

ULASAN BUKU/BOOK REVIEWS

To Catch A Tartar: A dissident in Lee Kuan Yew's Prison by Francis T. Seow, Yale Southeast Asia Studies: Monograph, no. 42, 1994, pp. 293

Undoubtedly, Francis T. Seow's account of his experience as a dissident in Lee Kuan Yew's prison is a chilling expose of a cold and ruthless regime that will brook no opposition to its power. This latest book is indeed a welcome addition to other books that deal with Lee Kuan Yew, such as T.J.S. Georges's book on Lee Kuan Yew and Jim Minchin's *No Man is an Island*. However, Seow's book is extremely valuable as it affords a first hand experience of a man who went through the brutal and humiliating experience at the hands of the Internal Security Department.

His own experience no doubt removed the scales from his eyes as to what sort of political system really exists hidden under the vast material and monetary achievement of the island state that is the envy of many Third World nations. For politically alert and involved Malaysians, in particular political dissidents who have shared some of his experiences at the hands of our government, Seow's account of Lee Kuan Yew's ruthlessness and lack of mercy comes as no surprise.

Singaporeans like Seow and Devan Nair hold up their hands in horror at what Singapore has descended into. Yet Seow, by his own account, contributed to the state of affairs that he now roundly condemns. He was instrumental in getting many of Lee Kuan Yew's opponents removed through the legal process. For instance the fate of Jamit Singh convicted at the behest of Lee Kuan Yew who saw in Jamit Singh a potential obstacle to his rise to power. In other words Seow knew Lee's hidden agenda and he adhered to it faithfully. Seow's vital role in the commission to inquire into the soundness as well as the alleged manipulation of the Chinese education issue is clear evidence of his role in Kuan Yew's rise to power. Seow's work in the commission was eased considerably by access to Special Branch files and even extended to assistance given by the Special Branch. He was aware at that point in time of the Special Branch's extensive infiltration and electronic surveillance of organizations which were perceived as threats.

By his own admission he 'learnt many things at the feet of the political maestro' but did not say with certainty what these were. Success meant getting on the gravy train and a host of rewards, such as the Public Administration

(Gold) Medal. Appointment to the position of solicitor general-ostensibly with the help of Harry Lee meant eternal bondage to Harry - but Seow takes pains to assure us this was not on his mind. However, his brilliance as a lawyer is evident in his prosecution of the Sunny Ang murder case. Other cases enhanced his reputation further.

According to Seow his problems began after he left the service of a government for which he 'had nothing but the greatest respect and admiration'. If only the government's feelings were reciprocal for it frowned on his intention to join the firm of David Marshall, a one time political foe of Harry Lee. None other than Lee himself objected. Election to the Presidency of the Law Society was the trigger for a head on confrontation with Harry Lee as Seow tried to assert a more independent orientation for the Law Society.

While the events that unfolded - from his involvement in the Law Society to his naive attempt to get involved in politics - are described in the book, the one nagging question left is: was Seow as naive as he paints himself to be? He knew of the experience of Ong Eng Guan, a public accountant who had a lucrative business when he was in the government and of the fate that befell him when he went into opposition against the government. Similarly as a public prosecutor he had to deal with those who were hauled into court and heard their claims of torture and ill treatment at the hands of the police. He had dealt with these various agencies of 'law and order' in the course of his duties. Could he still feign ignorance of their methods of interrogation?

The arrests and rearrest of the so-called Marxists and Seow's own colleagues and the treatment meted out to them would have clearly indicated to him the peril he was in. We can dismiss the absurd allegations of the Singapore government of Seow's involvement with American officials to support the opposition in Singapore. However it is impossible to dismiss Seow's belief that he was not aware of the ruthlessness of Harry's government or that he did not expect it could happen to him. Even Albert Speer in his *Inside the Third Reich* makes no bones about the regime he was serving which he did so willingly.

Seow's contribution to our understanding of the Singapore regime is his lucid account of the chilly and somewhat mindless methods of interrogation used to extract 'confessions' from a political prisoner. His experience bears a close resemblance to Arthur Koestler's novel *Darkness At Noon* except that Seow was able to walk out alive and write about it.

Finally, it cannot be doubted that there will be other books which, like Seow's will point to the moral bankruptcy of the Singapore government but in doing so diminish or exclude their own contributions to the rise of that government. Perhaps we should wait for Devan Nair's book next.

Ariffin Omar
School of Humanities
Universiti Sains Malaysia

Transformation with Industrialisation in Peninsular Malaysia by Harold Brookfield (ed.). Kuala Lumpur : Oxford University Press, 1994, 344 pages, 73 tables, 50 figures.

Eleven authors contributed to this book which joins many others that document Malaysia's development history. Investigation into the relevant issues is comprehensive, well reflected by the large, although not exhaustive, collection of works listed in the bibliography. The theme that unites the many papers found in it is the political will that had successfully mobilised Malaysia's modest resources in order to achieve the necessary transformation from a traditional to a modern economy. This book thus serves as a useful reading material for scholars seeking to understand the post-war development experience of a former British colony.

Unfortunately the book is unable to reach beyond these limits. Examination is focused on the period between 1960 and 1980. The papers revisited areas of study frequently trodden before. But they did so hoping to offer new perspectives about development in Malaysia. One radical departure from the popular view is that export orientation did not suddenly happen as an alternative to import substitution around 1970. The book, in fact, marked this shift as occurring around 1980. The authors argue that industrially organised, even though agriculturally based, export economy was already present, complete with linkages among resources, manufacturing and commerce. In fact, it was the more rapid deepening and expansion of the non-agricultural sector within Malaysia's economic structure during post-colonial times that made the previously existing industrial organization less easily detectable.

From both the country-wide approach as well as for selected specific locations, some attention was also given to the geography of development brought about by the interplay between spontaneous processes and artificially induced

attempts by policy to pattern economic growth. Another set of new perspectives are various opinions from non-residents about the role played by politics in the country's development. These observers were quick to point out how Malaysia's experiences have been different from those of other countries similarly undergoing development. But this should not be surprising, because multicultural Malaysia is in many ways unique, even the manner in which it became an independent nation. Its development experience will thus also be unique.

It must largely be due to unavailability of up-to-date data that the book stops short of addressing the so-called 'Malaysian miracle'. This began around 1988 as the country emerged out of recession and recording handsome annual growths, occasionally at double digit rates, yet managing to constrain inflation in the process. The economy booms today as it did during the seventies. But the situation in the country has since altered substantially. To begin with, new dimensions have emerged in Malaysian politics. In 1991, 'Vision 2020' appeared as part of Malaysia's Second Outline Perspective Plan (OPP2). The concept of globalisation of economic production has taken on new meanings in recent years. New markets have emerged around Asia that are attracting world interest. Trade rules have undergone radical reformulation. There is now greater awareness of environmental problems among government, private companies and the people than there used to be. Malaysia's current full employment situation and the country's need for foreign workers have never surpassed any other period in the post colonial era. And, from a geographical perspective, physical space is being developed today by a totally different approach as a result of the Town and Country Planning Act in 1976.

In other words many of the issues the book introduced have changed and new issues contrapuntal to those it discussed have arisen. Just when a new book like this appears on the shelf, it seems we need another to extend upon it. Maybe the authors might consider a sequel ?

Chan Huan Chiang
Centre for Policy Research
Universiti Sains Malaysia

Malaysia's Economic Success by Ataul Huq (Pramanik), Petaling Jaya: Pelanduk Publications, 1994, pp. 250.

This book addresses the structural transformation of the Malaysian economy and its policy implications. The volume consists of eleven chapters covering the structural transformation of the agricultural, industrial and services sectors; fiscal and monetary policies; trade taxes; income distribution; public finance and Amanah Ikhtiar.

In trying to substantiate empirically the impact of policy decisions, especially in relation to national objectives, the author has resorted to a liberal use of single-equation regression models. Herein lies the major deficiency of the book. Many of single equation regression models estimated by ordinary least squares (OLS) are inappropriately used, given the simultaneous nature of the variables involved. For example, in discussing the intersectoral dependence of the agricultural, industrial and services sectors (Chapter 2), while recognizing the endogenous nature of the three sectoral output levels, the OLS estimation procedure is utilized, yielding biased and inconsistent estimates (Table 2.4). Yet, the author proceeds to test the statistical significance of estimated coefficients and interpret regression results; the reliability of such inferences is questionable. The author also has a tendency to misinterpret the use of certain test statistics. The Durbin-Watson statistic was erroneously used to test for the multicollinearity of the explanatory variables (p. 21); and the multicollinearity between the dependent and independent variables (p. 46, Table 3.1). *A priori*, the dependent and independent variables must be assumed to have a dependency relationship; otherwise the whole estimation exercise is meaningless. Moreover, the Durbin-Watson statistic is conventionally used as a test for serial correlation, and not multicollinearity.

The result in the same table indicate that, of the five explanatory variables used to determine the GDP growth rate, three are insignificant, namely the growth rates of labour force and exports, and the inflation rate. If, *a priori*, these factors are considered important, then there must be an attempt to explain why they are not significant in the estimated regression equation.

The book is filled with regression tables, each with numerous combinations of explanatory variables used to explain the determination of certain dependent variables. The reader is left to figure out the difference between the various combinations. A good illustration is in Table 9.4, where the author tries to examine the crowding-out effects of monetary policy using a short-term interest model. For the periods 1970-90, 1970-80 and 1981-1990, six different

combinations of explanatory variables are used. Since short-term interest rate is postulated to depend on these variables, is it not possible to specify a single model that can be consistently used in the three times periods?

Chapter 2, on the structural transformation of the economy, provides an adequate introduction to the subsequent analyses of other macroeconomic issues. While the major elements involved in the structural transformation are identified, there is no explicit attempt to link some of these factors and related them to the changing sectoral shares in GDP. Thus, intersectoral terms of trade are regressed on sectoral shares; the level of development is related to sectoral substitution; the openness of the economy and employment elasticities in the different sectors are discussed separately. In particular, the notion that the agricultural sector has a higher labour productivity and thus has a comparative advantage over the industrial or services sectors is surprising. If there is higher relative productivity in the agricultural sector, one would expect rural poverty to be less prevalent. Labour moves from the agricultural sector to the industrial sector, thereby contributing to structural transformation, not because of higher agricultural productivity but rather wage differentials. If input price reflects the value of marginal product, then the industrial sector should have a relatively higher productivity.

Central to the structural transformation of the economy is the successful industrialization programme. The chapter on the Industrial Sector (Chapter 4) lacks sufficient discussion on current issues such as technology utilisation, technology transfer, human resource requirements, infrastructural constraints, push towards high technology, high value-added production, competitiveness and product diversification. The change from an import-substituting strategy to an export-oriented one is also not explored. The Industrial Master Plan (IMP), a very important document which charts the industrialization strategies, was not even mentioned. The author concentrated on two major areas, namely industrialization through capital accumulation in Malaysia vis-à-vis developing countries and the role of SMIs in generating industrial growth. The contention that external capital inhibits rather than promotes economic growth also seems to contradict realities in Malaysia where external capital through FDIs, is a major driving force toward industrialization. Moreover, the author's own empirical findings are inconclusive (Equation 13, (a), (b), and (c), Table 4.2).

The author's claim that public sector deficit crowds-out private investment (Chapter 9) is only partially true. The volume of public investment and private investment are indeed negatively correlated especially in the early eighties due to the anti-cyclical policies adopted by the government. But these public

to the anti-cyclical policies adopted by the government. But these public investment ventures were either in capital - intensive projects or in infrastructural development which generate additional capacity. Moreover, the national savings rate throughout the eighties was high, averaging about 30 per cent of the GNP. The commercial banks and other financial institutions financed only 25 per cent of the government deficit as funds were readily available from the captive saving of EPF, insurance and pension funds. In this regard, there were adequate savings to finance private sector investment. Also, a declining annual growth rate in private investment in the mid eighties was due to unfavourable economic conditions rather than the crowding-out effects of public sector deficits.

Chapter 6 is purportedly on the role of fiscal and monetary policies in development. However, the whole chapter concentrates on the pattern of financing government expenditure; pattern of government revenue; and has 16 regressions of various combinations of macroeconomic variables on real and nominal per capita government expenditure. All the regressions are not corrected for serial correlation even though the Durbin-Watson statistics indicate the presence of serial correlation. The role of monetary policy in promoting output growth, consistent with domestic price and exchange rate stability, is completely ignored in the author's analysis. Did the deliberate monetary policies have their intended impact? To what extent was monetary policy successful in keeping a rein on monetary expansion when there was strong capital inflow in the early nineties? These are issues that warrant treatment since the chapter is supposed to focus on monetary and fiscal policies.

The main contribution of the book lies in Chapter 10 where it examines the impact of the Amanah Ikhtiar Malaysia scheme based on a sample survey of 43 Amanah borrowers (out of a total of 400) in Sungai Besar, Selangor. The author analyzed the success of the scheme in increasing the ownership of production-oriented and trading assets, creating opportunities for generating higher income, expanding the professional mobility of Amanah borrowers and encouraging the spirit of self reliance.

Finally the book is littered with numerous typographical, grammatical, spelling, terminology and factual errors as well as unwieldy sentences. This reflects shoddy editorial work and gives the impression that the book was rushed to the press. One gets very impatient with cumbersome sentences which the author uses frequently. For example, the sentence 'This is ... in agriculture' on page 22 is eleven lines long. Glaring mistakes, for example, 'devaluing the exchange rate' (page 5); 'seems to suggests' (page 201) could

statement that 'the share of the primary sector became halved from an average of 46.5 percent to 23.3 percent during the pre-NEP period (1958-1969): (page 13) irritate the reader'.

In conclusion, one gets the feeling that the author, in trying to be different in his approach to writing a book on the Malaysian Economy, has instead ended up leaving a lot of crucial issues unexplored. This seriously undermines the usefulness of the book.

Lai Yew Wah
School of Social Sciences
Universiti Sains Malaysia

Plantation Labour Unions, Capital and the State in Peninsular Malaysia by
P. Ramasamy, Kuala Lumpur: Oxford University Press, 1994

P. Ramasamy, a political scientist, attempts to examine the relationship between plantation labour, the state and capital in Peninsular Malaysia within a broad historical situation from the time of the emergence of plantation agriculture to the present day. His discourse is centred on three major issues: first he seeks a clear understanding as to why plantation labour remains one of the most exploited social groups in Malaysia; second he examines whether the state was an instrument of the plantation capitalists or whether it had a certain degree of autonomy; third, he attempts to determine the form of capital existing in the plantation sector of the Malaysian economy.

In analyzing the three inter-related issues, Ramasamy relies heavily on the theoretical framework derived from the Poulanzas-Miliband debate on the role of the state and its relation to the capitalists. He disagrees with the contention put forward by Milliband that the state is not neutral but an instrument of the dominant classes in the capitalist system. His argument is more aligned with that of Poulanzas - the state is relatively autonomous and does not respond to the immediate needs of the capitalists. The state, he puts it succinctly, is more concerned with sustaining the long term stability of the capitalist system than the immediate interests of the capitalists. In addition, Ramasamy also borrows S.B.D. de Silva's model that plantation agriculture is essentially based on merchant and not productive capital in that it needs a captive labour force retaliated by 'extra-economic coercion in the form of social controls'. The

author, however, deviates from de Silva's stand and maintains that merchant capital with its characteristic 'extra-economic coercion' is inadequate in its application to the Malaysia situation.

In gathering empirical evidence to support his contention, the author has given a vivid and lucid historical account of the development, and the challenges facing plantation labour. He deals specifically with the formation of the plantation proletariat, capital-labour relations and labour's resistance to exploitation in pre-war and post-war colonial Malaya. In particular, he deals at length with the emergence of the National Union of Plantation Workers, its relations with plantation labour and the rise of alternative unions to cater to the needs of the plantation workers.

The style is smooth and readable keeping readers constantly aware of the main themes while providing where necessary, detailed accounts of specific events to clarify the themes. Ramasamy has constructed an historical edifice around the theme of plantation labour that strings together the relationship between state, labour and capital, highlighting the emergence of a captive labour force that is 'socio-economically disadvantaged in comparison with other segments of Malaysian society'.

It is worthwhile to note that his study complements J.N. Parmer's work on plantation labour in colonial Malaya. While Parmer's focus was on the impact of colonial policy and administration on plantation labour, Ramasamy examines the issues more from labour's point of view. In other words Ramasamy puts labour on the centre state of history. This is in contrast to previous studies which reduced labour to an 'appendage of a larger phenomenon whether immigration and settlement or development of a particular community' or placed labour within the context of a specific historical period to validate a particular historical hypothesis. In a way, he has given readers a more coherent account and a more comprehensive understanding of the dynamics of change in the development of plantation labour in Malaysia.

Ramasamy's main contribution to Malaysian labour history lies in the fact that he has provided continuity of treatment to plantation labour development over a long time-span from the colonial period to the present. Within a mere 173 pages, he is inevitably highly selective in his description and analysis of plantation labour, possibly reflecting his attempt to conform to a pre-determined theoretical model. As far as source materials are concerned, his earlier chapters are little more than a rearrangement of hitherto scattered materials found in existing works on Malaysian socio-economic history.

There is little attempt to look into the original sources materials for a possible reinterpretation. It is only in the later chapters, particularly those pertaining to the growth of plantation trade unions, that he has made use of information culled from trade union records and interviews with trade unionists. It is unfortunate that in placing so much emphasis on the role of the state in determining the fortunes of plantation labour, he has failed to refer to some of the more useful colonial correspondence, and, in particular, the Industrial and Social Relations records which could be considered to be a treasure-house of information on the formative years of Malaysian trade unionism in the 1950s. Nevertheless, it must be borne in mind that Ramasamy is not a historian but a political scientist seeking to use history to support his political contentions.

Leong Yee Fong
School of Humanities
Universiti Sains Malaysia

Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamad by Khoo Boo Teik, Kuala Lumpur: Oxford University Press, 1995.

If some future committee of scholars ever undertakes to assess the quality of political leadership around the world at the end of the twentieth century, they may well be grateful to Mahathir Mohamad as one of the few who does not bore them to tears. They will also have to thank Khoo Boo Teik for a genuinely enlightening biography.

Half way through this first rate book I began to laugh as I imagined the consternation it is likely to cause all those who have long since made up their minds about Prime Minister Mahathir. There cannot be too many, at home or abroad, whose feelings about him are mild or neutral. Readers of *Paradoxes of Mahathirism* who flip pages looking for the good parts to confirm their preconceptions will be desperately frustrated. This is a well balanced study, meticulously documented, thoughtfully analyzed, detached to a fault and interesting throughout. Just about the only problem with it may be the title, for by the end of the book the paradoxes have faded into a fuller understanding of Mahathir's, and by extension Malaysia's, dilemmas.

If anything, they are the dilemmas of choice and change in a complex and ungenerous world economy and a delicately structured society: not only economic change, hard enough on its own, but the social, ideological and political changes that go with it. For all the grumbling that the NEP has

provoked, in twenty-five years Malaysia has nevertheless accomplished something of a transformation without extraordinary costs in the currency of violence, deprivation, misery or even remarkable political suppression. There have been costs, of course, often painful, that cannot be denied and should not be ignored, but Malaysia has avoided the much worse ones incurred in so many other countries both now and in the past. One can, and many do, argue about the quality of the change -- about the capitalist route, ethnic justice, authoritarian consequences, moral and ethical implications, and so on -- but whether one approves or disapproves, condones or condemns, is one thing; understanding the process of change itself and the ideas behind it is something else. One is easier than the other. Khoo Boo Teik has avoided the simpler first in favor of the more demanding second.

The same may be said of Mahathir himself, who as Khoo Boo Teik makes clear, has not always jumped at easy choices, and often has not had many choices at all. Like other political leaders, though more effectively than many, he has built a power base and used it. In this there is nothing unusual; nor is there in the opposition and criticism it has provoked. Unlike many others, Mahathir, who cannot be faulted on grounds of intelligence or determination, has also demarcated a path, justified it clearly and openly, and followed it more or less consistently. His principal objectives have been clear enough: to make it possible for ethnic Malays to hold their own in Malaysia, and for Malaysia to hold its own in the world. Easier said than done, but Mahathir has not turned these purposes into mere slogan and he has had some undeniable success.

Abjuring simple answers in favour of the subtle ones more suitable to a complex subject, Khoo Boo Teik traces the ideas and ideological commitments Mahathir brought to public life and how he adapted them to the exigencies public life brought to him. Mahathir has left a substantial record of writings and speeches, not to mention actions, from his early columns as C.H.E. Det in Singapore through his pronouncements, interviews, addresses and decisions as a mature political leader. Khoo evidently missed few, if any, sources. Chapters on Mahathir's views of Malay and Malaysian nationalism, capitalism, Islam, his populist concerns and authoritarian side cover all the principal issues and controversies, and a conclusion speculates thoughtfully about Mahathir's influence on Malaysia's future.

Khoo wisely decided against a standard biography in favour of an intellectual, or better, perhaps, a political/ideological study. From it one learns about Mahathir's personal story only so much as is necessary to understand the sources of his political commitments, character, and style. This emphasis allows Khoo to place Mahathir fully within a political context that his actions

help to explain even as it helps to clarify his policy choices. For one significant example, it becomes quite clear that Mahathir's understanding of Malaysian disadvantages in the world economy folds neatly into his view of the structure of Malay disadvantage in Malaysia, and that the one, as he sees it, calls for the same unremitting posture as the other. Yet, for all his toughness, Mahathir has also proved surprisingly flexible, adapting quickly in domestic politics as he has in a perilous international arena in which Malaysia has accumulated more influence than its size seems to warrant.

Khoo does not follow every line of analysis that his material suggests, nor could he have done so without drifting from his subject, but like any really useful study this one drops interesting hints of questions worth thinking about. For example, while Mahathir may dismiss class analysis, one implication of his own role in remaking ethnic relations is that it requires a new social stratum to drive through the kind of revolution he appears to have in mind. Not aristocratic lawyers with a sense of noblesse oblige, but the middle-class doctor with a dubious understanding of ethnic genetics whose implications he has nevertheless ignored in favour of a commitment to ethnic equality in a future society shorn of ethnically determined inequities. Mahathir's ambition seems to be nothing less than to reverse social and economic history by mobilizing the ethnic forces that he has intended to reshape in the process -- largely by creating a new Malay class of entrepreneurs driven by new values.

In an admirably clear analysis of Mahathir's purposes, Khoo omits few questions, but one may have been glossed over, though it is implied throughout and no informed reader will be unaware of it. It has to do with the advantageous institutional base that was essential to any effort to make the NEP work. As Prime Minister Mahathir inherited an effective government complete with political, administrative and legal institutions that provided stability and enjoyed substantial legitimacy. A glance at other countries that lacked these assets, or undermined them -- Indonesia, Egypt, the Philippines, Italy for only a few examples -- demonstrates just how important they are. Yet, economic growth and the social, ideological, and political change it promotes inevitably strains institutional balances not least as governments bent on promoting growth set about accumulating and concentrating the power necessary to do so. Hence the constitutional crisis of 1983 and, even more so, that over the judiciary of 1989.

Here, moreover, there may indeed be a Malaysian paradox that imprisons all political leadership. The interests inherent in an ethnically based party system obviously contradict those of a Malaysian Malaysia in which all citizens intermingle politically simply and equally as citizens. One can argue, though

few do, that the explicit organization of ethnic politics in Malaysia has actually been instrumental in reducing the likelihood of brutal conflict, and even, despite tensions, of preserving leeway for various interests. But the Alliance/National Front pattern also solidifies the interests of an ethnically based political elite in preventing any serious social or political tendencies to blend across ethnic lines. There is no obvious answer to this conundrum. Khoo's study, however, makes it harder to treat the matter nonchalantly.

Paradoxes of Mahathirism is a pioneering book, which no one interested in Malaysian politics should fail to read. By taking the ideas of a serious leader seriously, by examining Mahathir in relevant political setting, and by refusing to submit to the standard political myths and slogans that encumber our understanding of politics anywhere, Khoo turned on some bright lamps. No longer is it enough to fall back on the increasingly overworked and stultified problem of ethnicity as the sole foundation of political analysis in Malaysia. It cannot be ignored, but Khoo compels scholars to look at it in a different light and to pay attention to much else that counts.

The book does something else that deserves mention. It makes a persuasive argument for political biography as a means of analyzing significant dimensions and details of politics that we too easily underestimate or overlook. *Paradoxes of Mahathirism* sets a standard hard to follow but worth the trouble.

Daniel S. Lev
University of Washington