen, L. P., & Dang, H. T. T. (2017). Analyze the determinants of capital structure for Vietnamese real estate listed companies. *International Journal of Economics and Financial Issues, 7*(4), 270-282.

Nguyen, V. H. (2016). Classifying the shadow banking in commercial banks of Vietnam. *International Journal of Humanities and Management Sciences, 4*(3), 271-276.

Nguyen, V. T., & Freeman, N. J. (2009). State-owned enterprises in Vietnam: Are they 'crowding out' the private sector? *Post-Communist Economies, 21*(2), 227-247.

Nợ như Chúa Chổm [In Debt Like Lord Chom]. (n.d.). Retrieved from http://truyencotich.vn/truyen-co-tich/co-tich-viet-nam/no-nhu-chua-chom.html

Noonan, L. (2017, December 13). Vietnam's nascent debt markets set for bigger deals. *Financial Times*. Retrieved from https://www.ft.com/content/5a28f5ee-dfe3-11e7-8f9f-de1c2175f5ce

OECD. (2018). Household debt. *OECD Data.* Retrieved from https://data.oecd.org/hha/household-debt.htm

Okae, T. (2009). Rural credit and community relationships in a Northern Vietnamese village. *Japanese Journal of Southeast Asian Studies, 47*(1), 3-30.

Oxfam. (2017). *Even it up: How to tackle inequality in Vietnam*. Retrieved from https://cng-cdn.oxfam.org/vietnam.oxfam.org/s3fs-public/file_attachments/Vietnam%20Inequality%20Report_ENG.pdf

Pham, T. T. H. (2018). Nghiên cứu mối liên hệ giữa hiệu quả đầu tư và tăng trưởng kinh tế [On the relationship between investment efficiency and economic growth]. *Industry and trade magazine.* Retrieved from http://tapchicongthuong.vn/bai-viet/nghien-cuu-moi-lien-he-giua-hieu-qua-dau-tu-va-tang-truong-kinh-te-53966.htm

Pham, T. T. T., & Lensink, R. (2007). Lending policies of informal, formal and semiformal lenders: Evidence from Vietnam. *Economics of Transition, 15*(2), 181-209.

Pham, T. T. T., & Lensink, R. (2008). Household borrowing in Vietnam: A comparative study of default risks of formal, informal and semi-formal credit. *Journal of Emerging Market Finance, 7*(3), 237-261.

Phan, D. N., & Phan, T. A. D. (2013). Determinants of corporate investment decisions: The case of Vietnam. *Journal of Economics and Development, 15*(1), 32-48.

Qureshi, M. A., Ahsan, T., Azid, T. (2017). Equity and debt financing strategies to fuel global business operations during crisis. In U. Hacioğlu & H. Dinçer (Eds.), *Global financial crisis and its ramifications on capital markets: Opportunities and threats in volatile economic conditions* (pp. 297-319). Dordrecht: Springer.

Real Estate Loans Remain High in Some Banks. (2018, April 16). *Vietnamnews*. Retrieved from https://vietnamnews.vn/economy/426445/real-estate-loans-remain-high-in-some-banks.html#7XlZg06lO6Bkk5y6.97

Risal, N. (2018). Microfinance position and indebtedness: Empirical evidence from microfinance institutions in Nepal. *Pravaha, 24*(1), 120-136.

Roiland, D. (2016). Frugality: A positive principle to promote sustainable development. *Journal of Agricultural and Environmental Ethics, 29*(4), 571-585.

Ruddle, K. (2011). "Informal" credit systems in fishing communities: Issues and examples from Vietnam. *Human Organization*, *70*(3), 224-232.

Schicks, J. (2013a). Microfinance over-indebtedness: Understanding its drivers and challenging the common myths. *Oxford Development Studies, 49*, 1236-1255.

Schicks, J. (2013b). The sacrifices of micro-borrowers in Ghana: A customer-protection perspective on measuring over-indebtedness. *The Journal of Development Studies, 49*(9), 1238-1255.

Schumpeter, J. (1942). Creative destruction. *Capitalism, socialism and democracy*. New York: Harper and Brothers.

Shefrin, H. M., & Thaler, R. H. (1988). The behavioral life-cycle hypothesis. *Economic Inquiry, 26*(4), 609-643.

StoxPlus. (2018). *Infographic: Vietnam Consumer Finance Report 2018.* Retrieved from http://stoxplus.com/News/Detail/2076186

Strömbäck, C., Lind, T., Skagerlund, K., Västfjäll, D., & Tinghög, G. (2017). Does self-control predict financial behavior and financial well-being? *Journal of Behavioral and Experimental Finance, 14*, 30-38.

Tran, B. T., Ong, B., & Weldon, S. (2015, January 23). Vietnam banking industry report. *Duxton Asset Management*. Retrieved from https://www.duxtonam.com/wp-content/uploads/2015/01/Vietnam-Banking-Report_2015.pdf

Tran, V. T. (2013). Vietnamese economy at the crossroads: New doi moi for sustained growth. *Asian Economic Policy Review, 8*(1), 122-143.

Tsai, C. T. L. (2006). The influence of Confucianism on women's leisure in Taiwan. *Leisure Studies, 25*(4), 469-476.

Tung, T. (2017, November 16). SOE reform to fuel higher economic growth. *Vietnam Investment Review*. Retrieved from https://www.vir.com.vn/soe-reform-to-fuel-higher-economic-growth-53888.html

Vann, E. F. (2012). Afterword: Consumption and middle-class subjectivity in Vietnam. In V. Nguyen-Marshall, L. B. W. Drummond, & D. Bélanger (Eds.), *The reinvention of distinction: Modernity and the middle class in urban Vietnam* (pp. 157-170). Dordrecht: Springer.

Vietnam's Growing Middle Class Expected to Double by 2020. (2016, September 6). *Learning English*. Retrieved from https://learningenglish.voanews.com/a/higher-priced-goods-popular-with-vietnams-middle-class/3496221.html

Vietnam Microfinance Working Group. (2014). *Microfinance in Vietnam: The real situation and policy recommendations*. Retrieved from http://www.microfinance.vn/wp-content/uploads/2014/12/Report-on-Microfinance-in-VN.pdf

VN Middle Class Booms. (2018, April 6). *Việt Nam News*. Retrieved from https://vietnamnews.vn/society/425849/vn-middle-class-booms.html#WuhDb8SfXPWl7YxT.97

Vo, X. V. (2017). Determinants of capital structure in emerging markets: Evidence from Vietnam. *Research in International Business and Finance, 40*, 105-113.

Vo, X. V., & Ellis, C. (2017). An empirical investigation of capital structure and firm value in Vietnam. *Finance Research Letters, 22*, 90-94.

Vuong, Q.-H., La, V. P., Vuong, T. T., Nguyen, V. H., Ho, M. T., Nguyen, T. H. K., . . . Ho, M.-T. (2018). Cultural additivity: Behavioural insights from the interaction of Confucianism, Buddhism, and Taoism in folktales. *Palgrave Communications, 4*(1), 1-15.

Vuong, Q. H. (2000). *The Vietnamese corporate bond market: An early exploration into the 1992-1999 period*. Working Papers Centre Emile Bernheim, WP-CEB No. 04/032, Université Libre de Bruxelles. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1473762&rec=1&srcabs=1608223&alg=7&pos=2

Vuong, Q. H. (2010). *Financial markets in Vietnam's transition economy*. Saarbrucken: VDM Verlag.

Vuong, Q. H. (2014). *Vietnam's political economy in transition (1986-2016)*. WP-CEB No.14-010, Université Libre de Bruxelles. Retrieved from https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2795174

Vuong, Q. H. (2016). Determinants of firm performance in a less innovative transition system: Exploring Vietnamese longitudinal data. *International Journal of Transitions and Innovation Systems, 5*(1), 20-45.

Vuong, Q. H. (2018). The (ir)rational consideration of the cost of science in transition economies. *Nature Human Behaviour*, *2*(1), 5.

Vuong, Q. H. (2019). The financial economy of Viet Nam in an age of reform, 1986–2016. In M. Volz & Yoshino (Eds.), *Routledge handbook of banking and finance in Asia* (pp. 201-222). London: Routledge.

Vuong, Q. H. (2019). Computational entrepreneurship: From economic complexities to interdisciplinary research. *Problems and Perspectives in Management, 17*(1), 117-129.

Vuong, Q. H., & Napier, N. K. (2014). Resource curse or destructive creation in transition: Evidence from Vietnam's corporate sector. *Management Research Review, 37*(7), 642-657.

Vuong, Q. H., & Napier, N. K. (2015). Acculturation and global mindsponge: An emerging market perspective. *International Journal of Intercultural Relations, 49*, 354-367.

Vuong, Q. H., & Tran, T. D. (2009). The cultural dimensions of the Vietnamese private entrepreneurship. *The IUP Journal of Entrepreneurship and Development, VI*(3&4), 54-78.

Vuong, Q. H., & Tran, T. D. (2011). Vietnam's corporate bond market, 1990-2010: Some reflections. *Journal of Economic Policy and Research, 6*(1), 1-47.

Wellman, B. (2018). The network community: An introduction. In B. Wellman (Ed.), *Networks in the global village: Life in contemporary communities* (pp. 1-47). London: Routledge.

Wong, C.-Y. (2011). Rent-seeking, industrial policies and national innovation systems in Southeast Asian economies. *Technology in Society, 33*(3-4), 231-243.

ABOUT THE AUTHORS

Hong-Kong To Nguyen holds a BA in philosophy and political science from Columbia University and is currently pursuing an MA in International Relations at Ritsumeikan Asia Pacific University in Beppu, Japan. She is also a Japanese government (MEXT) scholar and an active member of the Vietnam chapter of The European Association of Science Editors. She is interested in research on social sciences and humanities concerning Vietnam, especially research methodology that changes qualitative information into quantitative data.

▸ Contact: hkt.nguyen@pxu.edu.vn

Viet-Ha To Nguyen holds a BA in economics from the University of New Hampshire and is an MA candidate at the National Economics University in Hanoi, Vietnam. He has worked on a number of research papers on Vietnamese social sciences database. As the deputy director of the private media monitoring company *Vietnam Panorama*, he also seeks to expand his research to Vietnam's political economy.

Thu-Trang Vuong is a BA student at the European Campus of Dijon, Sciences Po Paris. She has worked on a varied range of topics, including entrepreneurship in emerging countries, public health, education, political analyses of culture and religion, with the aim of providing insights for policy-making.

Manh-Tung Ho is affiliated with the Centre for Interdisciplinary Social Research, Phenikaa University, Vietnam and the Institute of Philosophy, Vietnam Academy of Social Sciences. He is an MA candidate in society and culture at Ritsumeikan Asia Pacific University in Beppu, Japan. He has published articles on scientometrics, public health, cultural studies, and politics, aiming to inform policy-making as well as to facilitate meaningful interdisciplinary dialogue.

Quan-Hoang Vuong is a professor directing the Centre for Interdisciplinary Social Research, Phenikaa University in Hanoi, Vietnam. He is chairman of the Vietnam chapter of the European Association of Science Editors. Currently, his main interests are the applications of

probability/statistics in economics/management and social medicine, as well as the science of logic in social ethics/paradoxes, sociocultural systems, and the philosophy of science. He has published nearly 100 academic papers and books with many leading academic publishers.

ACKNOWLEDGEMENTS

The authors thank the research staff at the workshop "AI for Social Data Lab" and Vuong & Associates for their excellent support, particularly Dam Thu Ha. The authors also thank Nguyen Pham Muoi of Vietnam Panorama Media Monitoring for his continuing support.

China's Cultural Diplomacy in Malaysia During Najib Razak's Premiership

Jakub Hrubý & Tomáš Petrů

▸ Hrubý, J. & Petrů, T. (2019). China's cultural diplomacy in Malaysia during Najib Razak's premiership. *Austrian Journal of South-East Asian Studies, 12*(1), 111-129.

This article aims to provide an analysis of China's cultural diplomacy (CCD) in Malaysia in the latter years of the premiership of Najib Razak (2015-2018). It intends to reflect on the efforts China has been exerting in order to increase its soft power in the Southeast Asian nation. The authors have identified and analyzed four major fields of CCD: the activities of two Confucius Institutes; the first overseas campus of a renowned Chinese university; invocations of shared history, embodied mainly by the figure of the legendary admiral-eunuch Zheng He, regularly commemorated as China's historic envoy of peace; and Malay translations of classical Chinese novels. The article's findings reveal an intricate pattern of networks involving various actors, both Chinese and Malaysian, state, semi-state, and non-state, pursuing their own particular interests, which tend to converge and overlap with the aims of Chinese cultural diplomacy. The implementation of CCD has also been formed by the local political and societal structures: a) a 'special' relation between Razak's cabinet and the PRC leadership, revolving around party-based diplomacy and intensive economic cooperation especially between 2015 and May 2018; b) the presence of a large Chinese community, which provides opportunities and, at the same time, creates limitations for the China´s cultural diplomacy practice in Malaysia.

Keywords: China-Malaysia Relations; Confucius Institute; Cultural Diplomacy; Soft Power; Tertiary Education; Zheng He

INTRODUCTION

Aspiring to the position of a global player, the People's Republic of China (PRC) has been exerting a great effort to increase its soft power in world politics. The past two decades have seen heightened activity in the field of public diplomacy, which has been used to promote a positive image of China as a responsible stakeholder and peaceful rising power. This has been especially true in the case of neighboring countries. Southeast Asia is perceived as a strategic region which is of vital importance for maintaining the security of China's borders as well as establishing thriving economic relations (d'Hooghe, 2015, pp. 185-187). Given the geographic proximity and long-standing presence of the Chinese element in the region, the PRC is eager to establish close relations with this part of the world, cultivating existing historical ties and offering a vision of an allegedly mutually beneficial partnership based on shared interests (Shambaugh, 2013, pp. 95-105; Suryadinata, 2017).

First conceptualized by Joseph Nye, the soft power theory postulates that the attractive appeal of a state's culture, values, and institutions can be nurtured and used in order to influence others and make them well disposed towards one's needs and interests (Nye, 2004, pp. 5-11). Symbolic soft power acquired in this way is described as "the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes" (Nye, 2011, p. 13). As such, it stands in opposition to hard power, which is based on coercion. While Nye identified military might and economy as the sources of hard power, later theorists developed a more nuanced interpretation, speaking about hard and soft uses of power, arguing that particular sources are neither inherently soft nor hard, but can be used as such depending on the given conditions and needs (Li, 2011, p. 3).

The official Chinese understanding of the concept is also broader, encompassing also economic tools, such as aid and investments, or membership in multilateral organizations (Kurlantzik, 2007, p. 6; Lai & Lu, 2012). Aware of the potential of soft power, the PRC leaders have embraced the concept, repeatedly stressing the importance of Chinese culture for establishing the country's international standing and acquiring its desired influence in world affairs ("Hu Jintao calls for", 2007; "Xi: China to promote", 2014). These goals are to be achieved mainly through public diplomacy, which is perceived as a tool of soft power.

So far, there is no generally accepted definition of public diplomacy (Gilboa, 2008), yet it can be described as a "process by which direct relations with people in a country are pursued to advance the interests and extend the values of those being represented" (Sharp, 2005, p. 106). With public opinion playing a still greater role in international relations, public diplomacy is becoming important for the promotion of a positive image of a given country in the minds of foreign peoples, which might eventually enable that country to advance its interests. While in the past public diplomacy was perceived primarily as "a government's process of communicating with foreign publics in an attempt to bring about understanding for its nation's ideas and ideals, its institutions and culture, as well as its national goals and policies" (Tuch, 1990, p. 3), there has been a shift from this hierarchical, unilateral, and state-centered understanding of the concept to the so-called new public diplomacy (Melissen, 2005), which stresses the involvement of non-state actors. The new approach is multilateral, focusing on networks (Pamment, 2012, pp. 3-4) formed by various cooperating actors, who happen to share certain interests. These are not to be seen as mere recipients of public diplomacy, for they are often actively involved in shaping its message, influencing the outcome of the overall diplomatic effort (Hocking, 2005, pp. 37-38).

Our understanding of cultural diplomacy is based on the work of Ingrid d'Hooghe who has extensively researched the public diplomacy activities of the PRC (d'Hooghe, 2011; d'Hooghe, 2015). She sees cultural diplomacy as one of the three subsets of tools subsumed within the concept of public diplomacy, the other two being citizen diplomacy and strategic communication. Referring to an ongoing theoretical debate (Gienow-Hecht & Donfried, 2010; Mark, 2009), she identifies cultural diplomacy with "activities such as cultural performances, exhibitions, cultural and film festivals, language promotion and participation in World Expositions" (d'Hooghe, 2015, pp. 28-29).

The change of paradigm brought about by the new public diplomacy shift has broadened our understanding of public diplomacy dynamics. However, the focus on

non-state actors tends to overlook the continuing involvement of the state. If public diplomacy is considered a part of the diplomatic effort – that is, something which should serve the interests of a given country – then it is presumed that the state agenda constitutes one of the forces behind public diplomacy. This is especially the case in China, where non-state actors are never totally independent (d'Hooghe, 2011, p. 22). The exact role of the state may differ, ranging from initiator, to sponsor, or mere formal patron, yet it should be taken into account as one of the actors participating in the process. Therefore, in our contribution we follow the approach of Vera Exnerova, who proposes using the theory of transnational societal spaces (Faist, 2006; Pries, 2005; Pries, 2008) and perceiving the dynamics of cultural diplomacy not as a dichotomy of state–non-state actors or centre-periphery, but as a network of transnational relations involving many different actors, including the state, which is non-hierarchical and polycentric in nature (Exnerova, 2017).

The way the network functions is further shaped not only by the actors involved, but also by so-called domestic structures, which influence the possibilities of promoting one's culture as well as the reception of the message projected by cultural diplomacy. According to Risse-Kappen (1995), the domestic structures consist of the political institutions of the state, societal structures, and the policy networks that link them together (p. 20). In other words, the content of CCD may originate in China's own perception of its culture, but at the same time the local conditions of the target country further delimit the space for CCD and partially shape both its form and content.

While many aspects of China's engagement with Southeast Asia have received scholarly attention, Chinese cultural diplomacy has only been partially researched, often within the scope of a wider overview of its public diplomacy (d'Hooghe, 2015; Kornphanat, 2016; Shambaugh, 2013; Shuto, 2018). The PRC maintains a varying degree of presence in all eleven countries of the region, yet Malaysia holds a special position in terms of strategic importance and economic partnership. Since 1974, when Malaysia became the first country in the region to recognize the PRC, their friendship has evolved into a 'special' relationship underlined by the previous Razak government (2009-2018). Despite a substantial political change in May 2018, when the new government of Mahathir Mohamad announced a 'reset' in the relations with China, bilateral relations remain on good terms. Secondly, the waterways controlled by Malaysia are of pre-eminent importance to the PRC as they include vital arteries of the *Maritime Silk Road for the 21st Century*, which is a part of the *Belt and Road Initiative* (BRI), launched in 2013 by China's president Xi Jinping. In line with that, China has exploited various tools of soft power to win the 'hearts and minds' of Malaysian people with the aim of maintaining good rapport and bolstering its position in the country.

Based on the aforementioned concepts, the article will outline several examples of cultural diplomacy in Malaysia conducted either by the PRC, or by local state and non-state actors on behalf of, and to the benefit of China. It will show that CCD is not a straightforward process of the promotion of images and values projected from China to the 'target' country. Instead, these activities should be perceived as polycentric transnational networks in which various actors get involved for various reasons, and in which they have various interests that happen to converge with the interests of the PRC. It is their willingness to promote China's vision of its culture

that facilitates the PRC's diplomatic effort.

Focusing on different actors, both state and non-state, Chinese and Malaysian, who have for their own reasons contributed to the promotion of the positive image of China as a good neighbor, responsible partner, and source of economic benefits, the article identifies the converging interests of individual actors, and thereby outlines the intricacy of the PRC's cultural diplomacy in Malaysia as well as the complexity of China-Malaysia relations throughout the later phase of Najib Razak's government (2015-May 2018). The case studies are followed by an analysis of the domestic structures influencing the possibilities and actual dynamics of CCD in Malaysia. This will shed more light on Chinese diplomatic efforts in the region and will also contribute to our understanding of cultural diplomacy, for it will show how the political and societal structures of a recipient country are prone to modify its form and means.

Our research is based on empirical data, including academic literature, official and media reports, and textual sources produced by various local actors involved in the promotion of CCD in Malaysia. Further information was gained through semi-structured interviews conducted with members of the Malaysian Chinese community, and researchers at the Institute of China Studies, University of Malaya (ICS), the Centre for Policy and Global Governance, Universiti Kebangsaan Malaysia (UKM), and the Centre for Malaysia Chinese Studies in Kuala Lumpur, as well as Malaysian students graduated from Chinese universities, and members of local NGOs. Data collection, which took place in spring 2016, also included participant observation in activities of the *Kong Zi Institute* and a visit to cultural sites that have adopted the message of Chinese cultural diplomacy.

CONFUCIUS INSTITUTES

In spite of China's intensive campaign to promote its culture and use it as a tool of soft power the world over, in Malaysia the manifestations of CCD have not been especially pronounced so far.[1] As in other countries, the most visible actors are two *Confucius Institutes*, sometimes likened to organizations such as the *Goethe-Institut* or the *British Council*. They constitute a network of institutes, set up in collaboration with a Chinese university and a partner institution in the recipient country, whose stated mission is to promote the understanding of Chinese language and culture and to develop friendly relations between China and other countries. However, unlike European initiatives, the CIs are not independent as they are affiliated to *Hanban*, *the Office of Chinese Language Council International*, which then reports to the Chinese Ministry of Education, and are regarded as a government entity – an instrument of CCD to bolster the PRC's soft power (Gil, 2015; Hartig, 2012).

The story of the founding of the first CI in Malaysia is representative of the role of domestic, political, and societal structures in shaping cultural diplomacy. Despite Beijing's efforts, Malaysian leaders did not at first feel the need to open a local Confucius Institute, due to the existence of more than 60 Chinese schools and colleges in the country. Operated by various Malaysian Chinese entities, these institutions have

1 This opinion was repeatedly endorsed by our informants in the interviews conducted in Kuala Lumpur and Malacca in May 2016, who all agreed that China has not been overly active in this sphere.

provided Mandarin courses to the local Chinese, as well as non-Chinese populations. That is why it took five years of negotiations before China succeeded in establishing a CI attached to the University of Malaya (E. Yeoh, 31 May 2016). Initially scheduled for 2007, the opening of the CI was postponed until November 2009 due to another contentious issue. As the name of Confucius was deemed unacceptable in majority-Muslim Malaysia for allegedly propagating idolatry, it had to be renamed the *Kong Zi Institute* (ICS researcher, 25 May 2016).[2] Nonetheless, the importance that China attributed to the opening of the first CI in Malaysia is indicated by its willingness to agree to a name change.

Initially, the activities of the institute were rather basic (not exceeding the basic requirements from *Hanban* that apply to all the institutes) and mainly targeted the Malay community. The institute presented itself as a venue where Malays and other non-Chinese Malaysians could study Chinese and also learn some 'fun' knowledge about China. However, the scope of the KZIUM (Kong Zi Institute University of Malaya) operations has been broadening ever since. For instance, in 2016, in addition to providing Chinese language courses to students at the University of Malaya, there were altogether 28 language tutors teaching Mandarin courses at 11 other state universities. The institute has also been offering courses in calligraphy and Chinese chess (Z. Chen, Chinese Director of Kong Zi Institute, 25 May 2016). Since 2016, the institute's activities have markedly intensified. Firstly, the selection of language courses at KZIUM has widened, with six knowledge levels of Mandarin on offer, plus Chinese for business. Furthermore, the institute arranges for Malaysian secondary school students to participate in annual summer and winter camps in Beijing, and offers different types of scholarships funded by *Hanban* (Hanban Scholarship).

The institute also organizes special language courses for state officials, police corps, and the management of the Maybank and Petronas (ICS researcher, 25 May 2016), which demonstrates the appeal of Mandarin within Malaysian social and economic elites as it is rapidly becoming a strategic asset in the world of business and facilitates negotiations on the official level. These courses are paid for by the respective institutions, and the collected fees are used to finance other activities, such as the celebration of the Lantern Festival or a contest for writers in Chinese (Z. Chen, 25 May 2016).

The institute also realizes the importance of reaching out to the Malay-Muslim majority through Islam, having (co-)organized two forums on Islam in China in 2016 and 2017, which included the *3rd International Seminar on the Modernization of Islam in China* held by the State University of Kuala Terengganu (Chiam, 2017). These forums invited scholars from China to address current developments and issues related to Islam in China – within approved official parameters (Ngeow, 2017b). To sum up, the Kong Zi Institute has gone beyond the pattern of teaching Mandarin and organizing cultural courses, working to address various social strata, while showing different aspects of China and its culture.

Another Confucius Institute in Malaysia was established in 2014 at *SEGi University*, a private university in Selangor, in collaboration with *Hainan Normal University*

2 In fact, Kong Zi is just a transcribed version of the name Confucius in Chinese. However, unlike its international counterpart, it is not readily associated with the figure of a religious thinker and founder of Confucianism.

("Exciting programme planned for", 2016). The institute provides Mandarin lessons, promotes cultural activities, and organizes students under the Confucius Institute scholarship. Its activities include events such as the *China Cultural Summer Camp Programme*, which receives assistance from the Chinese Embassy in Malaysia and is aimed at giving Malaysian students an opportunity to experience Chinese culture on Hainan Island. Another activity was the *Training Program of Local Preschool Chinese Teachers*, organized in May 2017, with support from *Hanban* and Hainan Normal University. The SEGi Confucius Institute has also embarked on the promotion of the BRI, organizing student excursions such as *Trailing the Belt and Road Once Taken: A Trip to the UNESCO World Heritage City of Malacca*, which was to highlight the shared historical links between Malaysia and China, habitually used as a precedent for ongoing infrastructure projects. The existence of another Confucius Institute in the capital city of Malaysia reflects the fact that CCD is not always implemented by strictly official circles, but that actors such as a local Chinese university and a private Malaysian institution can also contribute to the effort.

UNIVERSITY EDUCATION

The educational activities of Chinese actors are not limited to language courses offered by Confucius Institutes. In late 2015, *Xiamen University*, a top-ranking Chinese institution, established its branch in Malaysia ("China's Xiamen University officially", 2016). The choice of Malaysia underlines the historical ties binding the two countries as well as the attention some circles in China are paying to Malaysia and its potential. Xiamen University happens to have a strong link to Malaysia: it was founded in 1921 by Tan Kah Kee, a wealthy overseas Chinese from what was then British Malaya. The university has maintained academic ties with Malaysian educational institutions to this day; for instance, the 90th anniversary celebration held in 2015 in Xiamen, was attended by delegations from many Malaysian Chinese associations (E. Yeoh, 31 May 2016; "Nostalgic ties with Malaysia", 2018). The good rapport between China and the Malaysian Chinese community, and their interest in having a top Chinese university in Malaysia, are evidenced by the generous donations from Chinese Malaysians including the tycoon Robert Kuok, also known as the "Sugar King of Asia" ("China's Xiamen University officially", 2016).

The school's new foreign campus in Sepang, officially named *Xiamen University Malaysia* (XMUM), began student enrolment in December 2015. XMUM offers a variety of courses in English, ranging from journalism, international business and accounting to digital media technology, as well as two programs in Chinese. Our interviewees agreed that the whole project is largely profit-driven, yet they also admitted that this might be a good chance to propagate the Chinese style of education, and Chinese views and values along with it (ICS, 25 May 2016; members of Centre for Malaysia Chinese Studies, 28-29 May 2016).

Tertiary education promises to open up new possibilities for advertising a positive image of China as a modern and developed country offering to share its knowledge, know-how, and experience with the world. Indeed, CCTV (China Central Television)-conducted interviews with the freshly arrived PRC students at the XMUM campus revealed that these freshmen thought of themselves not only as envoys of a newly

rising China, but also as representatives of the BRI (Xiamen University Malaysia, 2018). Looking at this development, it seems that the educational sector is increasingly proving to be a suitable field for the implementation of CCD in Malaysia. Its rising importance is the result of a confluence of factors – from the interest and endorsement of the Malaysian government, to China's universities 'going global', to Chinese communities wishing to reach out to mainland China for trading links. Despite the vested interests of the various actors involved, the objectives remain the same: the spreading of Chinese values and language, with the ultimate goals of improving China's image and increasing Chinese influence in Malaysia.

MING DYNASTY ADMIRAL

A different network of CCD in Malaysia is represented by various activities centered on the person of Zheng He, a Chinese, Muslim-born eunuch admiral who led seven naval expeditions to the Indian Ocean between 1405 and 1433. His voyages are regularly invoked by the PRC when dealing with maritime countries targeted within the BRI as a symbol of a shared past characterized by friendly relations and flourishing commerce. However, its message is particularly potent in the case of Malaysia, for Zheng He is credited with providing support to the Sultanate of Malacca (Wong, 2014; Chia & Church, 2012, p. xxii), which is perceived as the political predecessor of present-day Malaysia. The Ming maritime enterprise is therefore seen as an influence of great importance standing at the very inception of Malay statehood. Moreover, as some of the crew settled down in Malacca, these voyages were instrumental in introducing the Chinese element to the region, the presence of which has become an inseparable feature of Malaysian society and culture.

While the majority of Western historians agree that the main aim of Zheng He's enterprise was to display the wealth and might of the empire in order to awe local rulers into formal acknowledgment of Chinese superiority (Dreyer, 2007; Wade, 2005), the official PRC narrative tends to portray the voyages differently. Zheng He is celebrated as an explorer who had ventured into the unknown on a quest for knowledge long before the European 'age of discoveries' (Li, 2005). However, the PRC authorities claim that unlike the Western explorers, who allegedly brought only violence and exploitation, ushering in the period of colonization, Zheng He's was a peaceful mission which has facilitated the economic growth of the region (Murphy, 2010). In this respect, he is invoked as an envoy of peace and a harbinger of civilization, introducing advanced technologies and spreading Chinese culture to the outside world (Li, 2005). The figure of the Ming admiral has gradually come to stand for peaceful trade and harmonious cooperation and is often used as proof that China is a good neighbor whose peaceful rise to power should not be feared, but rather embraced as an opportunity for further development ("Full text of Premier's", 2015). At the same time, the technological superiority of the Ming fleet has become a symbol of the recent achievements in advanced technologies and general development of present-day China.

This new perception of Zheng He became more pronounced in connection with the sexcentenary anniversary of the admiral's first voyage in 2005 ("Shipping news: Zheng He's", 2005). Part of the official celebrations was a traveling exhibition co-organized by the ministries of culture of both China and Malaysia, *Envoy of Peace from China*, which

was opened in Malacca in July 2005 by then Malaysian Prime Minister, Abdullah Badawi. According to Xinhua, the exhibition "highlights the spirit of peace and friendship embodied in Zheng He and expresses China's wish to carry out dialogue and exchanges with all other countries in the world" ("Malaysian PM Unveils", 2005).

The same message was conveyed by the sea voyage of a training vessel named Zheng He, which set sail to circumnavigate the globe in 2012. This "harmonious mission" was aimed at "consolidating and developing the relations between China and various countries" (Li & Cao, 2012). When calling at Malacca, a group of Chinese naval cadets visited places associated with the admiral "to cherish the memories of the great achievements of the great maritime pioneer and messenger of peace and friendship" ("Chinese naval servicemen visit", 2012). Similar statements are regularly expressed by Chinese representatives, who never forget to invoke Zheng He during their official visits to Malaysia ("President Xi Jinping meets", 2013; "Full text of Premier's", 2015). Yet, it is apparent that the fanciful narrative of a peaceful enterprise bringing commercial opportunities is also attractive for different local actors in Malaysia who are ready to adopt and even elaborate on this narrative, thereby contributing willingly (if unwittingly) to the PRC's cultural diplomacy effort.

The most visible example is the *Zheng He Cultural Museum* in Malacca, a private institution run by Tan Ta Sen,[3] a Singaporean Chinese scholar-cum-businessman who has been very active in promoting the legacy of Zheng He's voyages, founding the *International Zheng He Society*, publishing books, and organizing talks and conferences (Hong & Huang, 2009, pp. 300-301). Open since 2006 on the supposed site of the admiral's fortified depot (International Zheng He Society, n.d.), the museum conveys a message of peaceful relations, stressing the role of Zheng He's diplomatic and trading activities in the rise of the Malacca Sultanate. China is portrayed as a benign protector and source of technological know-how whose support enabled Malacca to become a vibrant and racially diverse emporium.[4] According to its founder, the museum should celebrate the diplomatic, cultural, and economic contribution of the voyages to Malacca and the whole region and promote "Zheng He's spirit", understood as the legacy of peace, equality and racial harmony (Tan, 2014, p. 85). Tan Ta Sen's private initiative has been officially endorsed by China's leading representatives, including Prime Minister Li Keqiang, who deliberately visited the museum.

Although the Zheng He Cultural Museum could be viewed as a purely profit-driven enterprise promoting heritage tourism, it is important to realize that its obvious commercial potential converges with other interests of its proprietor as a member of the Chinese diaspora, for whom Zheng He has become a special figure of identification, spiritually linking overseas Chinese communities to their original homeland (Ptak & Salmon, 2005, pp. 20-21). By invoking Zheng He and his voyages they are able to reaffirm their distinct identity as members of the greater Chinese world vis-à-vis the ethnically and culturally different Malay majority. It also serves as a potent reminder of their long presence in the region and constitutive role in the

3 See its webpage at http://www.chengho.org/museum/. For more details about the *Zheng He Cultural Museum* and its exhibitions, see Lim (2018). For Ta Ta Sen's activities promoting Zheng He's legacy see Hrubý (in press).

4 Based on the author's visit to the site in May 2016. For the layout of the museum and its exhibitions, see also Tan (2014, p. 85-86) and the webpages of the Museum http://www.chengho.org/museum/.

emergence of the present-day nation-state.

It seems that the Chinese community in Malacca has become more active in promoting Zheng He, using his legend for marketing tourist attractions in this historical city (Murali, 2013). The increasing visibility of Chinese heritage has been made possible by a gradual change in the attitude of the Malaysian government. While the official narrative in the 1970s and 1980s emphasized a rather Malay-centric version of Malaysia's history (Worden, 2003), the pragmatic effort to win the goodwill of China and strengthen friendly ties with the new strategic partner has made the government more willing to grant public space to the Malaysian Chinese past (Thirumaran, 2007, pp. 202-203). Malacca is viewed as a symbol of historical ties between the two countries, through which China's protection and trade cooperation facilitated the transformation of a small Malay polity into a regional power. The Malaysian government is therefore eager to promote the Zheng He narrative, taking it as a pledge of Malaysia's new economic significance within the scope of the New Maritime Silk Road (Jiang, 2015).

Already in 2004, when Malaysia was celebrating 30 years of diplomatic relations with China, the main state museum in Malacca opened *The Cheng Ho Gallery* (*Galeri Laksamana Cheng Ho*), dedicated to the voyages and Zheng He's role in the history of the Malay-Chinese relations (Hong & Huang, 2009, pp. 302-303). The exhibition displays "the success of the voyages in fostering a brotherhood relationship between China and the African and Asian countries and opening doors for fair business" (Galeri Laksamana Cheng Ho, n.d.). Ever since, the Malacca museums have been active in organizing international conferences and publishing books on Zheng He (Chia & Church, 2012; Suryadinata, Kua & Koh, 2012). One of the reasons why the Malaysian government is ready to adopt this narrative seems to be that it supports the official national history discourse and corresponds to the nation-building efforts of the state. Above all, in the story of Zheng He's coming to Malacca, the legacy of Chinese influence is inseparably bound up with the perceived beginnings of the Malay nation state. In this way, the narrative of peaceful encounters between the two countries shows that the Malays and the Chinese can live side by side in mutual respect and tolerance, working hand in hand for the benefit of their common interests.

CHINESE MOSQUES

The growing state support for Chinese heritage is also evident in several new mosques for Chinese Muslims built in the Chinese style and funded by the federal government together with Malaysian Chinese Muslim associations. The first appeared in Rantau Panjang in Kelantan and is locally known as the 'Beijing Mosque' because its architecture is reputedly modeled on an ancient mosque in Beijing ("Pagoda-like mosque all set", 2009). It was later followed by mosques in Ipoh (Kaur, 2013), Rawang, and, finally, by the Chinese Mosque in Krubong, Malacca, which opened in June 2014. Each mosque displays a unique combination of an Islamic architectural style with peculiar features of famous historical mosques in China.

The new mosques are intended to serve not only as places of worship but also as spaces where members of Chinese communities can share their distinctive culture, regardless of their religion. The religious authorities plan to organize various cultural events, such as competitions in dumpling-making, or Chinese New Year celebrations

(Beck, 2014; Zarizi, 2013), which should contribute to a better understanding of Islam among the Malaysian Chinese. In this way, the Malaysian government is trying to reach out to the Chinese community in an effort to show that Islam "does not promote hatred towards other religions" (Looit, 2009), stressing its universal appeal. Chinese-style mosques prove that even the ethnic Chinese can embrace Islam without losing their racial or cultural identity. At the same time, the mosques should provide the Malay majority with a window into a different culture with a long Islamic tradition of its own ("No harm in having", 2007). It is hoped that the construction of Chinese-style mosques "could help to ease current racial tensions between Muslims and non-Muslims" (Looit, 2009).

While such public support of the Malaysian Chinese Muslim community has undeniable nation-building potential, the officially endorsed display of Chinese Muslim heritage simultaneously highlights the image of China as a country friendly towards Islam, sporting an ancient Islamic tradition of its own. In this way, the Malaysian government promotes awareness of the existence of the strong Muslim community living in China and helps to enhance the credibility of the PRC's public diplomacy, which seeks to advertise China as a prospective market for Islamic financial operations conducted by major Malaysian banks as well as Malaysian *halal* products (Lee & Alam, 2015).

TRANSLATIONS OF CHINESE LITERATURE

A kind of synergy that is identical in principle, involving the local Chinese community, the Malaysian government and the PRC's cultural diplomacy, is at work in a longtime effort to make selected masterpieces of the classical Chinese novel available in Malay. The first to appear was the translation of *Water Margin* (2002), followed by *Romance of the Three Kingdoms* (2011), and *Journey to the West*, which was published in 2014. The novels were translated by the *Malaysia Translation and Creative Writing Association* and published jointly with the *Language and Literature Council* (*Dewan Bahasa dan Pustaka*), a government agency responsible for coordinating the use of the Malay language and Malay literature. It is hoped that the publication of these literary masterpieces will promote friendship between ethnic groups living in Malaysia by contributing to a better understanding of Chinese culture and values. According to a representative of the translating association, the story of the Monkey King "emphasized moral values, as well as the importance of team work and cooperation" ("Chinese classic 'Journey to", 2014). At the same time, it should also help to strengthen friendly bilateral ties between Malaysia and China, because "the Chinese government would be proud that non-Chinese Malaysians have the opportunity to appreciate these literary works" ("Chinese classic 'Journey to", 2014). And, indeed, Chinese Prime Minister Li Keqiang gladly used the Malay version of the *Journey to the West* as a gift during his official visit to Malacca ("Li Keqiang visits Malacca", 2015).

The set of the Chinese classical novels was made complete by the translation of the *Dream of the Red Mansion*, which appeared in 2017, as a result of a decade-long project of *Yayasan Karyawan* and the *Alumni Association of the Department of Chinese Studies* of the University of Malaya. Published in collaboration with *Dewan Bahasa dan Pustaka*, the book attracted a great deal of attention. On the occasion of its launch,

the Malaysian Prime Minister, Najib Razak, declared again that the publication of the translation was a "part of efforts to strengthen the literary and cultural relations between the Malay and Chinese civilisations", and that the novel "highlights the universal values that can be practiced by Malaysians in order to maintain a harmonious environment" ("Classic China novel now", 2017).

DOMESTIC STRUCTURES INFLUENCING CHINA'S CULTURAL DIPLOMACY IN MALAYSIA

Activities connected to the promotion of Chinese culture and the positive image of China described in the preceding sections show that CCD in Malaysia often works as a transnational network which is polycentric and non-hierarchical. While the PRC government might be seen as the original source of the narrative of the peaceful rise of China promising a vision of economic cooperation and development for all, it is not necessarily directly involved in these activities. Leaving aside both Confucius Institutes, other various actors, such as Xiamen University, Malaysian Chinese and non-Chinese entrepreneurs, Malaysian state agencies, and local Muslim associations, take the initiative and, pursuing their particular interests, promote the same Chinese narrative. By doing so, they contribute to the PRC's public diplomacy goals. Yet, it is important to realize that China's actual role in these activities might range from that of a co-organizer, to a fellow participant, a sponsor, or even a non-participating recipient of the benefits of cultural diplomacy conducted by other actors.

Observing the dynamics of China's cultural diplomacy in Malaysia, it seems that the PRC government as well as Chinese non-state actors tend to focus on specific fields where their interests converge with the interests of the Malaysian government. Besides invoking historical ties binding Malaysian and Chinese peoples and highlighting its own Muslim heritage, Chinese activity appears to be primarily confined to the educational sector. At the same time, it seems that the PRC has so far not been overly active in the field of cultural diplomacy, prioritizing other means of public diplomacy and economic incentives. The degree of China's involvement in cultural diplomacy, its choice of means, and the content of its message have been significantly determined by the existing domestic structures in Malaysia, the most important of which are: (a) the 'special' relationship between the governments of China and Malaysia under Najib; and (b) the specific position of Malaysian Chinese communities within Malaysian society and vis-à-vis the Malay majority.

Up to 2018, Razak's government repeatedly declared that Malaysia was enjoying a "special relationship" with China (Bentley, 2018, p. 134). There are strong economic ties not only on the national level with the PRC government but also on the level of provincial governments, with several Chinese provinces vying with each other to secure the best investment opportunities under the auspices of initiatives such as the BRI (Cheng, 2013, pp. 320-332; Kuik, Li & Sien, 2017, pp. 261-263). China has been Malaysia's largest trading partner for ten consecutive years (Rosli, 2019), and Malaysia was China's number one business counterpart in ASEAN from 2009 to June 2018, when it was surpassed by Vietnam ("Vietnam overtakes Malaysia", 2018). In line with that paradigm, Najib's cabinet was keen on boosting the economic cooperation even further. There had been plans to establish high-speed train connections across the

Malay Peninsula linking Thailand (and eventually China), Malaysia, and Singapore, and deep-sea harbors to be built in Malacca, Carey Island, Kuala Linggi, and Kuantan (Ignatius, 2017). There was even a special Second Minister of International Trade and Industry, a Malaysian Chinese, whose agenda focused mainly on China-Malaysia economic cooperation ("Moving up the value", 2017).

Relations during Najib's term were equally good on the political level. There was a sense of mutual respect, support, and even admiration between the *Chinese Communist Party* and Malaysian *UMNO* (ICS researcher, 25 May 2016), which were both authoritarian regimes eager to retain their political dominance. Both parties signed an MoU, and regular visits of party members took place, as well as training in governance organized for UMNO members and government officials in China (Ngeow, 2017a, pp. 75-77). However, it was not a one-way process in which only China provided 'guidance' and 'instruction'. As a matter of fact, Chinese representatives also looked up to Malaysia for inspiration, given UMNO's former political longevity (Shambaugh, 2008, pp. 95-96).

As long as the PRC government was able to maintain the support of Malaysian ruling circles, there was not much need for China's representatives to use culture diplomacy to improve the image of the PRC. Until Najib's fall in May 2018, China had enjoyed the goodwill of the Malaysian government, which frequently intervened and defended the good name of its special economic and political partner, externally smoothing international tensions within ASEAN, and internally explaining away potentially offensive statements and behavior of China's government and its representatives in Malaysia (UKM researcher, 19 May 2016).

However, the political paradigm in Malaysia has completely changed since mid-2018 as a result of the defeat that *Barisan Nasional* suffered at the 14th general elections. In May 2018, after 63 years in power, the ruling coalition lost the elections to the *Pakatan Harapan* (*The Coalition of Hope*), led by the previous Prime Minister Mahathir Mohamad. It was a confluence of factors which undermined Najib's position and led to his political fall: his financial scandals, some of which were related to Chinese investments, the sale of national strategic assets to China, and his endorsement of controversial contracts assigned to Chinese companies (Malhi, 2018). The issue of China's growing influence in the country thus became a highly contentious matter during the campaign, and a key factor in the vote against Najib.

Shortly after the elections, Mahathir announced a shift in Malaysia's relations toward China, which are "not to be anti-China but more pro-Malaysia" (Ignatius, 2018). The probable implication of the announced reset of mutual relations is that the PRC will need to reassess its approach toward cultural diplomacy. In the near future, China might find it expedient to rely less on the economic hard power and instead try to step up its 'charm offensive' through more intensive use of cultural diplomacy *per se*.

Another factor representing domestic structures, which determine the PRC's cultural diplomatic activities in Malaysia, is the presence of the Chinese minority. Groups of Chinese descent today make up 22.6% of the Malaysian population (Ethnic groups of Malaysia, 2018). Many of these communities have been living in Malaysia for generations and today are perceived as an integral part of local society. Various Malaysian Chinese associations are active in organizing a range of activities propagating Chinese culture, which is therefore considered a part of the wider Malaysian

cultural heritage. As a result, any attempt to promote Chinese culture in Malaysia might either be seen as superfluous or perceived as an initiative to promote part of a well-known domestic culture, something not necessarily associated with the PRC (P. Lim, 20 May 2016). As many features of Chinese culture are familiar within the region, they seem to lack the intended appeal.

What is more important is the fact that, while the ethnic Chinese diaspora might be perceived as an ally of the PRC in promoting its culture and values, it is in fact the very existence of these communities and their standing within Malaysian society which is in a way restrictive for the possibilities of the CCD and limits its activities. In the words of Cheun Hoe Yow (2016), "Malaysia's multicultural configuration and identity politics continue to play a crucial role in structuring the possibilities and limitations of diasporic Chinese engagements as well as those of Malaysia-China relations" (p. 837). While Beijing would certainly appreciate a more active involvement of ethnic Chinese communities in promoting the friendship between China and Malaysia ("Jia Qinglin delivers a speech", 2013), there are tensions inherited from the past and internal political issues lurking behind the façade of the 'special relationship'.

While a new perception of China as an important global player and crucial partner has emerged within Malaysian ruling circles over the past two decades (Kuik, 2013, p. 448), a degree of distrust of the Malay Muslim population towards the PRC still lingers. It is a legacy of the Malayan Emergency (1948-1960), when Beijing backed the Malayan Communist Party-led insurgency (Yao, 2016), which is why there is still a latent concern that the PRC might eventually try to tamper with the internal politics of the state (Thirumaran, 2007, pp. 195-196). In this respect, the future loyalties of the Malaysian Chinese community continue to pose an important issue, despite the fact that today a great majority of Malaysian Chinese identify themselves politically with Malaysia (Y. Chiam, 21 May, 2016). They see themselves first and foremost as citizens of Malaysia, and their allegiance belongs to their country of residence. However, culturally they tend to identify themselves to varying degrees with China (not to be confused with the PRC; Chang, 2018).

In other words, while pride in being a part of the great Chinese civilization may still loom large among the Malaysian Chinese, their political loyalty to Malaysia appears to be unquestionable, in spite of the unfair racial paradigm dominating Malaysian society. Yet, many Malaysian Chinese are supportive of China's economic ventures and view its rise to power with certain expectations (P. Lim, 20 May 2016), which range from securing more business opportunities to hoping for China's positive influence on the unequal position of the Chinese in Malaysia (ICS researcher, 25 May 2016). The sensitivity of this issue was illustrated by a 2015 incident caused by the Chinese ambassador to Malaysia, Huang Huikang's involvement in the Kuala Lumpur Chinatown dispute. After learning about a planned march of Malay nationalists in protest against alleged dishonest practices of Chinese businessmen, he stated that Beijing "will not tolerate (violent) anti-Chinese demonstrations" ("The truth about China's", 2015). The disagreement was aggravated when Huang refused to be summoned by the Ministry of Foreign Affairs. It clearly shows that even under Najib's administration an inopportune statement by the Chinese ambassador could cause the displeasure of politicians as well as an outcry among the Malay public, who perceived Huang's action as an

attempt to interfere in Malaysian internal politics and a "sign of disrespect towards Malaysia's sovereignty" ("Chinese envoy must apologise", 2015).

The lingering mistrust, and the fear that the Chinese minority in Malaysia may act as the proverbial fifth column (Baviera, 2011, pp. 176-177), together with wariness of ever-increasing influence of the PRC, make the Malaysian population sensitive to any display of what might be perceived as meddling. Therefore, overt support of local Chinese communities (let alone their use as possible tools of CCD) remains a sensitive issue and is possible only within certain limits.

CONCLUSION

The implementation of the development schemes envisaged within the BRI has been accompanied by heightened diplomatic activity of the PRC. Its public and cultural diplomacy offensive aims to promote an image of harmonious cooperation in an attempt to increase its soft power and allay the fears of prospective partners by emphasizing the peaceful nature of China's recent rise. In the case of Malaysia, the situation appears to be complicated by the politically sensitive position of the wealthy Chinese minority. China has to be careful about how it engages with the Malaysian Chinese community because overstepping the mark might endanger the desired diplomatic outcomes.

For this reason, the PRC seems not to be too active on its own accord and has tended to cater to the needs of its Malaysian partners. As Malaysian ruling circles have been keen to court Chinese goodwill in order to secure economic benefits, more possibilities for the promotion of Chinese culture have opened up. We have seen that Najib's government was ready to adopt the narrative of the inherently peaceful nature of Chinese civilization, actively promoting the vision of friendly cooperation along the Maritime Silk Road in the hope of promoting new economic incentives. This fanciful narrative also finds its place in the ongoing nation-building efforts of the Malaysian government, which is increasingly willing to grant the Malaysian Chinese population more space within Malaysian culture and the national historical discourse. Supporting cultural activities and perpetuating notions generated by the PRC's cultural diplomacy enables state authorities in Malaysia to make an appeal for mutual understanding, harmonious coexistence, and political unity, in spite of the racial and religious rift between the Malay majority and other constituent ethnic groups.

However, the groundbreaking outcome of the 14th general election of May 9, 2018, which ended the long rule of *Barisan Nasional*, has led to a shift in Malaysia-China relations. While the new Prime Minister Mahathir Mohamad does welcome intensive economic cooperation with China, he urges more caution in relation to some controversial Chinese investment projects that might jeopardize Malaysia's sovereignty and throw the country into a debt trap. He has even warned of the danger of a new version of economic "colonialism", in which "poor countries are unable to compete with rich countries in terms of just, open, free trade" ("Mahathir warns against new", 2018). This implies that, in spite of Mahathir's reassertions of continued friendly ties and high trading interconnectedness, the PRC will need to redefine some of their assertive economic plans, reducing the use of hard power tools while employing more (charming) elements of soft power.

The article has also shown that the presence of a robust Chinese community is an important factor delimiting the range of CCD in Malaysia, often influencing both its form and content. On the one hand, the Malaysian political and ethnic situation seems to limit the possibilities of China's engagement, but, on the other, it is obvious that local Chinese communities do play a significant role in promoting Chinese culture. Nonetheless, they are neither targets nor passive tools of CCD. Even though they often seem to be quite proactive in playing the role of agents of Chinese cultural promotion, the relationship is more complex, and their willingness to participate in the PRC's diplomatic effort reflects their own particular interests. Invoking the memory of Zheng He, building Chinese-style mosques, or translating Chinese literary masterpieces are activities through which these communities are able to identify themselves with Chinese civilization without compromising their political loyalties as citizens of Malaysia.

A detailed analysis of the Malaysian case reveals an intricate pattern of involvement of various actors, both Chinese and local, state, semi-state, and non-state, pursuing their own interests, which tend to converge and overlap with the aims of Chinese cultural diplomacy, forming a synergy that helps to promote a positive image of present-day China in Malaysia. And it is the engagement of local Chinese communities that makes the situation in Malaysia highly complex. To sum up, the current form of China's multifaceted cultural diplomacy in Malaysia is not only a result of what has been planned in Beijing, but also, to a great degree, a reflection of a situation that has been evolving over the past several years in the context of specific political and societal structures in Malaysia, including a 'special' government-to-government relationship and a complicated ethnic majority-minority paradigm.

~

REFERENCES

Baviera, A. S. P. (2011). Accommodation with hedging: Southeast Asia's changing perspectives towards China. In H. S. Yee (Ed.), *China's rise – threat or opportunity?* (pp. 176-190). New York: Routledge.

Beck, E. (2014, March 13). Chinese mosque for Malacca. *Free Malaysia Today*. Retrieved from http://www.freemalaysiatoday.com/category/leisure/2014/03/10/chinese-mosque-for-malacca/

Bentley, S. (2018). Malaysia's "special relationship" with China and the South China Sea: Not so special any more. In G. Rozman & J. C. Liow (Eds.), *International relations and Asia's southern tier. ASEAN, Australia, and India* (pp. 125-141). Singapore: Palgrave Macmillan.

Chang, P. T. C. (2018, May 11). Ethnic Chinese in Malaysia are celebrating China's rise – but as multicultural Malaysians, not Chinese. *South China Morning Post*. Retrieved from https://www.scmp.com/comment/insight-opinion/article/2145521/ethnic-chinese-malaysia-are-celebrating-chinas-rise

Cheng, J. Y. S. (2013). China-ASEAN economic co-operation and the role of the provinces. *Journal of Contemporary Asia, 43*(2), 314-337.

Chia, L. S., & Church, S. K. (2012). *Zheng He and the Afro-Asian World*. Melaka: PERZIM – International Zheng He Society.

Chiam, N. (2018, October 17). The 3rd International Seminar on the Modernization of Islam in China in University Sultan Zainal Abidin (UNISZA). Retrieved from http://kongzium.edu.my/main/2-017/10/18/%E7%AC%AC%E4%B8%89%E5%B1%8A%E4%B8%AD%E5%9B%BD%E4%BC%8A%E6%96%AF%E5%85%B0%E6%95%99%E5%8F%91%E5%B1%95%E7%A0%94%E8%AE%A8%E4%BC%9A%E5-%9C%A8%E9%A9%AC%E6%9D%A5%E8%A5%BF%E4%BA%9A-%E8%8B%8F%E4%B8%B9%E5%86%8D/

China's Xiamen University officially open campus in Greater KL. (2016, February 24). *InvestKLMalaysia*. Retrieved from http://www.investkl.gov.my/Relevant_News-@-China%E2%80%99s_Xiamen_University_officially_open_campus_in_Greater_KL.aspx

Chinese classic 'Journey to the West' now available in BM. (2014, July 4). *New Straits Times*. Retrieved from https://www.nst.com.my/news/2015/09/chinese-classic-%E2%80%98journey-west%E2%80%99-now-available-bm

Chinese envoy must apologise or go back to his country, Utusan says. (2015, September 27). *Malay Mail Online*. Retrieved from https://www.malaymail.com/s/977313/chinese-envoy-must-apologise-or-go-back-to-his-country-utusan-says

Chinese naval servicemen visit Zheng He relics in Malaysia. (2012, May 4). *PLA Daily*. Retrieved from http://en.people.cn/90786/7807942.html

Dreyer, E. L. (2007). *Zheng He. China and the oceans in the Early Ming Dynasty: 1405-1433.* New York: Pearson Longman.

Ethnic Groups of Malaysia. (2018). *World Atlas*. Retrieved from https://www.worldatlas.com/articles/ethnic-groups-of-malaysia.html

Exciting programme planned for Confucius Institute at SEGi University. (2016, May 2). *SEGi University*. Retrieved from https://www.segi.edu.my/news-events-1/exciting-programme-planned-for-confucius-institute-at-segi-university

Exnerova, V. (2017). Introducing transnationalism studies to the field of public diplomacy. *The Journal of International Communication, 23*(2), 186-199.

Faist, T. (2006). *The transnational social spaces of migration*. COMCAD Arbeitspapiere. Bielefeld: Center on Migration, Citizenship and Development.

Full text of Premier's speech at the 10th East Asia Summit. (2015, November 25). *The State Council, The People's Republic of China*. Retrieved from http://english.gov.cn/premier/speeches/2015/11/25/content_281475241888610.htm

Galeri Laksamana Cheng Ho. (n.d.). *Perbadanan muzium negeri Melaka [Malacca museum cooperation]*. Retrieved from http://www.perzim.gov.my/en/portfolio/galeri-laksamana-cheng-ho/

Gienow-Hecht, J., & Donfried, M. (2010). The model of cultural diplomacy: Power, distance and the promise of civil society. In J. Gienow-Hecht & M. Donfried (Eds.), *Searching for a cultural diplomacy* (pp. 13-29). Oxford: Berghahn Books.

Gil, J. (2015). China's cultural projection: A discussion of the Confucius Institutes. *China: An International Journal 13*(1), 200-226.

Gilboa, E. (2008). Searching for a theory of public diplomacy. *The Annals of the American Academy of Political and Social Science, 616,* 55-77.

Hanban scholarship (n.d.). *Kong Zi Institute University of Malaya.* Retrieved from http://kongzium.edu.my/main/study-in-china/scholarship/

Hartig, F. (2012). Confucius Institutes and the rise of China. *Journal of Chinese Political Sciences, 17*(1), 53-76.

Hocking, B. (2005). Rethinking the 'new' public diplomacy. In J. Melissen (Ed.), *The new public diplomacy: Soft power in international relations* (pp. 28-43). New York: Palgrave Macmillan.

Hong, L., & Huang, J. (2009). Portable histories in mobile city Singapore: The (lack)lustre of Admiral Zheng He. *South East Asia Research, 17*(2), 287-309.

d'Hooghe, I. (2011). The expansion of China's public diplomacy system. In J. Wang (Ed.), *Soft power in China: Public diplomacy through communication* (pp. 19-36). New York: Palgrave Macmillan.

d'Hooghe, I. (2015). *China's public diplomacy*. Leiden: Brill.

Hu Jintao calls for enhancing 'soft power' of Chinese culture. (2007, October 15). *Xinhua*. Retrieved from http://www.gov.cn/english/2007-10/15/content_776553.htm

Hruby, J. (in press). Establishing a common ground – Admiral Zheng He as an agent of cultural diplomacy in Malaysia. In G. Rawnsley & J. Ptackova (Eds.), *Regional variations of Chinese cultural diplomacy*. New York: Palgrave Macmillan.

Ignatius, D. (2017, January 13). Malaysia's China conundrum. *Free Malaysia Today*. Retrieved from https://www.freemalaysiatoday.com/category/opinion/2017/01/13/malaysias-china-conundrum/

Ignatius, D. (2018, May 16). Reset in Malaysia-China relations. *Dennis Ignatius*. Retrieved from https://dennisignatius.com/2018/05/16/reset-in-malaysia-china-relations/

International Zheng He Society. (n.d.). Discovery of Zheng He's guan chang in Melaka. Retrieved from http://www.chengho.org/news/news8.1.php

Jia Qinglin delivers a speech at the welcoming banquet held by overseas Chinese in Malaysia and visits Malacca. (2013, February 7). *Mission of the People's Republic of China to the European* Union. Retrieved from http://www.chinamission.be/eng/zgwj/t1014078.htm

Jiang, T. (2015, June 24). Interview: Malacca stands to benefit from "Belt and Road" initiative. *Xinhua*. Retrieved from w.xinhuanet.com/english/2015-04/26/c_134185358.htm

Kaur, M. (2013, August 26). Ipoh mosque features Chinese architecture**.** *The Star*. Retrieved from https://www.thestar.com.my/news/nation/2013/08/26/ipoh-mosque-features-chinese-architecture/

Kornphanat, T. (2016). Culture and commerce: China's soft power in Thailand. *International Journal of China studies*, *7*(2), 151-173.

Kuik, C. (2013). Making sense of Malaysia's China policy: Asymmetry, proximity, and elite's domestic authority. *The Chinese Journal of International Politics, 6*(4), 429-467.

Kuik, C., Li, R., & Sien, N. L. (2017). The institutional foundations and features of China-ASEAN connectivity. In L. Dittmer & C. B. Ngeow (Eds.), *Southeast Asia and China. A contest in mutual socialization* (pp. 247-278). Singapore: World Scientific Pubslishing Co.

Kurlantzik, J. (2007). *Charm offensive: How China's soft power is transforming the world*. New Haven: Yale University Press.

Lai, H., & Lu, Y. (Eds.). (2012). *China's soft power and international relations*. New York: Routledge.

Lee, C. G., & Alam, N. (2005, May 1). Islamic finance potential in China. *Islamic Markets*. Retrieved from https://islamicmarkets.com/articles/islamic-finance-potential-china

Li Keqiang visits Malacca, indicating to carry forward China-Malaysia peace and friendship and create a future of mutually beneficial cooperation. (2015, November 23). *Ministry of Foreign Affairs of the People's Republic of China*. Retrieved from http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqcxdyhzldrxl-hybdmlxyjxzsfw/t1318284.shtml

Li, M. (2011). Soft power: Nurture not nature. In M. Li (Ed.), *Soft power: China's emerging strategy in international politics* (pp. 1-18). Lanham: Lexington Books.

Li, Q., & Cao, J. (2012, April 19). "Zheng He" training ship's round-the-world navigation boasts four features. *PLA Daily*. Retrieved from http://en.people.cn/90786/7792075.html

Li, R. (2005, May 28). Significance of Zheng He's voyages. *Beijing Review*. Retrieved from http://www.bjreview.cn/EN/En-2005/05-28-e/china-2.htm

Looit, E. (2009, December 4). Chinese-style mosques for Malaysia. *The Straits Times*. Retrieved from http://www.ytlcommunity.com/commnews/shownews.asp?newsid=50243

Mahathir warns of new 'colonialism' during visit to China. (2018, August 20). *Bloomberg News*. Retrieved from https://www.bloomberg.com/news/articles/2018-08-20/mahathir-warns-against-new-colonialism-during-visit-to-china

Malaysian PM unveils Zheng He exhibition. (2005, July 6). *Xinhua*. Retrieved from http://www.china.org.cn/english/culture/134186.htm

Malhi, A. (2018). Race, debt and sovereignty – The 'China Factor' in Malaysia's GE14. *The Round Table. The Commonwealth Journal of International Affairs, 107*(6), 717-728.

Mark, S. (2009). A greater role for cultural diplomacy. *Discussion Papers in Diplomacy, 114*. The Hague: The Netherlands Institute of International Relations 'Clingendael'.

Melissen, J. (2005). The new public diplomacy: between theory and practice. In J. Melissen (Ed.), *The new public diplomacy: Soft power in international relations* (pp. 3-27). New York: Palgrave Macmillan.

Moving up the value chain. (2017). *The Business Year*. Retrieved from https://www.thebusinessyear.com/malaysia-2017/supporting-innovation/interview

Murali, R. S. N. (2013, January 30). Zheng He 'returns' to Malacca. *The Star*. Retrieved from https://www.thestar.com.my/news/nation/2013/01/30/zheng-he-returns-to-malacca_1/

Murphy, Z. (2010, July 28). Zheng He: Symbol of China's 'peaceful rise'. *BBC*. Retrieved from http://www.bbc.com/news/world-asia-pacific-10767321

Ngeow, C. B. (2017a). Barisan Nasional and Chinese Communist Party: A case study in China's party based diplomacy. *The China Review, 17*(1), 53-82.

Ngeow, C. B. (2017b, May 18). China's religious charm offensive: The case of Malaysia. *Asia Dialogue*. Retrieved from https://theasiadialogue.com/2017/05/18/chinas-religious-charm-offensive-the-case-of-malaysia/

No harm in having Chinese mosque. (2007. February 6). *The Star*. Retrieved from https://www.thestar.com.my/opinion/letters/2007/02/06/no-harm-in-having-chinese-mosque/

Nostalgic ties with Malaysia. (2018, June 8). *Xiamen University Malaysia*. Retrieved from http://www.xmu.edu.my/59/ee/c14682a285166/page.htm

Nye, J. (2011). *The future of power*. New York: Public Affairs.

Nye, J. (2004). *Soft power: The means to success in world politics*. New York: Public Affairs.

Pagoda-like mosque all set for debut. (2009, August 16). *The Star*. Retrieved from https://www.thestar.com.my/news/nation/2009/08/16/pagodalike-mosque-all-set-for-debut/

Pamment, J. (2012). *New public diplomacy in the 21st century: A comparative study of policy and practice*. New York: Routledge.

President Xi Jinping meets with Malaysian former Prime Minister Mahathir Mohamad. (2013, October 5). *Ministry of Foreign Affairs of the People's Republic of China*. Retrieved from https://www.fmprc.gov.cn/mfa_eng/topics_665678/xjpfwynmlxycx21apec_665682/t1085199.shtml

Pries, L. (2005). Configuration of geographic and societal spaces: A sociological proposal between 'methodological nationalism' and the 'spaces of flows'. *Global Networks, 5*(2), 167-190.

Pries, L. (2008). Transnational societal spaces: Which units of analysis, reference and measurement? In L. Pries (Ed.), *Rethinking transnationalism: The meso-link of organizations* (pp. 1-20). New York: Taylor & Francis.

Ptak, R., & Salmon, C. (2005). Zheng He: Geschichte und Fiktion. In C. Salmon & R. Ptak (Eds.), *Zheng He. Images and perceptions* (*Bilder und Wahrnehmungen)* (pp. 9-35). Wiesbaden: Harrassowitz Verlag.

Risse-Kappen, T. (1995). Bringing transnational relations back in: Introduction. In T. Risse-Kappen (Ed.), *Bringing transnational relations back in: Non-state actors, domestic structures, and international institutions* (pp. 3-36). Cambridge: Cambridge University Press.

Rosli, L. (2019, January 30). China remains Malaysia's largest trading partner, 10 years running. *The Straits Times*. Retrieved from https://www.nst.com.my/business/2019/01/455955/china-remains-malaysias-largest-trading-partner-10-years-running

Shagar, L. K. (2017, September 29). Classic China novel now in Bahasa Malaysia. *The Star*. Retrieved from https://www.thestar.com.my/news/nation/2017/09/29/classic-china-novel-now-in-bahasa-msia-najib-epics-translation-a-step-towards-great-cultural-exchang/

Shambaugh, D. (2013). *China goes global: The partial power*. Oxford: Oxford University Press.

Shambaugh, D. (2008). *China's Communist Party: Atrophy and adaptation*. Washington: Woodrow Wilson Center Press.

Sharp, P. (2005). Revolutionary states, outlaw regimes and the techniques of public diplomacy. In J. Melissen (Ed.), *The new public diplomacy: Soft power in international relations* (pp. 106-123). New York: Palgrave Macmillan.

Shipping news: Zheng He's sexcentenary. (2005, June 2). *China Heritage Newsletter*. Retrieved from http://www.chinaheritagequarterly.org/articles.php?searchterm=002_zhenghe.inc&issue=002

Shuto, M. (2018). Patterns and views of China's public diplomacy in ASEAN countries: Focusing on Confucius Institutes. *Journal of Contemporary East Asia Studies, 7*(2), 124-148.

Suryadinata, L. (2017). *The rise of China and the Chinese overseas: A study of Beijing's changing policy in Southeast Asia and beyond*. Singapore: ISEAS Press.

Suryadinata, L., Kua, B. L., & Koh, H. K. (2012). *Zheng He yu Ya Fei shijie* [Zheng He and Asian and African World]. Singapore: International Zheng He Society.

Tan, T. S. (2014). *Cheng Ho and Malaya*. Melaka: International Zheng He Society/Cheng Ho Cultural Museum.

Thirumaran, K. (2007). The politics of tourism: Ethnic Chinese spaces in Malaysia. In P. M. Burns & M. Novelli (Eds.), *Tourism and politics: Global frameworks and local realities* (pp. 193-209). Oxford: Elsevier.

Tuch, H. (1990). *Communicating with the world: US public diplomacy overseas*. New York: St Martin's Press.

Vietnam overtakes Malaysia, becomes China's biggest trading partner in ASEAN. (2018, July 27). *The Jakarta Post*. Retrieved from https://www.thejakartapost.com/seasia/2018/07/27/vietnam-overtakes-malaysia-becomes-chinas-biggest-trading-partner-in-asean-.html

Wade, G. (2005). The Zheng He voyages: A reassessment. *Journal of the Malaysian Branch of the Royal Asiatic Society, 78*(1), 37-58.

Wong, E. (2014, December 18). Celebrating the legacy of a Chinese explorer. *New York Times*. Retrieved from

Worden, N. (2003). National identity and heritage tourism in Melaka. *Indonesia and the Malay World, 31*(89), 31-43.

Xi: China to promote cultural soft power. (2014, April 1). *Xinhua*. Retrieved from http://www.china.org.cn/china/2014-01/01/content_31059390.htm

Xiamen University Malaysia. (2018, May 20). Xiamen University Malaysia student arrival [online video]. Retrieved from https://www.youtube.com/watch?v=anvNAftu5v0

Yao, S. (2016). *The Malayan Emergency. Essays on a small, distant war*. Copenhagen: NIAS Press.

Yow, C. H. (2016). The Chinese diaspora in China-Malaysia relations: Dynamics of and changes in multiple transnational 'scapes'. *Journal of Contemporary China, 25*(102), 836-850.

Zarizi, Z. (2013, October 15). Melaka first Chinese-style mosque in Krubong. *Melaka Cool*. Retrieved from http://melakacool.com/melaka-firts-chinese-style-mosque-in-krubong

Zhang, X. (2012, April 17). Naval training ship going round the globe. *China Daily USA*. Retrieved from http://usa.chinadaily.com.cn/epaper/2012-04/17/content_15068906.htm

ABOUT THE AUTHORS

Jakub Hrubý is research fellow at the Oriental Institute of the Czech Academy of Sciences. In addition to his long-term focus on the political, social, and institutional history of medieval China, Hrubý is also interested in China-Southeast Asia relations. As of late, he has been researching misrepresenting historical narratives in the framework of China's cultural diplomacy.

▸ Contact: hruby@orient.cas.cz

Tomáš Petrů is research fellow at the Oriental Institute of the Czech Academy of Sciences. He is also assistant professor of Indonesian Studies at Charles University in Prague. He co-authored the first full-fledged monograph on the history of Indonesia in the Czech language, *Dějiny Indonésie* (NLN, 2005) and authored two dozen articles and chapters on Indonesian, Malaysian, and wider Southeast Asian history and politics. In his research, Petrů has been focusing on the interaction of politics, ethnicity, and religion in Indonesia and the Malay world.

ACKNOWLEDGEMENTS

This article is the result of the grant project entitled *China's Cultural Diplomacy: Role of Non-State Actors and Regional Variations* (GA15-21829S), funded by the Czech Science Foundation, implemented in the Oriental Institute of the Czech Academy of Sciences in 2015-2017.

Book Review: Werning, R. & Schwieger, J. (2019). Handbuch Philippinen. Gesellschaft-Politik-Wirtschaft-Kultur.

Berlin: regiospectra. ISBN 9783947729067. 498 pages.

▸ Chan, R., & Makalintal, J. (2019). Book review: Werning, R. & Schwieger, J. (2019). Handbuch Philippinen. Gesellschaft-Politik-Wirtschaft-Kultur. *Austrian Journal of South-East Asian Studies, 12(1)*, 131-133.

With the election of Rodrigo Duterte in 2016, the Philippines, considered as Asia's oldest democracy, has once again succumbed to a populist authoritarian turn. The three years that have transpired since then are tainted with rampant human rights violations and regressive policies advanced by an impulsive demagoguery, characterized by the political scientist Rainer Werning and other scholars as *Dutertismo*. Werning and his co-editor Jörg Schwieger, a Protestant theologian, together with Filipino and non-Filipino scholars, practitioners, and activists, raise their voices against assorted social ills in this extensive primer on Philippine society, which now includes a variety of analyses of the ramifications of the Duterte presidency. The book is written in German and can be seen as a collection of readings for a German-speaking audience. The contributions of the Filipino authors were likewise translated into German.

The sixth edition of the *Handbuch Philippinen*, dedicated to those who have lived and worked for social justice, democracy, and human rights in the Philippines since the Marcos dictatorship, puts a critical lens on how to view and understand the 'Pearl of the Orient'. Divided into eight sections (regional studies & history, life, people, land & ecology, politics & economy, culture, religion, and East-West perspectives) and 80 chapters, with 35 contributors (13 Filipin@s (both in the diaspora and based in the Philippines) and 22 Europeans), the handbook is not meant to be a travel guide but rather a manual aimed at exposing the realities that affect everyday life in the Southeast Asian country. It also aims at supporting those who want to change the current situation; so it comes as no surprise that the perspective taken by the editors and authors is the everyday life of the people – a perspective from below.

A fascinating aspect about the book is how it accomplishes showcasing how diverse the Philippines is when it comes to the people and their stories as well as the country itself. By doing so, the editors and authors managed to open new perspectives and styles of reading the various book chapters. Starting with some structural data and information about the country's demographics, history, and geography, they highlight how culture, religion, politics, and the economy are interrelated to each other.

"The Philippines is not a poor country, they are a country with many poor people" (p. 53). This quote is both puzzling and illuminating as it shows not only the reality faced by Filipin@s but also the perception of people from abroad. The country is typically known for its white beaches, picturesque landscapes, and dire political situation, especially today. This is, however, a simplistic perception

that sometimes makes one forget that the country has more to offer such as its rich history, people, and traditions upheld since colonial times. Although the editors did a great job in showing the diversity of personal stories they failed to show the differences in perspectives between Filipin@s living in the Philippines and those living abroad. A more in-depth overview of the lives of the diaspora communities is missing.

Compared to the other chapters, such as regional studies & history or culture, the book's section on politics & economics is the most extensive one, despite being overwhelmingly written by the sociologist Niklas Reese, the former co-editor of the handbook, and Werning. It is chronologically and thematically well-structured, starting with an overview of the country's contemporary political and justice system as well as its human rights situation. The substantial focus on the Marcos era and the post-dictatorship regimes are also worth noting, with a sharp and critical analysis of successive governments' policies that have in effect paved the way towards Duterte's rise to power. Werning describes *Dutertismo* as an embodiment of the persona of Davao City's "Punisher", in which he metaphorically interprets his political style as a horse gone berserk in a horseracing event, connecting his behavior to his disrupting the mainstream leadership styles of his predecessors. Though this description does not capture the politics of the strongman in its entirety, considering that his government has also embraced policies of previous administrations, the term can, nevertheless, be further expounded by referring to Nicole Curato's (2017) characterization of *Dutertismo* as something that "disrupts and perpetuates the Philippines' elite democracy, marked by its stark inequalities in political power [...]. His rise to power forces a rethinking of [...] what it means to be a democratic country amidst the global crisis of liberal democracy, and what freedoms citizens are willing to sacrifice" (p. 2).

The section is up-to-date indeed as it highlights the latest key events since Duterte's rise to power, from the failure of the peace talks with the Maoist Left, to the conflict in Marawi and the subsequent imposition of martial law in Mindanao, to the ousting of the chief justice, and the prospects of the 2019 midterm elections, highlighting the involvement of traditional politicians and ruling dynasties. The human rights situation under the current administration deserves particular emphasis, and the book did justice to this by highlighting the fact that Duterte's "war on drugs" is a mass-murder campaign that has taken the lives of over 20,000 people, involving systematic state coordination evocative of ethnic cleansing campaigns. This leads to the suggestion that the current government is perpetrating crimes against humanity.

When it comes to addressing the forces that led to Duterte's ascent to the presidency, Reese's chapter on the middle class is worth noting and commending. The inclusion of a class dimension in analyzing Philippine state and society deserves reiteration since this particular sector of society is seen as the key driver of determining the nation's political prospects, as seen in the "People Power" revolts that ousted presidents Marcos and Estrada as well as the movements behind Duterte's rise to power. This volatility of the middle class, as Walden Bello (2017) puts it, has made them both a force for democracy and a mass base for authoritarianism, citing historical accounts in both the Global South and Global North.

On the topic of resistance against the current administration and the challenges facing social movements in the country, Werning and Reese's dedication of two whole

chapters to the struggles of civil society gives an adequate analysis on the country's vibrant progressive movement as well as the struggles of the Philippine Left, including its spirited and dark history. However, it misses mentioning key events such as the extrajudicial killings of students suspected of being drug dealers and the subsequent protest movements that arose and triggered fresh opposition against *Dutertismo*.

As mentioned, the *Handbuch* is quite well updated, especially when it comes to recent political developments, but some references and statistics nevertheless remain outdated, in particular the section on the media, where the Philippines' notorious reputation as one of the most dangerous countries in the world for journalists is emphasized. But the crackdown against the free press has intensified under the Duterte administration, with the targeting of the critical news site *Rappler* as well as the arrest of its founder and journalist Maria Ressa (Stevenson, 2019). In addition, Duterte's foreign policy, which is hardly mentioned in the book, is a huge gap, especially when it comes to his hostility towards international institutions as well as his diplomatic inaction towards the South China Sea dispute.

The illustration of the country's various societal, political, economic, and cultural characteristics is indeed evident in the handbook. However, the fact that most chapters (62 out of 80) were written by Europeans might lead to the questioning of the book's potential Orientalist perspective. But despite justified criticisms of a potential Eurocentric bias in the book's narrative, it still warrants some warm approval for highlighting a down-to-earth approach in analyzing Philippine society, focusing on the grass roots level and in particular giving a voice to those at the margins. This deserves a read.

Ralph Chan
University of Vienna, Austria

Joshua Makalintal
University of Innsbruck, Austria

~

REFERENCES

Bello, W. (2017). Counterrevolution, the countryside and the middle classes: Lessons from five countries. *The Journal of Peasant Studies, 45*(1), 21-58.

Curato, N. (2017). We need to talk about Rody. In N. Curato (Ed.), *A Duterte reader* (pp. 1-36). Quezon City: Ateneo de Manila University Press.

Stevenson, A. (2019, March 28). Maria Ressa, Journalist critical of Duterte, is arrested again in Philippines. *The New York Times*. Retrieved from https://www.nytimes.com/2019/03/28/business/media/maria-ressa-arrested-philippines-rappler.html