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Structure and the political actor: An interactive perspective for ideology and economy in four military regimes

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STRUCTURE AND THE POLITICAL ACTOR
AN INTERACTIVE PERSPECTIVE FOR IDEOLOGY AND ECONOMY
IN FOUR MILITARY REGIMES

BY

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Structure and the Political Actor
An Interactive Perspective for Ideology and Economy
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by

Byung-Hoon Suh

In an attempt to understand why the military tends to commit a coup in reaction to the rise of leftist popular forces, and why the military officers in the post-coup period are inclined to implement politico-economic policies which most benefit the business elite at the expense of the economically underprivileged classes, this study proposed the Interactive Model.

This model critically examines the explanatory effectiveness of the structuralist approach, such as the Bureaucratic-Authoritarian model and Middle-Class Coup (or, Veto-Coup) hypothesis, in solving the above mentioned questions, but does not underrate its theoretical usefulness. In this study, which is primarily based on the voluntaristic approach focusing on the creative role of political actor, a synthetical framework of analysis is introduced.

Regarding the officer corps as the prime political actor, the Interactive Model claims that the officers' political will, ideology, and commitment to their corporate interests play the most decisive role in bringing about radical political change like coup and the post-coup regime transformations. In the meantime, structural factors, such as political disorder, deteriorating class conflicts, and belief in economic rationality, are believed to indirectly influence the political actor. In order to test the model, four countries, Brazil, Chile, Indonesia, and Thailand, were comparatively studied in this study.
As coup-maker, officers are found to have violently reacted to the rise of the Left primarily because leftist forces posed a threat to their corporate interests. In the post-coup period, officers in power, as the state-manager, usually sided with the dominant economic powers, but tension often arises between the two. This study argues that these conflicting phenomena are not effectively explained by the structuralist approach. Instead, they need to be understood with reference to the state-manager's ideology and political interest.
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CHAPTER 1

INTRODUCTION

Two central questions are investigated in this study. One is the military's ideological (or, as often called, class) stance toward the dominant economic powers and popular forces in society. The other is theoretical curiosity with regard to the "shaping" power of the (socioeconomic) structure and human actors over radical political change like a military coup and post-coup regime transformations.

First, this study attempts to explain two interrelated political phenomena: 1) military coups tend to take place amid the rise of leftist popular forces; 2) post-coup military regimes usually regard their first task as the elimination of reform-demanding political elements and are inclined toward the implementation of economic policies which serve the interest of the propertied class.

Put another way, this study is devoted to a series of questions as follows: What relationship exists between ideological polarization and the occurrence of a military coup? Do most "soldiers in mufti" cast a hostile eye not only to radical leftists but also to mild reform-oriented populist movements? Do military officers in power tend to envisage politico-economic policies which primarily benefit the business elite? Given the officers' rightist ideology, how can we explain some exceptional cases where reformist or even socialist transformation is pursued by coup leaders? Does there arise a tension in the relationship between the post-coup state and dominant economic powers?
Concerned with developing an analytical framework which effectively explains the above mentioned questions, this study is greatly interested in two opposing intellectual traditions which currently dominate the majority of social scientists’ minds. They are economy-centered structuralist approaches and political actor-centered voluntarist approaches. The former is based upon a position that structure determines change in political history while the latter maintains that men themselves direct their political fate.

Following the basic idea of Marx's “classical structuralism”, a significant number of scholars have tried to understand the causes of military coup and officers’ anti-Left ideology with exclusive reference to structural factors such as class conflict and the logic of capitalist development. As a detailed criticism in Chapter 2 will introduce, scholars like O'Donnell, Huntington, Nun, and Nordlinger are believed to belong to this category. Though they may dislike being called structuralist, it is clear that the main theme of their discussions introduced in this study repeats the classical structuralists’ methodological tradition by neglecting to place an intervening variable between the alleged cause (change in structure) and the effect (political change and the state's policies). They simply presume that structural strains “result in” certain kinds of political outcomes and do not bother themselves by delving into the question of how such a causal relationship actually works. As FIGURE 1.1 shows, because of the negligence of an intervening variable, this approach has difficulty in dynamically relating structural change to political change.

In addition to explanatory weakness, the structuralist approach, by ignoring the creative role of human actors, provides a sort of pessimistic view to those people interested in rapid restructuring of their political society. For
example, a revolutionary may lose his passion after being made aware of his nation's low level of class consciousness. Or, followers of naive modernization theory (which claims that high level of economic development "brings about" Western-style democratization) can be frustrated because of their countries' sluggish growth rate.¹

On the other hand, a purely voluntaristic approach has appealed to a significant segment of social scientists. They overcome structuralists' weakpoints by focusing on the political actor's role,² and as a result, do not

¹ With regard to the conditions of democracy, such pessimistic understanding is also detected among several non-structuralist scholars. For example, Barrington Moore (1966) pinpointed the commercialization of peasants as a key to British democracy. Robert Dahl (1971) felt that England's maintenance of stable democracy resulted from its historical experience that competition among elite (liberalization) preceded the expansion of popular participation (inclusiveness). Almond and Verba (1965) emphasized the British style "civic culture" as an indispensable condition of democracy, but did not introduce a plausible means to promote civic culture. Huntington (1973) also unequivocally expressed his pessimistic anticipation of the non-Western society's future where slow progress of political institutionalization cannot catch up rapid expansion of political participation by popular classes. All these prominent scholars and the above mentioned structuralists share one common element: they do not consider the role of political actors.

² A few influential scholars like Eckstein (1966), Rustow (1970), Lijphat (1975) have emphatically argued for the decisive role of political leadership in maintaining a viable democracy. Lane (1962), Dahl (1971), Stepan (1978), and Valenzuela (1978) also emphasized political leaders' creative role.
produce a fatalistic and pessimistic interpretation. However, this model fails to develop a mechanism through which it can incorporate structural impacts. As Figure 1.2 summarizes the actor model's theoretical framework as follows, it may lead people to believe that political actors work free from structural pressures.

![Diagram](image)

**Figure 1.2 Voluntarist Approach to Political Change**

This study will not follow one side at the expense of the other. Rather it synthesizes both approaches and proposes the Interactive Model. Though it agrees with the Actor Model's assumption that political change is made by human actors, structural elements are also believed to affect political outcomes by influencing political actors.

In order to examine how effectively the Interactive Model explains the aforementioned questions, this study selected several cases which experienced serious ideological conflict between the Left and Right in the years prior to the coup, whose post-coup regime sided with entrepreneurs but could not
Figure 1.3 Function of the Interactive Model

completely overcome potential confrontation with them, and which recorded divergent stories with regard to regime maintenance and economic management.

According to these criteria, this study chose four countries, two from Southeast Asia and two from Latin America. These regimes' "populist" era (those years immediately preceding the military coup) and "post-coup" period, i.e., Chile's (1970-73 and 1973 to present), Brazil's (1961-64 and 1964-85), Indonesia's (1957-65 and 1965 to present), and Thailand's (1973-76 and 1976 to present) period record very similar experiences as above criteria require. At the same time, they also present interestingly divergent patterns from several standpoints.

First of all, the way of regime consolidation in the post-coup period strikingly differs. In Chile, politics itself was discarded, while the Indonesian regime utilized a facade democracy. Thailand's military elite has steadily expanded the "half-way democracy". In Brazil, the leading officers had prepared for two decades their eventual extrication from politics and finally
Indonesian and Chilean presidents have strengthened their one-man rule, but the other two countries have witnessed army generals alternate in the highest public office. Because of these and other variances among the cases, this study's limited scope of four countries seems to be to a great degree overcome.

With these four countries, this study will, first, introduce a theoretical framework of the Interactive Model in Chapter 2. The classical Marxist view of political change and the state will be discussed briefly so as to promote the understanding of "structuralist approaches to coup", i.e., the Bureaucratic-Authoritarian model and the Middle-Class Coup hypothesis. After that, a criticism of both classical structuralism and structuralist approaches to coup politics will be attempted. Finally, three elements of structural strain, and three components of a political actor's coup motivation will be introduced before the functions of this model are demonstrated.

In Chapter 3, the nature of ideological conflict on the eve of a coup in each of the four countries will be analyzed. First, in order to understand the extent of polarization, key leftist groups' (communist party) legal activity or underground struggle will be discussed. Then, the mobilization process of popular forces, like unions and students', and conservative elements' countermobilization will be examined. Finally, the populist economy's policy nature will be discussed with an emphasis on its class orientation. Its "populist" nature will be measured with reference to wage policy, union policy, the state's expanded economic role, and anti-Western nationalist stance. In the closing section of the chapter, the interrelationship between the polarizing political situation and the populist government's economic policy, and its political implications will be discussed.
In Chapter 4, the post-coup regime's political, ideological, and economic transformation will be analyzed. First, the military regime's attitude toward the civilian political system, its regime consolidation strategy, and steps against the communist party and labor union will be closely investigated as a way of characterizing the post-coup regime's political and ideological nature. Analysis of the economic transformation will then be followed. In comparison to the pre-coup populist economy, its basic philosophy on economic matters, policy to the lower classes and business elite, and the state's economic role will be studied. After that, the chapter will close discussion by reflecting on the relationship between the state and dominant economic power.

While Chapters 3 and 4 are devoted to the preliminary investigation of the pre-coup crisis and the transformation in the wake of military coup, Chapter 5 will build on the groundwork done in the two previous chapters. In other words, the main theme of this study, the cause of coups, its relationship with the rise of the Left, and factors directing the post-coup transformation will be finally discussed in this chapter. In the meantime, the institutional characteristics and ideological nature of the four militaries will also be examined.

The concluding chapter will summarize the whole discussion made in this study and once again analyze its political, ideological, and economic implications.
CHAPTER 2

THEORETICAL FRAMEWORK OF THE INTERACTIVE MODEL:
SYNTHESIS OF STRUCTURALISM AND THE ACTOR MODEL

I. Introduction

In an interview done in 1979 toward the end of his life, Nicos Poulantzas criticized the tendency of a "methodological drift" among socialist thinkers by emphasizing that "if one is Marxist, the determinant role of relations of production ----- must mean something" (emphasis added). Poulantzas' comment, made against the Neo-Marxists defying traditionally rigid interpretations of the concept of the state and its "relative autonomy", is worth the following somewhat long citation since it defends the usefulness of a structuralist perspective.

Those who proceed beyond in the relative autonomy formulation risk losing what is most valuable in Marxism --- the analytic power of the framework. The clear danger is slipping into a form of theorising in which everything influences everything else (emphasis added), so that it becomes impossible to grasp the basic dynamics of a particular social formation (recit., Block, 1980, pp.227-28).

Poulantzas' view of the materialist framework of analysis, which is called a structuralist approach in this study, in fact, reflects many an influential social science scholars' belief in the effectiveness of such approach. As early as five decades ago, Trotsky declared that "it constitutes today one of the most precious instruments of human thought" (Trotsky, 1982, p.3). Poulantzas'
warning, on the other hand, demonstrated that a restrictive understanding of structuralism faced serious challenge from Marxist students as well as anti-materialist camps.

Thus it is true that two crucial elements comprising the materialist conception of history, economic determinism with regard to political change and the view of the state as a representative of class interests, have been main targets of those Marxists who are working to revise "classical Marxism" in accordance with the reality of historical development. As a result, some prominent scholars whose deterministic orientations are criticized in this study do not like to be called structuralist. For instance Guillermo O'Donnell, the pioneer of the Bureaucratic- Authoritarian model, said that "there is no one-to-one correspondence between socioeconomic structure and type of political system" (O'Donnell, 1973, p.1). José Nun once most unequivocally pronounced his "de-structuralist" position as follows: "a simplistic class interest interpretation has already entered the museum of vulgar interpretation of Marx" (See, Miguens, 1975, p.103).

Because this study's principal intention is to debate the flaws of structuralist approach to the military coup d'etat (represented by some authors including O'Donnell and Nun), their seeming animosity against the materialist framework of analysis may lead to the skepticism of this study's starting point itself. On a second look, however, despite those authors' efforts to prove the de-structuralist nature of their study, their basic understanding of the interrelationship between material conditions and political change (See, Section III) does not qualitatively deviate from the "classical structuralists" interpretation of political economy.
As did Marx and his other intellectual colleagues, the “structuralists” in this study tend to disregard the impacts of politics and undervalue the creative role of human factors in the process of political change. Instead, O’Donnell, Nun, Huntington, Nordlinger, et. al. attempt to explain the emergence of a military regime and its ideological inclination of socioeconomic policy, with an almost exclusively focus on material conditions such as the logic of capitalist development and officers’ class interests.

In this respect, this study assumes that the B-A model and the veto-coup hypothesis are generally based upon a materialist conception of history, at least in that their methodological framework is primarily connected to the determining power of economic, structural factors. Thus, in this study, these authors’ works are collectively called “structuralism” or “structuralist approaches” while the works of other Marxists which are not related to the issues of coup d’état are referred to as “classical structuralism”.

At the same time, it is “never” implied in this study that such structuralist approaches have no value in the explanation of coup. On the contrary, the impact of structural conditions, in particular in non-Western societies where the capitalist economy in its initial stage has brought about a series of structural conflicts, is clearly recognized. The most important reason that structuralism with regard to the political economy of military coup is debated in this study is because it pays the least attention to the political role of human factors in the process of such an extraordinary political upheaval. Insofar as these structuralists do not presume an “intervening” variable between material environment and political outcomes (that is, coup and military regime’s choice of politico-economic policy), their explanation cannot but remain at the probability level. Simply speaking, history does not come,
but it is made by human actors.¹

For this reason, this study gives credit to the contribution made by the so-called "voluntarism" or the "actor model". These intellectual efforts have played a positive role in establishing the "restoration of politics and political actors" in the study of political change. Unlike structuralism, they emphasize that radical political change such as coup d'état or revolution is brought by the political actions of political actors.

This study accepts the basic idea of the actor model. It assumes that political change caused by the military's involvement has to be explained with primary reference to the military. Thus, this study calls military officers a prime actor. Because the military has physical and organizational power with which to execute its will against "any other" civilian groups, officers are regarded as prime movers of history under certain circumstances.

On the other hand, this study does not follow a purely voluntaristic approach to political change. Despite its "omnipotent" potential, the military does not operate in a "social vacuum". Officers in those countries under discussion face very unusual historical and structural circumstances. They encounter political and economic conflicts resulting from modernization and capitalist economic development. The further their countries proceed with the industrialization process, the more seriously they witness growing voices of workers and other organized lower-classes demanding politico-economic participation. In the meantime, the military's nationalistic instinct pushes

¹This view comes into a head-on collision with traditional structuralists who reject a voluntaristic and "purposive image" of historical change. For example, Skocpol epitomized a structuralist view by claiming that "Revolutions are not made; they come". See, Skocpol, 1979, p.17.
officers to aspire to rapid economic development. Depending on the direction suggested by economic logic, military officers as coup-makers in the pre-coup period or as new state-managers in a post-coup military regime, may feel the necessity of either allying with or standing against the economic powers.

Given these structural variables, the actor model's rejection of socioeconomic factors and exclusive focus on political actors is unacceptable. Though they are secondary factors in comparison to human actors in terms of deciding influence, such structural factors must not be neglected. Moreover, the fact that the military's serious concern for corporate interest is to a great degree related to the socioeconomic structure (for example, in some countries, officers' patrimonial interests are directly linked to those of economic powers) once again highlights the necessity of taking into consideration structural variables.

In this regard, this chapter will articulate the Interactive Model in an effort to explain the political economy of coup. Synthesizing both structuralism and voluntarism, however, this model primarily focuses on the military because it is ultimately responsible in causing a coup and executing post-coup transformations. Officers are believed to behave in accordance with their political will, ideology, and commitment to augment their corporate interests. Thus, it is possible to argue that the military takes certain actions in combination of these three non-structural factors.

At the same time, however, these elements are generally subject to pressures coming from the structural level, such as political disorder, the rise of populist forces, and the necessity of following development logic. Thus the Interactive Model attempts to explain coup politics in conjunction with these
II. Classical Structuralism

1. Roots of Structuralism

For a proper understanding of the structuralist views under discussion in this study, it is useful to briefly review "classical" structuralism, which chiefly originated from Marx's works. Because this study attempts to explain a political phenomenon culminating in military coup and the post-coup politico-economic changes which "managers" of a new regime --- that is, the military in political power --- bring about, two components of classical structuralism will be discussed in this chapter. One is the materialist conception of interaction between politics and economy, and the other is the role and status of the state vis-a-vis class interests.

In the preface to A Contribution to the Critique of Political Economy, Marx succinctly expressed his materialistic interpretation of historical development as follows:

The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men that determines their being, but, on the contrary, their social being that determines their consciousness.

Based upon such a materialist understanding, Marx described the relationship between economy and politics.
With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed (Tucker, 1978, pp.4-5).

Marx’s subordination of politics in particular and superstructure in general to the economic base, in combination with his class struggle view ("the history of all hitherto existing society is the history of class struggles" / Communist Manifesto, Trotsky, 1982, p.16), led him to believe that "the executive of the modern state is but a committee for managing the common affairs of the whole bourgeoisie" (Trotsky, 1982, p.18). Thus Marx thought that it was not the state that shaped society, but society that shaped the state (Carnoy, 1984, pp.46-47). His view of the state is more “nakedly” confirmed by one of his prominent students, Lenin: “[the state is] a machine for the oppression of one class by another, a machine for holding in obedience to one class other, subordinated classes” (recit., Woddis, 1977, p.38).

Thus, classical structuralists consider the state, emerging as it does from the relations in production, not as representing the common good, but as the political expression of the class structure inherent in production (Carnoy, 1984, p.47).

2. The State Autonomy Controversies

Though Marx defined the state as an “agent of the ruling class” (Carnoy, 1984, p.54) and Engels called it an “instrument for exploiting wage labour by capital” (Engels, 1968, p.157), it is not clear to what extent these forefathers of classical structuralism thought the state acted in the interests of the bourgeoisie. This question was significantly raised by the fact that Marx also
introduced the concept of the Bonapartist state which is "independent from and superior to all social classes, as being the dominant force in society rather than the instrument of the dominant classes" (Alavi, 1972, p.60).

In his well-known *The Eighteenth Brumaire of Louis Bonaparte*, Marx admitted the possibility that, with regard to specific politico-economic situations in nineteenth-century French (and also Prussian) society, "only under the second Bonaparte does the state seem to have made itself completely independent" (Tucker, 1978, pp.606-607). Marx’s recognition of the dominant classes’ "falling on their knees before the club", thus, qualitatively contradicted his aforementioned understanding of the state as representative of the bourgeoisie in that it opened a way to discuss state autonomy\(^2\) in the face of class domination.

Marx’s equivalent understanding of the state was rationalized by Carnoy who differentiated the state under "normal" conditions from the state in "abnormal" situations. Thus he defended Marx as follows: The state acts as the "agent of the ruling classes" in the normal period. However some exceptional conditions (around the time when all the social classes show an incapacity to rule and exhaust themselves in the process of trying: Engels, see Draper, 1977, p.406/ or, when the class struggle is "frozen" by the inability of any class to exhibit its power over the state: Carnoy, 1984, p.54)

\(^2\) By far no common understanding of the state autonomy has yet emerged in terms of its concept and autonomous scope *vis-à-vis* class power. Though its dictionary definition is not much different from Theda Skocpol’s interpretation ("state ------ may formulate and pursue goals that are not simply reflective of the demands or interests of social groups, classes, or society") 1985, p.9), the majority of structuralists view autonomy as given to the state "in order to promote the long-run survival and expansion of capitalism as a social formation" (Fitzgerald, 1978, p.152).
give autonomy to the state so that the latter rules itself and is not dominated by any ruling class of civil society. Carnoy added that, as will be discussed in more detail later, the state's actions are "framed by the conditions of the class struggle and the structure of a civil society". In other words Carnoy argued that Marx's Bonapartist state concept should not be understood as setting itself against the ruling politico-economic powers of the civil society (Carnoy, 1984, pp.54-55).

3. State Autonomy Issues in the Developing Societies

Because of different societal structures and political histories from those found in advanced capitalist societies, the relationship between the state and society shows quite new aspects in the developing, especially newly independent societies. Many scholars point to these nations as a refutation not only of the classical state view but also of the Bonapartist state concept, because the crisis of hegemony suffered by ruling-classes is permanent and endemic rather than temporary and exceptional (Luckham, 1977, p.25) and because the capitalist classes are politically weak and fragmented to the degree being "unable to exercise leadership with respect to other classes of civil society" (Schmitter, 1973, pp.184-85).

The latter view was most influentially articulated by Hamza Alavi who focused on the post-colonial societies. Alavi began his analysis by arguing that colonial rule bequeathed an "overdeveloped" state apparatus --- in comparison with the civil society --- to the new-born state.\(^3\) On the other

\(^3\) Alavi's view is attacked by Faucher who highlights the political weakness of the dependent state. According to Faucher, the fact that the colonial situation
hand, in the post-colonial societies, three propertied classes — indigenous bourgeoisie, the metropolitan neo-colonialist bourgeoisie, and the landed classes fail to establish class domination because they do not constitute "a whole" due to their different structural base and competing class interests.

Given these conditions, Alavi concluded, the post-colonial society's bureaucratic-military oligarchy is autonomous vis-a-vis economic powers. At the same time, however, Alavi repeated the structuralist view that state autonomy is determined within the matrix of a civil society — i.e., the social order of private property. He argued that the post-colonial state is "autonomous" in that it is not the instrument of a single class, but is also "relatively" autonomous as far as acting on behalf of the propertied classes (Alavi, 1972, p.62 and p.72).

4. Structure of Structuralism

Compared with the popularity of state autonomy research, relatively less attention has been paid recently to topics dealing with the economic structure's power to shape political history. As the following section will mention, dogmatic application of classical materialism was critically discussed from the beginning by influential theorists such as Engels. Reflecting such a limit of materialist perspective, new efforts have been made which place heavy emphasis on the role of class struggles and the need to develop a "historical" approach.

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and various independence movements have caused class reproduction to take place mainly at the local level and not through a central organization led the ruling class not to feel the need to unite and formulate a political program for strengthening central power. See, Faucher, 1980, p.6.
In proportion to the boom of research into "state issues" divergent arguments are rapidly expanding. At the risk of oversimplification, two important trends --- instrumentalism (or determinism) and "structuralism" (which is not identical with the term as it is more broadly defined in this study) may deserve to be introduced. Instrumentalists regard the state as an instrument for class domination. The state in this conception is the state of "capitalists" and there is little room for the state to exercise autonomy (See, Miliband, 1969, p.23).

But "structuralists" view the state as a state of "capital" and believe that the state has "relative autonomy" from the ruling classes. But such autonomy was granted to the state in order that it could ignore the immediate interests of the dominant class so long as such action leads to the preservation of more essential interests of the bourgeois class --- i.e., maintenance of the capitalist relations of production. Thus, for structuralists the state is ultimately determined by structural imperatives (See, Jun, 1986, pp.19-20).

The latter view is, in fact, closely related to the philosophy of "French Structuralism" of the mid-1960s. In reaction to subjectivism (for example, Sartre’s Marxist Humanism), one well-cited advocate of this school of philosophy, Louis Althusser rejected the notion of man as the subject or agent of history, claiming instead that, it is the relations of production that are the subject of history. But Althusser did not defend crude economic determinism. Instead he argued for the relative autonomy of politics and ideology from the base. Overall, however, Althusser was repeating the structuralist view by affirming the ultimate determinant power of the base (See, Althusser, 1970, pp.216-18 and Carnoy, 1984, pp.89-90).
Another pillar of French Structuralism, Poulantzas, also spoke for the shaping power of the structure of class relations. But throughout the latter part of his scholarly life, Poulantzas moved in the direction of emphasizing a de-structural element: class struggle. He said that the "structure" of the capitalist state is not a "structure" at all, but rather an apparatus shaped by class struggle (See, Carnoy, 1984, pp.97-98). Nonetheless, as the first page of this chapter remarked about his basic understanding of the state, Poulantzas never deviated very much from his decades-old belief that state autonomy is considered to be indispensable so that the state truly serves the ruling class (Poulantzas, 1969, p.74).

These structuralist viewpoints are also frequently found in the literature of the developing societies. For example, commenting on state capitalism, Faucher argued that "state intervention should not be considered as neutral --- The state does not equally support the various classes". Instead, he said, state intervention represents the general interest of the "bloc in power" (Faucher, 1980, p.4). Similarly, Munck denied the autonomy of state bourgeoisie or state firms. According to him, the economic action of the state is determined fundamentally by the movement of capital as a whole (Munck, 1979, p.29).

In fact, various forms of classical structuralist arguments have demonstrated very striking resemblance with those of the structuralist interpretation of coup. Whether classical structuralists stick to either "capital" or "capitalists", their basic understanding of politics and the state is based upon materialist determinism. Not incidentally, structuralist views of coup also share principal elements of classical structuralism when they focus on the economic logic of capitalist development and the military's class-bound behaviour.
III. Structuralist Views of Coup

In an effort to locate the "ultimate determinants" of a regime breakdown and the occurrence of military coup, Richards declared that "[the restoration of civilian government] has had to do less with endogenous political cycles or the political characteristics of the military regimes" (See, Richards, 1986, p.483 and 1985. Also see, Wallerstein, 1980). According to those who emphasize the "economic determinants" of coup, the main arena of discussion no doubt lies in economic factors such as "global shocks" or inflation, and not in politics itself and political actors. This study does not attempt to discuss in detail or to criticize this kind of "vulgar economic determinism".

Though such literature may provide an opportunity to understand economic conditions prior to the advance of a military regime, they provide no explanations at all as to why and how these economic factors cause political incidents like coups. This study will not address the claims made by these researchers about coup determinants in its scope of discussion. Instead this study intends to exclusively debate two representatives of the structuralist view; the Bureaucratic-Authoritarian and the veto-coup model.

1. The Bureaucratic-Authoritarian Model

1) High Modernization, New Authoritarianism

Guillermo O'Donnell's study of 1973 begins with an analysis that debates
"modern Occidental political science and sociology's" naive optimism. Contrary to modernization models which attribute political democracies to socioeconomic development⁴, O'Donnell said that "political authoritarianism is the more likely concomitant of the highest level of modernization" (1973, pp.2-4). Moreover, he found that Brazil and Argentina's relatively higher stage of modernization was accompanied by an unconventional repressive polity, which he named the Bureaucratic-Authoritarian state. O'Donnell concluded that there exists an "elective affinity" between the emergence of the B-A state and a certain type of capitalism in crisis. And once a B-A state is implanted, he believed, "mutual indispensability" comes into being between it and international capital (1978, p.3).

Though O'Donnell's early works primarily dealt with the Brazilian and Argentine cases, his later studies included Chile, Uruguay, and other Latin American countries like Mexico, as well as non-Latin American nations such as Spain, Greece, Korea, etc., as possible cases to which the B-A model can be applied. In this context, several scholars have made efforts to discuss the political economy of South East Asia from the B-A perspective (See, King (1982) for Indonesia and Adriano (1984) for the Philippines). In short, O'Donnell's contribution to the study of political economy in the modernizing societies, in spite of some crucial flaws, has since the mid-1970s significantly stimulated systematic research in this field.

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⁴These models maintained a "leftover" view in that low-income societies were believed to become more democratic as they became more capitalistic and modernized. These models were particularly accepted by pluralists who argued that the increased penetration of capitalism and the free enterprise system would create a parliamentary rule. See, Lipset (1959) and Carnoy, 1984, p.172.
2) Emergence of the B-A State

According to O'Donnell's analysis, the preconditions for the emergence of the B-A state result from the exhaustion of an Import Substitution Industrialization strategy in certain countries of Latin America in the 1960s, as well as the political rise of populist forces. After the world economic crisis of the 1930's, Brazil and Argentina launched an industrialization program aimed at the expansion of the domestic market. Because of both the political need to stand against the old oligarchies of agrarian exporters and foreign investors, and the economic imperative to create domestic demand for newly achieved industrialization, post-1930 regimes had maintained an alliance with the populist classes, especially the urban working-class.

By the 1960s, however, such an "easy" stage of "horizontal" industrialization began to be exhausted. In this context, "vertical" integration of development, characterized by the "deepening" phase of industrialization, was required. The new qualitative leap had to be facilitated by huge capital and new technology which domestic capital could not afford to provide.

For this reason, the influx of international capital was believed to be the most important condition in the "deepening" phase. At the same time the attraction of foreign capital required the existence of a strong, and thus

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5 Wallerstein differentiated between the nature of growth in early and late ISI as follows: In early ISI, growth is through horizontal expansion of already existing local industries and through increasing employment as labour productivity stagnates. Production is aimed at the low-income market. Hence demand is dependent upon the spending of the popular classes. On the other hand, late ISI is characterized by the growth through vertical expansion and increasing labour productivity. Demand is dependent on the spending of the upper classes. In this stage there is increasing participation of foreign capital in the national economy. See, Wallerstein, 1980, pp.7-8.
authoritarian state. The "mutual indispensability" of the B-A state and international capital was explained by the fact that, in order to attract foreign investment, the continuity of profits, as well as the important rate of profit, had to be guaranteed. In other words, the requirement of a high degree of future certainty and predictability for foreign investments presupposed the emergence of the BA (1978, p.12).

Two principal goals of a new authoritarian state, "normalization" of the economy and reestablishment of social order, in turn, forced the BA to deactivate highly politicized populist elements, especially among the urban working-classes. As a result, the B-A state, supported by specialists in physical coercion (the military) and bureaucratic rationality (the technocrats), attempted to build a highly repressive political system. Utmost priority was placed on depriving organized labour of political and economic participation as a precondition of securing international capital's interest (1978, p.6).

3) Tensions Between the B-A State and Capital

Because of the urgent need to satisfy international capital, in its initial periods, the B-A had to execute "reasonable" and "orthodox" economic policies. The B-A needed not only to "not discriminate against foreign capital" but also to convince foreign investors of its firm willingness to improve their economy's "efficiency". Thus the B-A tended to eliminate subsidies for the domestic bourgeoisie, lower import tariffs, and devise a series of policies that created further disadvantages to national capital vis-a-vis international capital. Moreover, the B-A did to reduce its intervention in economic activity, especially in productive or commercial activities (1979, p.303).
As a result, the B-A had to be almost "deaf" to the expectations and immediate interests of many of its original "anti-populist" allies, including a good portion of the middle sectors and the weakest fractions of the domestic bourgeoisie (1979, p.297). While the broad alliance that had supported the B-A’s implantation began to disintegrate, the new state had to rely on the upper fractions of the bourgeoisie who had survived economic "rationalization" and the offenses of international capital (1978, p.8).

However the fact that the B-A did not "cease to be a national state" compelled the state not to indefinitely cooperate with international capital at the sacrifice of domestic interests. Thus the B-A strived to conceal its evident connection with international capital (i.e., ideological duo) with the promise of total national grandeur. Accordingly, the B-A, after the initial years, prepared a transition "from duo to a ménage à trois". In the process, the B-A selectively opened itself to civil society's local fractions by pursuing less orthodox and more nationalist policies. The state also began to restrict international capital to a degree almost unthinkable during the initial orthodox stage (1978, pp.20-25).

At this point, O'Donnell repeated a classical structuralist view of the state. That is, the B-A's transition "from duo to trio" --- which is designed to convince the public that the state is not the "puppet or representative of international capital" --- must not be exaggerated to the extent that the B-A floats "above the social classes in sovereign fashion, carrying out its projects of national grandeur" (1978, p.15). Instead, as a capitalist state, the B-A maintains and structures class domination in the sense that this domination is rooted principally in a class structure that in turn has its foundation in the operation and reproduction of capitalist relations of production (1979, p.287).
On the other hand, O'Donnell argued that the B-A state attempts to achieve and protect a "general interest" --- that is, the general interest of a "we" that stands above the factionalism and antagonism of civil society. Thus there characteristically exists a tension between the underlying reality of the state as guarantor and organizer of social domination, on the one hand, and as agent of a general interest, on the other (1979, pp.289-290).

2. The Veto-Coup Model

1) The Military and Class

If the B-A model derives its structuralist views from the logic of capitalist development, the veto-coup model at first glance seems to be driven by few, if any deterministic elements, since it focuses on political actors --- officers --- instead of referring to structure. But after closer observation, the latter turns out to be a far cry from an actor-centered analysis. Though it begins its argument by mentioning human factors, the veto-coup model soon buries those actors through "economic reductionism" by assuming that the military's political behaviour is determined by officers' class affiliation.

Using Engels' classical announcement that the state, including the army, is not neutral as far as social classes are concerned, Woddis boldly drew the conclusion that "the armed forces cannot pursue a policy separate from the interests of the main classes in society" (See, Woddis, 1977, pp.41-42).

Though the general trend of the literature in this field takes for granted that officers tend to show conservative political behaviour and to stand against the rise of leftist mass movements, some authors claim that the
military must not be always regarded as a "reactionary" political force. This group, emphasizing officers' class-bound inclination, argues that in certain historical-structural circumstances the military can take actions favoring social reform against the interests of the old hegemony. Additionally a few scholars believe that the military's institutional characteristics push officers to work toward the direction of social change.

Lucian Pye first opened the debate with respect to the nature of a reformist military in newly emergent countries. According to Pye, because the military is the most modernized institution in those societies and because of the revolution in its technology mostly owing to aid from the developed nations, officers are extremely sensitive to the extent to which their countries are economically and technologically backward. As a result, Pye said that they can "hardly avoid being aware of the need for substantial changes in their own societies" (Pye, 1968, pp.69ff).

While only a few authors attempt to link the progressive nature of the military to its institutional characteristics, most "progressive military" scholars focus instead on the officers' social origins. Shils observed that officers in non-Western societies tended to be recruited from lower middle-class families and that they were "painfully" aware of the distance separating them from the wealthy and powerful. When these officers assume political power, Shils claims,

6 Wolpin recently published an article which articulated very "non-conventional" ideas. Based upon a belief that good recruitment is directly related to the military's professional development, Wolpin disclosed that officers who are really interested in their institution's promotion of professional goals are inclined to support socially radical and economically nationalistic civilian political movements (See, Wolpin, 1983, p.203 and p.209).
[they are] not sympathetic to big businessmen and conservative politicians, and thus by implication, they are favorably disposed toward the redistribution of wealth (Shils, 1962, p.17).

Shils’ observation has been confirmed by several authors working on divergent regions. For instance, J. Johnson (1964, p.234) discussed the anti-status quo nature of Latin American officers, while Halpern (1963, pp.52-54 and 1962, p.285) described Middle Eastern and North African officers’ “acute awareness of the chronic ills of their countries”. Earlier, Guy Pauker had also found that officers in South East Asia were not the product of “social classes with feudal traditions”. Instead, according to Pauker, “their natural propensities were progressive” (Pauker, 1959, pp.339-40).

As the next section will reveal, the reformist nature of officers under discussion is in principle “structured” by the historical stage of capitalist development, according to most students who see the military as reformist as well as others who see officers as conservative and reactionary. In that sense, the progressive aspects of the military can be more properly understood after the veto-coup model is fully introduced.

2) The Conservative Military

The thesis that the military intervenes in politics because of its progressive nature, however, has faced serious counter-findings. As numerous

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7 According to Palmer, for example, the Peruvian military’s “exceptional” commitment to reform was primarily caused by a large “social space”. A low level of development and social mobilization, and the lack of national entrepreneurs, Palmer said, could provide the military with more freedom to ignite social changes. For detailed discussions, see, Palmer, 1982, pp.135-44.
authors argue, the nature of the military institution possesses various kinds of non-progressive characteristics. Moreover, even seemingly reformist actions by military institutions have shown reactionary elements.

Specialists in this field, like Nordlinger have expressed the view that even though officers opposed the upper classes in power, they hardly worked for the benefits of the lower classes (See, Nordlinger, 1970, p.1141). Nordlinger's statement was supported by Woddis' work on the Egyptian Free Officers' coup. In 1952, Egyptian officers overthrew the reactionary Farouk regime and took action against internal feudalism and external imperialism.

Woddis explained, however, that such progressive steps were soon accompanied by harsh repression against the Egyptian working-class, the militant trade unions, and the Communists. The Free Officers coup is interpreted as a "pre-emptive" effort designed to forestall the possibility of the people themselves overthrowing the old regime. Under the aegis of reformism, Woddis declared, officers moved against the working-class "in order to ensure their own undivided control of the government and state" (Woddis, 1977, pp.68-74).

In short, Nordlinger's and Woddis' findings imply that officers tend not to be as "truly" progressive as they are often presumed to be. On the contrary, Thompson discovered that "of the 229 coups examined, only 19 (or 8.3%) were judged to be 'strikingly' (i.e., more than 'empty' verbal pledges) reformist in nature (Thompson, 1973, pp.44-45). Generally agreeing with authors like Lieuwen (1964, p.135), Horowitz (1967, p.147), Alba (1968, p.179), and Needler (1972, p.45), Tullis predicted that "military intervention will have a dampening effect on social and political reform, although officers may still pursue an
expansionary economic development policy" (Tullis, 1973, p.89). In short, contrary to the claims of many praetorians and the model of the progressive-modernized soldiers, only a small proportion of military governments evidence a genuine concern for progressive economic changes, and of those, only a few have actually implemented them (Nordlinger, 1977, p.165).

Now an introduction of the veto-coup model (which is also called a middle-class coup or preventive coup) is in order. Among others, this study focuses on the arguments by Huntington, Nun, and Nordlinger.

3) Huntington's "Veto Intervention"

Because "as society changes, so does the role of the military", Huntington formulated the hypothesis that "the more backward a society is, the more progressive the role of the military; the more advanced a society becomes, the more conservative and reactionary becomes the role of its military". Huntington suggested that, in the early stage of political modernization, the military officers play a highly modernizing and progressive role. As a result, they challenge the oligarchy and promote social and economic reform.

But if society moves into the phase of mass participation without developing effective political institutions, the military becomes engaged in a conservative effort to protect the existing system against the incursion of the lower classes, particularly the urban working-classes. While the military's historical role under the hegemony of the oligarchy was to open the door to the middle-class, now they take action to close it on the lower classes. He
states that, in a society where the middle-class plays a key role,
a politicized officer corps will almost universally object to the
incorporation of the urban lower classes into politics. The thrust
of military intervention in these circumstances has a conservative
effect: it prevents the broadening of political participation to
more radical groups and thus slows up the process of social-economic reform (1973, p.224).

Since the military intervenes in politics in these situations to prevent a
populist regime from arising, Huntington termed this kind of a coup's "veto
intervention". According to him, the veto-coup typically takes place in Latin
America when a popular movement appears within reach of assuming power or
when a government in power begins to promote radical policies or to develop
an appeal to groups whom the military wishes to exclude from politics (1973,
p.222).

Huntington says that the military's changing reaction to the class conflict
(i.e., the oligarchy vs the middle-class / the middle-class vs the lower-classes)
results from the fact that military officers are drawn from a middle class
background and perform middle class functions. In other words, the military is
locked in a middle class outlook (1973, p.228) and, consequently, it takes
either reformist or conservative stances in accordance with the interests of
the middle-class.

4) Nun's Middle-Class Coup

In his 1967 paper, José Nun reviewed the literature which had repeatedly
argued that "since the end of the nineteenth century, the majority of Latin
American officers have been recruited from the middle-class" (1967, p.72). He concluded with an observation that is not very different from Huntington's: "The military tends to represent that class and compensate for its inability to establish itself as a well-integrated hegemonic group" (1967, p.112).

In the Latin American countries, owing to the absence of an English-style adaptation facilitated by a remarkable economic development, and also of a French-style bourgeoisie capable of absorbing the shocks originating from political conflict, it is the armed forces which assume the responsibility of protecting the middle-class. Nun believed that it was owing to the military's support that the middle-class achieved, at the beginning of this century, political recognition from the oligarchy; it was with officers' protection that it later consolidated itself in power; and now it is with their intervention that it seeks to ward off the threat posed by the popular sectors that it is incapable of leading.

At the same time, Nun argued that increasing contacts between the military and civilian sectors also moved in the direction of strengthening military-middle class affiliation.⁸ Such military-civilian contacts help dilute the traditional conception of the army as an institution completely isolated from the social context and the consequent exaggeration of the uniqueness of the

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⁸ Nun presented several factors which facilitate Latin American military-civilian contacts. 1) The lack of a tradition of active warfare, which diminishes the separation between the daily life of officers and that of the rest of the population. 2) Retired officers fulfill mediating roles: Because they are still fully active and capable of embarking on a civilian career, the retired officers continue to keep in touch with their old comrades in arms. 3) The increasing technical specialization of the army tends to link officers more closely to civilian colleagues. 4) As a direct consequence of their continuing political activities, officers' accumulated "civilianization" also increases the military's civilian affiliation (Nun, 1967, pp.73-74).
armed forces' attitudes and behaviour.

Overall, Nun explained the middle-class coup phenomenon with reference to officers' social origins and their intimate association with civilian sectors, which were assumed to be under control of the middle-class.

5) Nordlinger's "Soldiers in Mufti"

Eric Nordlinger also presented the thesis that the officer corps is recruited predominantly from men who come from middle-class backgrounds. Given the small size of the non-Western middle-class (say 10%), these officers are disproportionately represented within the officer corps. Compared with African and Middle Eastern officer corps, which draw heavily from the lower middle-class, Nordlinger emphasized, those of Latin America and Asia feature a large proportion of men with solidly middle-class and upper middle-class backgrounds (1977, pp.32-33).

As members of the middle-class by birth and/or achievement, when they occupy the highest seats of government, "soldiers in mufti" act in accordance with their class interests and identify with their civilian members. Thus, the military is not necessarily expected to oppose modernizing changes and mass political power, so long as the middle-class's material and political privileges are not threatened. But officers protect the status quo and are commonly unconcerned with the realization of economic change and reform if middle-class interests are seen to be eroded (1970, pp.1134-1142).

For Nordlinger, besides class conflict, there is another important reason why officers should stand against popular forces in modernizing societies: the
zero-sum political game and interest confrontation over scarce economic resources (Nordlinger, 1970, p.1141). As Section V will discuss, the military is forced to contend with the populist forces for political hegemony and resource distribution. Nordlinger explains the military's hostile attitudes toward the reform-demanding lower-classes from the perspective of officers' corporate interest-maximization desire.

IV. Criticism of the Structuralist Approach

1. Self-Revision in Classical Structuralism

As mentioned above, the confusion in the structuralist camp largely originates from Marx, who left equivocal descriptions to his intellectual followers with regard to the materialist conception of history in general and the relationship between the state and the dominant class. In this respect, Engels tried to mediate such contradictions by clarifying the danger of crude economic determinism, vulgar mechanism, and their resulting negligence of the probabilistic effects of class struggle which is evidently the product of human factors (See, Ankinson, 1982).

In his letter to Joseph Bloch, which included explicit criticism of the mechanistic interpretations of "vulgar Marxism", Engels suggested Marx's materialist conception of history should not be interpreted in such a way that "the economic element is the only determining one". Though the economic situation is the basis, Engels continued, the various elements of the superstructure --- for instance, political forms of the class struggle --- also exercise their influence upon the course of the historical struggles and in
many cases predominate in determining their form. He admitted that:

Though the economic ones are ultimately decisive, the political ones and even the traditions also play a part although not decisive one in making history.

Finally, Engels added that individual wills also contribute to the historical formation and warned that "it must not be concluded that their value is equal to zero" (See, Tucker, 1978, pp.760-61).

To conclude, Engels' remarks widely criticized an "ahistorical and deterministic" understanding of the structuralist approach (Carnoy, 1984, p.125). With respect to the classical interpretation of the state, too, serious revisionist movements have taken place. Some classical structuralists like Poulantzas initiated a transformation of a deterministic view of the state into one that is more historical-specific and where social movements play a key role (Carnoy, 1984, pp.125-26). Nonetheless, as Section II of this chapter introduced, the structuralists' view of the state generally characterizes state autonomy as freed from "capitalists'" direct control but still subordinated to the logic of "capital".

In the meantime, classical views of the state have been significantly invalidated by works focusing on the state capitalism in the developing non-Western societies. Though no agreement has yet been reached with regard to the definition of state capitalism⁹, a number of scholars emphasize the

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⁹ For example, Fitzgerald suggests three preconditions for viable state capitalism; productive investment, adequate finance, and planned economy. According to this definition, he believes, contrary to general understanding, there has emerged no state capitalism in Brazil because of the absence of the latter two conditions. See, Fitzgerald, 1977, p.86.
independence of the state vis-a-vis the economic powers. They insist that the “state bourgeoisie” works for the interests of the “state itself” rather than functioning as a bureaucratic representative of class interests (Canack, 1983). Bamat even categorized the state as a “principal local capitalist” (recit., Fox, 1980, p.67). Evans (1977, p.59 and p.63) and Cardoso (1979) believed in the possibility of the state’s “independence” from the dominant class in civil society. One of the least-structuralist researchers, Stepan, said that the state is not constrained by class fractions and has a significant degree of freedom to impose its design on society (Stepan, 1978, pp.301-302). Finally, Schmitter recognized that “the Bonapartist state holds an exclusive hegemony in the identification and promotion of national objectives appearing to be over both capitalists and workers” (Schmitter, 1973, p.218).

This literature altogether signifies the state’s economic role independent of class domination and the state bourgeoisie’s autonomous pursuit of its “private interests”. Thus, it not only rejects the classical structuralists’ view of the state, but also transcends some revisionists’ capital-determined “relative autonomy” versions.

Before moving to the criticism of the structuralist approach to coup

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10In this respect, Block introduces the concept of “state managers”. Primarily working on advanced capitalism, Block described the nature of state managers as “self-interested maximisers, interested in maximising their power, prestige, and wealth”. He argues that “state power is sui generis, not reducible to class power ----- State managers, to improve their own positions, will seek to expropriate, or at the least, place severe restrictions on the property of dominant classes” (Block, 1980, pp.229-30). On the other hand, such an “autonomous” state-manager view is not free from dissension. Commenting on Brazil, for instance, Munck says that the managers of the state firms cannot have a distinctive class interest separate from that of the capitalist class as a whole. He even doubts the existence of a state bourgeoisie itself. See, Munck, 1979, p.28.
politics, it would be useful to briefly discuss the South East Asian context which also to a great degree highlights the flaws of classical structuralism. Some countries’, like Thailand and Indonesia’s specific politico-economic circumstances disprove such an analytic framework’s ahistorical mechanism. First of all, the nature of “Bureaucratic Capitalism” (Robinson, 1978) directs an uncommon relationship between the holders of economic power (i.e., ethnic Chinese) and the holders of political power (the military) in the region. The political superstructure is not just a reflection of economic foundations. Rather, these nations’ domination by the bureaucratic oligarchy (Riggs, 1966 and Jackson, 1978) nullifies both the classical and revisionist structuralists’ understanding of the state-dominant class interrelationship. Because of this, Girling emphasized the inappropriateness of Marxist approach to South East Asia and said that there was no necessary relationship between specific forms of politics and the “determining economic structure” (Girling, 1981, pp.5-6).

In conclusion, because of these and other questions, there has formed a “new understanding among Marxists of the shortcomings of deterministic political theories for radical change”. Marxist literature has moved in the direction of arguing for the state, rather than production, and politics, rather than class relationship, as a primary focus of its starting point (See, Carnoy, 184, p.9).

2. Criticism of the Structuralist Approach to Coup Politics

Both the B-A model and the middle-class coup hypothesis basically aim at explaining the causes of military takeover. But this study assumes that their explanations of the emergence of the military regime may also be usefully
employed to predict and interpret post-coup developments. For that reason, this section will discuss why such structuralist approaches fail to explain not only the factors leading to a coup, but also those politico-economic changes taking place in the subsequent military regime.

In the meantime this study does not intend to debate the theoretical problems of the B-A model\(^{11}\) or the veto-coup hypothesis\(^{12}\) as a whole. Rather it will discuss the limits of such approaches with exclusive regard to their basic understanding of the politico-economic relationship and the role of human factors in the radical political change.

1) Economic Determinism over Political Factors

In the opening page of his 1973 work, O’Donnell denied “one-to-one” correspondence between socioeconomic structure and type of political system.

\(^{11}\) The B-A model has often been under criticism because of its inaccurate observation of pre-coup developments. For example, Lieuwen criticized that O’Donnell’s oligarchic-populist polarity concept oversimplified the real political spectrum (Lieuwen, 1982, p.12). Cammack does not accept the B-A model’s technocratic rationality and institutionalization concept in reference to the Brazilian regime’s “from hand to mouth” style ad hoc adjustments in the face of politico-economic crises (Cammack, 1982, pp.11-13). Philip argued that he could not see Brazil’s 1964 crisis as the result of structural economic change. He also doubted the B-A model’s explanation of Chile’s 1973 coup. According to Philip, not the exhaustion of ISI but the defeat of the left caused the ascendancy of a hardline military (Philip, 1984, pp.2-4). Finally, see Remmer (1982) for the B-A model’s “level of threat” concept and her criticism of it.

\(^{12}\) One of the major problems of the veto-coup model in terms of its methodology is how to operationalize the concept of the middle-class and how to correctly investigate the social backgrounds of officers. Even though a credible survey can be conducted, knowing the social origins is one thing and explaining the officers’ political behaviour is quite another, as this section criticizes. Finally, given the factional characteristics of the officers’ “peer group”, measuring the majority officers’ class ties may not necessarily lead to the conclusive observation that such groups will take initiatives in shaping the officer corps’ political orientation.
Right after that sentence, however, he emphasized that "knowledge about the former allows us to make certain predictions concerning the latter" (1973, p.1). One step further O'Donnell created a concept of "elective affinity", which in fact amounted to a kind of causality, between a particular stage of capitalist development and the emergence of the B-A state. Thus, though he did not forget to criticize the naïve characteristics of "ahistorical" approaches in the study of modernizing societies, and often commented on the role of politics, ideas, and political actors such as the military (See, O'Donnell, 1976 and 1978, p.11 and Hirschman, 1979, pp.71ff), his main thesis repeated the economic deterministic views of political change.

First of all, O'Donnell believed that the political action — the execution of a coup by officers — was required by the necessities of "deepening" industrialization. According to him, the ultimate cause of the emergence of a B-A state lay in the almost absolute need to attract foreign capital which was indispensable in the promotion of "deepening" and to guarantee the continued advance of capitalist industrial development (Cardoso, 1979, p.38). As a result, even though O'Donnell described the increasing threats posed by the populist classes upon the established and propertied classes, he largely interpreted such threats in terms of economic factors which deteriorated the already exhausted ISI strategy.

In this respect, Stepan counterargued O'Donnell's structuralism by considering that "political exigency" — specifically the threat to elite hegemony by popular movements — rather than economic cause (such as a crisis of ISI) is the unifying theme of exclusionary corporatist regimes like the B-A state (Stepan, 1978). Similarly, Cardoso mainly understood the emergence of an authoritarian regime from the perspective of the crisis provided by
political movements and struggle prior to the military takeover (Cardoso, 1979, p.40).

For Collier, "ideological polarization could not be explained simply as a consequence of the interplay of economic forces". He stressed the need "to place greater emphasis on political explanations of these economic policies" (Collier, 1979, p.8). In short, the B-A model commits a mistake by sticking to economic determinism and unduly ties sociopolitical evolution to the developmental phase of industrialization. As a result, it dismisses a phenomenon that may be purely political, i.e., a crude struggle for power (Lieuwen, 1982, pp.10-12).

As well, José Nun recognized that the class situation of the officer corps did not entirely explain its political behaviour. As a consequence, he made no claim for his study to be exhaustive in that it did not include the very important variable, "circumstantial" efforts (Nun, 1967, p.71).

Despite such concerns for non-structural and more politically-related elements leading to the veto-coup, these theorists did not stray outside the structuralist camps. Nun tended to explain the affiliation between the military and the middle-class by exclusively referring to the officer corps' class background. Huntington did not provide an explanation of why political factors such as an imbalance between social mobilization and low institutionalization should force the military to side with the middle-class. Without delving into the concept of the "middle-class outlook", he simply assumed that the officers' social background would direct them to act on behalf of middle-class' interests. Though Nordlinger tried to avoid falling in the trap of structuralism by elaborating the officers' concern of their corporate interest,
his main thesis generally repeated the others' class determinism.

Overall, the veto-coup theorists seem to share in some respects the basic arguments of the B-A model. First, both models agree that populist movements arise as the modernization process moves to a higher level. Second, the established classes, entrepreneurs (B-A model) and the middle-class (veto-coup model), feel threats from lower-class movements and recognize the necessity of eradicating such pressures. Third, in these situations, the military jumps into the political arena and protects the economic powers' interests against the rising demands of the popular forces.

In conclusion, both models presume that a military coup takes place in the wake of economic crisis (exhaustion of the ISI) and the acute tensions between the middle-class and the popular forces. They save little space for considering political causes for the military takeover and fail to examine why the military has to respond to the economic factors in the way that they describe.

2) Negligence of the Political Actor

Even though the emergence of a B-A state is brought, needless to say, by the direct action of the military --- that is, its execution of coup activity ---, O'Donnell did not pay attention to the role of such a prime actor. In fact he emphasized that the study of the political behaviour of the military required the specification of the "state of the military organization itself" as well as the condition of the larger national society (O'Donnell, 1976, p.197). Given that, it remains an unsolved question why he does not mention at all the "specific nature" of the officer corps in the process of coup making but simply repeats
the determining power of the "deepening" necessities.

Lieuwen criticizes the B-A model because it portrays the military as "innocent, reluctant, almost helpless victims of social crisis that forces it to act". O'Donnell tends to, consequently, "reduce the armed forces to a mere object rather than the subject of political causation". Lieuwen believes the B-A model obscures the real entity, the catalysts and prime movers, namely the armed forces themselves. Instead, he concludes, the military institution and its leaders should be more intensely studied (Lieuwen, 1982, p.12).

Lieuwen's criticism of the B-A model's negligence of the military's nature and its political role hits the nail on the head with regard to the essence of coup politics. As the following section discusses, the military's political intervention is to a great degree decided by its internal characteristics and own will to maximize corporate interest. Insofar as the B-A model fails to incorporate the military's role in the emergence of the B-A state, it cannot but be a "probable" assumption.

Unlike the B-A model, the veto-coup theorists (even Huntington himself who argued that coup should not be explained in terms of the military's organizational character and the social origins of officers) focus on the military as the first cause of a preventive coup. But a closer look at the model's theoretical framework soon reveals that this approach, too, is based upon almost no understanding of the institution.

First, this model overlooks the fact that "class background is but one factor influencing the behaviour of members of the armed forces. Not all military involvement in politics is determined by class considerations" (Ball, 1981, p.572). In other words, the social origin thesis sets aside the possibility
that officers are also (or, more significantly than the class background) influenced by the effects of professional training and process of socialization that they receive, not only in the military academies but also during their careers, and garrison years (Finer, 1962, p.40 and Miguens, 1975, p.106).

Second, officers' ideology and value commitments, and their desire to consolidate the military's political position after taking over power can push them to initiate politico-economic policies which often are not based on class considerations but sometimes on the requirements of nation building and nationalistic inspiration (Odetola, 1982, p.64).

Third, the veto-coup model ignores the military's adhesion to its corporate interests which overshadow any other considerations, such as protection of the middle-class (Miguens, 1975, p.107).

Finally, these theorists tend to believe that officers who join a coup are motivated by political ideologies or affiliations. But it should be remembered that the level of class consciousness among officers, as well as the general population under discussion, are not so high as to direct the military in accordance with class interests. Moreover, officers may come to join a coup, in the motivation by a wide range of personal loyalties and ascriptive personal ties rather than by class motivation (Miguens, 1975, p.106).

In short, the veto-coup model, compared with the other, chooses a right path to the understanding of coup politics in that it starts by focusing on "subjective" role of the military. But it fails to take a systematic look at the specific nature of the institution. Because of such limitations, the model does not provide an effective explanation as to why class origins should have a decisive effect on the officers' political behaviour (See, Luckham, 1977, p.20)
3) Insufficient Consideration of the State Managers' Autonomy

Another weakness of both structuralist models is, due to their attachment to economic determinism, that they cannot successfully explain some post-coup developments which mainly result from the "state managers" — i.e., the military in power — autonomous nature. As new power-holders in the post-coup period, officers are not only interested in expanding their personal and institutional interests, but also, due to their nationalistic inspiration and political needs to enlarge their support base, pressed to commit to the national security and economic development.

If O'Donnell's description of post-coup transformation is correct (i.e., the B-A state has to devise orthodox policies, alienate domestic capital, and ignore the disadvantages of the middle sectors during the first years following a coup so that it can attract foreign capital), the veto-coup theorists can hardly explain such an anti-middle class stance taken by a new state. In addition, the fact that, after a long time of military rule, bourgeoisies in certain countries like Brazil and Chile rose against the authoritarian regime cannot be explained by either model.

In the B-A model, the alliance and tension between the B-A state and capital (international and local) are also very naively explained. First, O'Donnell argues that, despite the military's "anti-capital" nature, the military and

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13 He says that the armed forces tend to be the most nationalistic and least capitalistic of the state institutions, and are most predisposed to define the nation as that which is not foreign and the profit motive appears to them to be of secondary importance (O'Donnell, 1979, pp.301-302).
capital can join together because “economic domination and coercion tend to become transparently close and mutually supportive and indispensable” (O’Donnell, 1979, p.302). Second, international capital cannot resist, in the “trio” period when the B-A begins to cooperate with local capital, the state’s actions because the former is taken “hostage” (O’Donnell, 1979, p.305).

O’Donnell’s interpretation, however, does not accurately reflect reality.\textsuperscript{14} As previously suggested, some capitalist states are willing to maintain a development strategy in which the state behaves as “local capital” and does not hesitate to compete with both domestic and international capital. This phenomenon can hardly be explained unless the state managers’ independent will to pursue their own interests\textsuperscript{15} and commitment to the nationalistic ideology are properly and positively understood.

In short, both the B-A model and veto-coup hypothesis fail to explain some post-coup developments mainly due to their disregard of the state managers’ independence and autonomous will. As both models do not succeed in explaining the cause of coup due to their negligence of the decisive role of officers, they also come short of providing an effective explanation with regard to the post-coup changes and inherent tensions between the state and capital because of their failure to understand autonomy of the state managers.

\textsuperscript{14} For example, the expansion of the Brazilian state’s economic role has stimulated bitter reactions not only from local but also foreign capital (See, Black, 1980, pp.629-30).
\textsuperscript{15} As Brazil’s experiences unequivocally tell, the state managers may ignore economic logic in the face of political need. For instance, populist economic policies can be implemented around elections so as to enlarge support among popular elements (Skidmore, 1973, p.9).
4) Inability to Explain Regime Change

Finally, the theoretical base of both models make them unable to explain either minor regime change\textsuperscript{16} or major change like regime breakdown or the military’s disengagement. Because the B-A state is said to emerge from the necessity of “deepening”, the model seems to presume that the new military regime will last as far as such an economic necessity exists. Given that a new stage of capitalist development will not be exhausted in a few years, the B-A model presuppose a long survival of the B-A state.\textsuperscript{17}

Consequently, if a B-A state breaks down after a certain timespan, the model is forced to find whether there were any serious changes in the economic conditions which lead to the emergence of such a new state. The fact that various kinds of state transformation take place even though similar economic circumstances continue, however, presents a difficult dilemma for O’Donnell’s thesis.

To repeat, the B-A model recognizes the sources of tensions in the B-A state. First, the B-A state in its initial period of implantation has to face reactions from local capital and the middle sectors. Second, after allowing local capital into a “trio” coalition, the B-A state’s commitment to the

\textsuperscript{16} For example, the B-A model’s assumption of “institutionalized” rather than “personal” rule in the B-A state presupposes that it will be “more stable and long-lasting, and less susceptible to international pressures” (Dix, 1985, pp.569-70).

\textsuperscript{17} On the other hand, Cammack criticizes the model because of its failure to provide a clue “as to what the long-term nature of the regime might be” once the immediate crisis, which is said to bring about the B-A, is passed. He indicates the “transitional” nature of the model because it focuses on exceptional circumstances. See, Cammack, 1982, p.10.
"national grandeur" and "general interest" will inevitably undergo confrontation with the economic powers. The model, overall, does not discuss in detail how serious both tensions will be and whether or not the state can survive such pressures. Given the model's assumption of a coercion-technology-capital coalition, it may be said that O'Donnell believes the B-A state will continue to exist unless fundamental changes arise out of the original economic condition.

On the part of the veto-coup theorists, little has been said so far with regard to regime change. But given the fact that the lower-classes' challenge to the established rule of the middle-class is the structural product of the modernization process, as the model assumes, it can be said that the middle-class will face fairly long-term pressures from their opponents. Thus the military's presence in politics, or at least the system directly backed by the institution, is not expected to be called off in the near future.

In short, both models' attachment to structural factors generally precludes any serious possibility of regime change in the short period. The failure of structuralist approaches to explain regime change is again caused by their negligence of politics and the political actor. First, they do not take into consideration the possibility that a military regime may be shaken by popular forces' political pressure. Second, more importantly, they dismiss the fact that the military can decide to disengage in accordance with its tradition, ideology or because of the consideration of corporate interest. In short, the B-A and veto-coup models' inability to explain regime change directly results from their structuralist understanding of political change.

3. Reaction to Structuralism: The Actor Model
So far it has been argued that the structuralist approaches to the military coup d'etat have, in their essence, a methodological framework similar to classical structuralism. As a result, both the B-A model and veto-coup hypothesis are believed to be subject to criticisms identical to those made about classical structuralism. In reaction to such flaws in structuralist views, a number of researchers have recently begun to develop the "Actor Model", a "voluntaristic" or "probabilistic" approach. Among those, Linz and Stepan's huge edition of *The Breakdown of Democratic Regimes* (1978) deserves particular attention because it most systematically seeks to formulate an Actor Model for the explanation of radical political change like regime breakdown.

According to Linz, this approach emphatically focuses on political leadership over socioeconomic structure, and believes that immediate political incidents on the micro level, rather than structural elements of the macro level, play a more imminent role in causing political change (Linz, 1978). Stepan summarized this voluntaristic understanding by pointing out that "macro-sociological factors do not in themselves lead inevitably to" political change. Instead, it is political actors that eventually create a historical change. Because this approach assumes that the interaction of key actors and issues at the micro-political level results in political change, primary attention has been paid to the quality of individual political leadership, problem-solving behaviour, and the decisive impact of specific incidents (Stepan, 1971, p.133).

In parallel with the basic philosophy of the Actor Model, a good number of scholars engaged in the explanation of coup politics have refused to treat the armed forces as "passive objects" and, on the contrary, regarded the military as "the unit of analysis". In other words, efforts have been made to focus on the military institution's nature, ideology and officers' political will,
adhesion to their corporate interest as primary causes of the military takeover and the subsequent developments in the post-coup regime.

In this respect, for example, controversies over the military’s professional development certainly reflect the philosophical trend of the Actor Model. That is, whether confirming or opposing Huntington’s well-cited thesis that military professionalization prohibits officers from intervening in politics,\(^{18}\) those involved in the controversy share one common factor --- they regard the military’s ideology and characteristics as essential causes of a coup.

In line with this, Thompson introduced the “grievance coup” concept. Because coup-making is a risky enterprise, he suggested, “it is reasonable to assume that the individual coup-makers have motives, grievances, and goals of their own for which they are willing to assume the risks of death, imprisonment, exile, or demotion” (Thompson, 1973, p.6). According to him, a substantial majority of coups were catalyzed by “corporate grievances”, and officers risk coups so as to solve their personal and institutional disadvantages (Thompson, 1973, pp.12-39).

\(^{18}\) In 1957 Huntington claimed that professionalism makes military officers uninterested in matters not strictly professional, as long as civilians refrain from interfering in the institution’s autonomous sphere (Huntington, 1957, pp.8-10 and pp.83-85). However Huntington’s professionalism thesis has since then faced numerous critics who, on the contrary, argue that “the larger and more sophisticated the armed forces, the more likely they intervene in politics” (Janowitz, 1964, p.42 and Abrahamsson, 1972). In addition Barros attacked Huntington from the Latin American context. According to him, the military’s professionalization aggravates officers’ “structural unemployment” which is caused by the military’s loss of their classical defence function from external enemy. Consequently, Barros claimed, the professionalized Latin American military tends to intervene in politics in order to overcome structural unemployment. See, Barros, 1981, pp.343-44.
V. The Interactive Model: Officers In the Structure

1. Synthesis of Structuralism and Voluntarism

The Actor Model theorists, because their basic understanding that political change is carried out by human factors' political action, compared with the structuralists, can more effectively and dynamically clarify the process leading to political change. On the other hand, such a voluntaristic approach may cause a misunderstanding that political actors function in a "social vacuum" (Cardoso, 1973, pp.142-43). In other words, the model seems to presuppose that political actors are constrained and directed by their "voluntaristic wills" but not at all by societal pressures.

Second, due to their ignorance of the structural factors, these theorists are usually unable to analyze long-term developments in the modernizing societies. They tend to close their eyes to the inherent conflicts resulting from the process of capitalist development. As far as they omit these structural causes of conflicts, the Actor Modelists are unlikely to formulate a systematic and more theoretical analysis.

In an extreme case, the Actor Model may assume that, with respect to the coup phenomenon, the armed forces, as "external factors" being aloof from the structure, interfere in politics because of personal ambition and claim that the solution to praetorianism just depends on a change of mentality on the part of army officers. To put it in other words, an uncritical application of the model can drive people to the point that the study of military intervention
may become more and more dependent on a simple psycho-analysis of officers (Nun, 1967, p.104).

To repeat, this study does not agree with the structuralist interpretation of political change, in particular, that of coup politics. Its failure to include an intervening variable between structural elements and political outcomes prevents structuralists from articulating an effective explanation for such political incidents. On the other hand, this study does not overlook the Actor Model's limits, which arise from its exclusion of the significant impacts of structural pressures.

Because the emergence of a military regime and the subsequent regime's politico-economic policy are the main target of this study, an Interactive Model is proposed to meet such questions. The model, synthesizing both structuralist and voluntarist approaches, first fully recognizes the methodological effectiveness of the Actor Model. That is, this study assumes that political change is brought by the hands of political actors, and it is not automatically caused by structural strains *per se*. In the meantime, the actors do not work in a structural vacuum, but are forced to respond to circumstantial pressures. But such structural factors are "subjectively" interpreted by human actors. Thus, though political actors are believed to be influenced by structure, they are not "conditioned" by it. In short, the Interactive Model presumes that political actors behave in accordance with their ideology and interests and are only secondarily affected by structural elements. But in the cases where the latter "hits" the actors' interests or ideology, it is believed to exert much more than secondary influence in the process of political change.
The fact that this study attempts to explain coup politics and that officers exclusively control physical force make it legitimate to consider the military as a prime actor. But as Finer (1962) illustrated, both the "disposition" of the military and "suitable opportunity", and, as Thompson (1973) introduced, both the "pull" (i.e., regime vulnerability) and the "push" (such as the grievances of coup-makers) elements for the necessary and sufficient conditions of a coup, the prime actor has to function in conjunction with societal pressures. But again the military is not dominated by the structure. Rather the latter is autonomously interpreted and translated into the process of political change by the actor. With this understanding, this study characterizes officers as "coup-makers" in the pre-coup period and the "state-managers" in the post-coup period.

In the following pages, the Interactive Model will describe three factors which are believed to direct officers in the pre-coup period and the state-managers in the military regime with regard to their decision to stage a coup and their choices of politico-economic policy: political will, ideology, and commitment to their corporate interests.19 Though these factors primarily originate from the military's internal characteristics, they are described as interacting with various kinds of structural elements.

2. Political Will of the Military

19 Observing Chilean politics, Sigmund drew a similar conclusion. He first criticized Nun, Huntington, and O'Donnell on the ground that "the strongest group opposed to Pinochet today is the largely middle-class". Second, the Chilean military as a corporate group took actions for reasons related to the defence of their own professional interests, their conception of national viability and security. Third, Pinochet continued to expand his personal power even against the interest of the middle-class. See, Sigmund, 1982, pp.113-14.
The Hobbesian understanding of human nature that man is endlessly struggling for political power is also applied to officers. That is, insofar as the military retains physical forces that can implement the officers' will over civilians and the door to political intervention is open, officers are believed to be hardly able to hold back their political instinct for power. Simply speaking, it is necessary to consider that, in spite of all the institutional constraints (such as "civilian ethic", professionalism, etc) or structural restrictions (such as high level of political institutionalization and the tradition of civilian rule), officers' instinctive desire for power tends to lead them to seek an opportune timing for political intervention.

For those "coup-ready" officers, sociopolitical disorder and economic crisis provide a good excuse for their intervention. Among others, however, political crisis accompanied by the rise of leftist forces seems to particularly stimulate officers' political motivation. Also, any civilian attempts that come to threaten the military's corporate interest greatly legitimize the officers' will-to-power.

Once the military assumes power, it is subject to another political will --- to consolidate its rule. Thus, besides their value commitment to national development and corporate interest, officers' desire to maintain political power also directs them to pursue certain set of policies. If they believe that economic development is essential for their rule's legitimacy, officers usually tend to ally with the economic powers. On the contrary, if they face the

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20 Huntington explained the army's suspicion of personalism and strong popular leader from this perspective. "The Army wants no Peronism, no popular party that could be organized in such a way as to threaten the Army's dominant position as interpreter and guardian of the national interest". See, Huntington, 1973, p.227.
necessity of expanding their support base among popular forces, more nationalistic and distribution-oriented policies will be sought.

In short, the Interactive Model rejects conventional literature that attempts to explain the military’s intervention and the politico-economic policies of military regime without considering the officers’ political will.

3. Ideology of the Military: Stability, Security, and Development

One of the important characteristics of the military is its conservative mind which adheres to order, hierarchy, and discipline (Abrahamsson, 1971, p.68 and Nordlinger, 1970, p.64). The military’s conservative ideology is said to be reinforced by the institution’s hierarchical command structures, tradition, the order maintenance function, senior officers’ social origins, and training introduction (Wolpin, 1983, footnote #1).

According to Abrahamsson, many of the conservative values and attitudes appear to facilitate and tend to support the military’s professional role. Thus conservatism and professionalism are assumed to be “mutually supportive”. Second, the officers’ “historical association with ruling elites” and “ties with business and industrial elites” seem to strengthen the military’s conservative values (See, Abrahamsson, 1977, pp.67-71).

In addition, the officers’ conservatism is also believed to be associated with foreign influences. Focusing on the effects of “external political socialization”, for example, Wolpin argued that the military’s propensity to intervene against radicals or populists is significantly increased by ideological indoctrination and interface relations in the course of training abroad (Wolpin,
1975, p.262). Meanwhile military aid from foreign powers is also thought to shape officers’ conservative orientation (See, Berghahn, 1979, pp.81-82).

The military’s conservative mind is believed, in turn, to greatly contribute to the officers’ strong preference for social stability. In other words, the officers’ normative attachment to order and hierarchy stimulates their “overwhelming concern for political stability”. As a result, the military shows a “keen sensitivity to any divergence from the status quo that contains the potential for unwilling change” (Nordlinger, 1970, p.1137). Their anxiety for order forces them to expect a particular form of political stability that is described as almost equal to an “apolitical calm” or “stability of a vacuum” (Feld, 1968, p.68).

However, the military’s ideal state of political stability is often subject to disturbance by “erratic movements” in the civil society. Especially for those reform-demanding popular forces in the developing countries, because of a political environment that does not allow peaceful and effective mechanisms of political appeal, disorderly actions such as illegal demonstrations, marches, strikes, and riots seem to be the only possible alternative. Consequently order-minded officers tend to confront the populist classes (Nordlinger, 1977, p.175).

Another important element of the military ideology is its professional commitment to “national security”. In the developing societies, however, the military’s understanding of the national security goes beyond the conventional one that is exclusively limited to the defense function against external enemies. First, it is so expanded that there is blurred differentiation between security issues and other civilian politico-economic matters. Officers now
define the concept of national security not only in military terms but also from the political and economic perspective. As a result, civil society is not separated from security operations. This is because officers regard the former as a reserve of manpower and materials on which they can draw (See, Wolpin, 1983, pp.212-13).

Second, in some societies, especially those of Latin America, the traditional concept of national security has also been transformed for another reason. Because there has been little necessity to resist a major invasion or of serious fighting abroad, the military's function has been converted from defense to the preservation of internal order. In the wake of the Cuban revolution shocks and in reaction to the appearance of guerrilla movements, the Latin American military's prime function has largely moved to an "anti-subversive" role.

In parallel with the transformation of their raison d'etre from national guardian to the security force, however, officers tend to interpret their role in a very ambitious way (Philip, 1984, pp.7-8 and Lieuwen, 1982, pp.2-3). Now political intervention has become a matter of their professional interest (Nun, 1967, p.110). O'Donnell noted that the ideology of national security permitted the transformation of the conception of the military's organizational interests into an argument justifying the military's intervention by citing urgent needs to "improve the state of society" (O'Donnell, 1976, p.212). In this regard Stepan differentiated "New Professionalism" from the old one in that the former stimulates officers to take "non-temporary" political roles (See, Stepan, 1973).

Finally, in addition to the expanded understanding of national security, the officers' belief that they can best represent the nation's interest and self-
confidence of their organizational and technical capability force the military to
extraordinarily commit to national development. Though the officers’ political
calculation of expanding their political support base and their involvement in
commercial activities also direct them to work for economic development, the
military’s nationalist ideology is believed to lead them to place a significant
priority on the development project. Particularly in connection with the
expanded concept of national security, officers tend to recognize the
importance of economic development in that its achievement is indispensable
in performing anti-insurgency operations (Palmer, 1982, p.134 and Wynia, 1984,
p.84).

In the meantime, the officers’ commitment to national security and
economic development comes to strengthen already negative perceptions
toward the anti-system populist movements. Officers are inclined not only to
believe that these reform-demanding movements bring something not far from
economic collapse (Wesson, 1982, preface) but also believe that they incite
class struggle which undermines the economy and divides the nation (Luckham,
1977, p.27). As a result, the military usually turns a deaf ear to the lower-
classes’ demands.

4. Corporate Interest of the Military

The third principle that directs the military’s political behaviour is its
desire to maximize the institution’s corporate interest. Officers’ concern for
their corporate interest is so serious that Nordlinger once characterized the
armed forces as a country’s most powerful “trade union” which acts to
maintain or increase its wealth and prerogatives even when these values
conflict with the aspirations and interests of larger segments within the society (Nordlinger, 1970, p.1134). Thus the military is believed to be importantly affected by considerations of corporate interest when it decides to stage a coup. After taking power, officers tend to formulate politico-economic policies in the direction of accommodating their institution's ultimate interest.

One element of the military's interest is to defend its institutional and professional autonomy. When civilian government attempts to unduly encroach such a "sacred domain", officers react most seriously. As the Brazilian case of 1964 clearly exemplifies, in the face of challenge to the institution's basic principle (such as hierarchy, autonomous right in regard to the internal affairs, etc.), even the "legalist" or least politically-oriented officers come to join with radical interventionists who stress the necessity of political action.

The military's hatred of leftist or populist forces can also be effectively explained when the officers' concern for corporate interest is taken into consideration. Besides the effects of rightist indoctrination, officers' self-preservation instinct generates a kind of anti-left paranoia. Especially in Latin America, Castro's 1959 annihilation of the Cuban military establishment, his summary execution of the senior officers, and his campaign to spread his revolution throughout Latin America filled the officer corps with horror and apprehension (Lieuwen, 1982, p.8 and Wynia, 1984, p.84).

Officers' suspicion of leftist radicals is also aggravated by the former's belief that the latter tends to develop anti-military sentiments (Wesson, 1982, pp.28-29). In fact, their worry has been historically proven to be rooted in reality. It is the army who feels a threat to its raison d'être itself when the
Left tries to form a popular militia, partisan paramilitary forces and to self-arm union members. The Indonesian Communist Party's (PKI) involvement in the plot to overthrow the military establishment in 1965 and the Chilean "maximalists" movement to arm the workers in 1973, for example, must have stimulated the officers' self-protection instinct to make up their minds for coup action.

On the other hand, the military has another "good" reason to oppose the rise of the popular forces: zero-sum choices between guns and butter. Nordlinger explains that the lower-classes, especially those who are politically organized, constitute an additional contender to officers for not only power but also scarce resources. In fact, most progressive economic change requires considerable public expenditures (for instance, increased welfare expenses). Thus officers are inclined to stand against the socioeconomic changes aiming at a direct realignment of budgetary priorities and to defend the societal status quo (Nordlinger, 1970, pp.1134-35 and Ball, 1981, pp.574-75).

At the same time, there is also a "positive" reason that pushes the military to closely associate with the established economic powers in the face of the populist movements. It is because, somewhat crudely expressed, "capitalism allows a relatively small group of individuals to control the political and economic system of a country". In other words, increased political participation of the masses will prevent elite domination (Ball, 1981, p.572).

Finally, there exists a possibility that the military's concern for corporate interest persuades officers to give up political power and decide to disengage. According to Needler, officers may recognize that the military's prolonged
stay in the political arena destroys the internal cohesion of the military institution, its discipline, and *esprit de corps*, and as the result, it degrades the military's ability to perform in national defense (Needler, 1982, p.208). Thus the officers' professional aspiration of increasing their institution's ultimate interest may dampen their political will and motivation.\textsuperscript{21}

5. The Interactive Model In Function

Overall this study assumes that a political actor's (i.e., military officers) political behaviour is shaped by his political will, ideology, and desire to maximize the corporate interest. Though the Interactive Model does not preclude the possibility that any one of these three factors alone directs officers to take political action, its underlying assumption is that such prime actor's political behaviour can be better understood when these variables altogether are organically taken into consideration.

This model also recognizes the impacts of structural factors, though being secondary in comparison to the others, upon the political actor. From the analysis of the politico-economic situations of developing societies, owing to the structuralist approaches such as the B-A model and the veto-coup hypothesis, this study believes that there exist another three "potential"

\textsuperscript{21} In this respect, Brazilian military regime's decision to loosen up its political control (called *abertura*) needs to be considered. By the mid-1970s, when Brazilian leaders recognized the necessity to allow partial democratization, the security forces had acquired such autonomy and insulation from the regular military that it was perceived to be generating corporate threats to the military as an institution. Thus the military elites decided to reduce the autonomy of the secret service apparatus from the military as government, which means partial yield of political power to civilians (Stepan, 1985, pp.337-38).
variables in the structural circumstances: political disorder, rising voices of popular forces, and the economic logic of capitalist development.

Unlike the structuralists’ arguments, however, the Interactive Model does not consider that such structural factors “directly and automatically” result in political change. On the contrary, the political actor himself brings about a coup and initiates post-coup transformations. Thus the model denies the probability that officers are forced to respond to structural pressures which are not inherently related to the “non-structural” three factors.

But the Interactive Model presumes a certain context in which structural elements are directly connected to the officers’ political will, ideology, and concern for corporate interest. In that case both sets of structural and non-structural factors are believed to interact and, thus, the former reinforces the latent existence of the latter. As the following figure illustrates, for example, structural elements of political disorder tend to stimulate officers’ political will and aggravate their worry about national security and economic development.

On the other hand, the rise of the populist classes will conflict with the military’s professional commitment to national security, but, most seriously, confront its corporate interest. Finally, it can be said that the logic of capitalist development is going to strikingly influence on officers’ admiration of national development. In addition, it is also related to the state managers’ desire to consolidate political rule because it can help them expand their legitimacy.

To conclude, though the military as prime movers of political history in certain circumstances, is ultimately responsible for the developments in the
FIGURE 2.1: The Interactive Model in Function

pre- and post-coup period, it does not behave in a "structural vacuum". Thus
the officers' political action, the new model claims, can be most effectively
explained in conjunction with their interaction with structural factors.
CHAPTER 3

POLARIZATION CRISIS : RISE OF THE LEFT AND
THE POPULIST ECONOMY ON THE EVE OF A COUP

I. Introduction

This chapter attempts to analyze the nature of the political and economic crisis prior to the military's upsurge in each of the four countries under discussion in this study. Above all, ideological conflicts in the wake of the leftist forces' rise will be focused on as a main target of discussion. Since one of the two principal questions of this study is whether there exists any "structured" causality (or, as O'Donnell termed it, "elective affinity") between a military coup and an ideological polarization which results from increasing political and economic participation by the popular classes and which is accompanied by a crisis of the capitalist economy, this chapter is indispensable in the close examination of such a question.

The following chapter is not trying to identify those factors leading to the breakdown of a civilian regime. Instead it narrows its purpose to characterizing the ideological and class conflicts in the pre-coup period. In other words, this chapter will confine its task to describing political, ideological, and economic developments on the eve of a coup so that it can provide a base for discussing the causes of a coup and measuring the impacts of a leftist rise on the military's political action in chapter 5.

In tackling such a question, however, this study must overcome one obstacle: divergent situations and experiences in each of the four regimes
make it practically impossible for direct comparisons among them. Needless to say, these countries have different histories, political traditions, and economic structures. First of all, aside from historical and structural peculiarities, they did not share a common ideology prior to the collapse of the civilian regimes. Allende’s Chile experimented with authentic socialist ideology and attempted radical economic restructuring. On the other hand, Indonesia and Brazil’s ideologies centered around rather moderate leftism and the leftist groups were largely used as political tools by the political leadership. In Thailand, the civilian governments were close to the center, but political activists were deeply polarized between the Left and Right.

The central elements of each political leadership were also quite heterogeneous. Except for Allende, no chief executives were directly elected by the people. Brazil’s Goulart succeeded a vacant presidency. The two Thai prime ministers were elected in the parliament, while the other one was appointed by the king. Indonesia’s Sukarno could ignore electoral procedures owing to his charisma. In addition, each regime had some peculiar political legacies. In Chile, along with the long parliamentary tradition, the Left could legally participate in elections. In Brazil, since the 1930s, populist trends had spread. Sukarno’s entourages had been inclined toward socialist, as well as strong nationalist, ideologies. Uniquely, in Thailand, the monarchy had a decisive influence over politics.

Economically, Thailand and Indonesia possessed structurally different characteristics from those of the two Latin American countries. The two Southeast Asian economies had long been dominated by the agricultural sectors and industrialization and urbanization remained at low levels. They
lacked powerful domestic entrepreneurs and had to rely heavily on the indigenous Chinese capitalists. On the other hand, Brazil and Chile, with a relatively high degree of industrial development, had been incorporated into the world capitalist economy, and, as a result, been subject to serious influence from Western capitalists. Meanwhile, as Import-Substitution Industrialization (ISI) became exhausted, the working alliance between urban industrial workers and industrial capital eroded. The results intensified the necessity of qualitative changes for development strategies and conflicts between the old allied classes.

In sum, Indonesia and Thailand from Southeast Asia and Chile and Brazil from the Southern Hemisphere, during the specific time-span of this study, demonstrated numerous and important differences in both political and economic dimensions. These outright differences, however, do not hide some interesting and significant similarities across the four cases (See, TABLE 3.1).

### TABLE 3.1 THE FOUR REGIMES AT A GLANCE

<table>
<thead>
<tr>
<th>Country</th>
<th>Period</th>
<th>Leadership</th>
<th>Ideology</th>
<th>Peculiarities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chile</td>
<td>1970-73</td>
<td>Allende</td>
<td>Left</td>
<td>legalized Left</td>
</tr>
<tr>
<td>Brazil</td>
<td>1961-64</td>
<td>Goulart</td>
<td>Center</td>
<td>populist tracion</td>
</tr>
<tr>
<td>Indonesia</td>
<td>1958-65</td>
<td>Sukarno</td>
<td>Center-Left</td>
<td>charismatic leadership</td>
</tr>
<tr>
<td>Thailand</td>
<td>1973-76</td>
<td>Kukrit et.als.</td>
<td>Center-Right</td>
<td>monarchy</td>
</tr>
</tbody>
</table>

First, in all four cases, there occurred the emergence of leftist forces, though varying in speed and degree. In reaction, alarmed rightist conservatives counter-mobilized their forces to destabilize left-oriented populist governments.
While extreme elements from both ideological poles accelerated extra-constitutional struggles, the polarization deepened. In the economic field, the regime-managers attempted to reinforce populist policies which could appeal to the popular classes as well as the leftist elements. This development seemed to be the most viable option for weak political leaderships to enlarge their support base. On the other hand, excessive radicalization pushed the status-threatened socioeconomic elements to stand against the populist regime. At the same time, the nationalist and anti-Western line of each of the four administrations brought about explicit counteraction from Western governments, in particular, the U.S.

In short, the acceleration of ideological polarization and the implementation of populist economic policies stimulated the runaway politico-economic conflicts to a higher phase. The result was an elimination of the middle-ground solution and an emotional inclination to a violent solution.

In the following section, the process and nature of ideological polarization will be examined. After a short discussion on the characteristics of each populist leadership, the rise of the left and the reactionary mobilization by the Right will be observed. In Section III, the nature of economic policy and class conflicts caused by such policy will be examined. And then the political implications of a populist economy will be discussed in Section IV. Finally the meaning of political, ideological, and economic conflicts in the pre-coup period will be addressed.

II. Ideological Polarization

1. Nature of the Populist Regime and Its Political Leadership
The four regimes in this study all attempted various kinds of reform, from moderate to radical. The political leaderships' ideological nature directed them to do so. At the same time, such reformist policies were indispensable for those leaders who were interested in enlarging their political support. In fact, no populist regimes\(^1\) had a solid political base in terms of legality or personal charisma (But Indonesia's Sukarno may be an exceptional figure in that he possessed unusual charisma). The lack of strong support inhibited the populist leadership from further implementing reforms because of mounting opposition. As time went on, reform-oriented regime-managers got stuck between the radicals on their side and angry anti-left conservatives. Therefore, the political leadership became more and more vulnerable to illegal solutions.

The Allende government in Chile was the first elected Marxist regime in the Western hemisphere. Allende's victory in the presidential election was also the culmination of the Chilean parliamentary system. In Chile, from the turn of this century on, electoral politics had been well established. Except for a short

\(^{1}\)Though no clear-cut differentiation between the populist movement and the leftist movement can be readily made, in this study, the former's "non-ideological" and opportunist nature is principally emphasized. Therefore, Wesson's description of populism as follows is generally accepted:

"[The populist] movement is initially non-ideological, although radical ideology may enter at a later stage. The populist leader does not at the outset propose to restructure society... The populist politicians owe their success to the existing society and do not want a social revolution, which would destroy them" (Wesson, 1982, pp.20-21).

However, this characterization of populism has some difficulty in including Allende's Chile which was seriously ideology-minded. Thus the term, populism, is used in this study with exclusive reference to the tendency of pro-lower class reformist movements to resort to popular mobilization as a means of expanding their power base. This study included the Allende regime in the populist category by focusing on its commitment to the welfare and benefit of the lower classes.
period in the 1930s, civilians had been in charge of politics. The maturity of Chilean democracy had already fostered the birth of a populist government as early as in 1930s. Interestingly enough, the Chileans had alternately experienced ideologically diverse governments: the Rightist (Alessandri) government from 1959 to 1964; the Centrist PDC (Frei) government from 1965 to 1970; and the leftist coalition government in the early 1970s.

Allende's takeover of the presidency, however, did not mean rapid growth of either his personal popularity or the electoral majority of the leftist parties. As will be discussed in the next section, Allende gained a smaller percentage of the votes in the 1970 elections than he had in the previous election in 1964. Neither had there been a dramatic electoral realignment toward the Left. Allende's assumption of power was rather the "result of the inability of Chile's polarized political system to structure a winning majority coalition before the election" (A. Valenzuela, 1978, p.39). In short, he was a "minority" president, winning only 36.2% of popular votes. The Municipal elections of 1971 (48.6%) and the Congressional elections of 1973 (43.9%) gave moderate successes to Allende, but were far from securing a majority. To the misfortune of the Chile's democracy, these two elections decisively dashed the hopes of the conservatives to stick to electoral politics. At the same time, Allende's political base, the leftists, also lost the hope of winning an electoral majority through which they could further radicalize the reforms. In a word, Allende's failure to obtain the electoral upper-hand resulted in deep frustrations to the Left. But the Right, too, gave up its commitment to the Constitution.

As far as ideology is concerned, Allende was a "born-socialist". As a
leader of the Socialist Party (PS), he devoted his whole life to the realization of socialism. As a socialist, he simplified his class-oriented ideology by proclaiming, after the 1973 election, that "I am not president of all Chileans". He placed his top priority in structural change and economic development to improve the economic status of the poor and underprivileged. He was willing to accept "the cost of revolution" such as political instability and economic dislocation resulting from class-oriented reform (Sigmund, 1980, p.11).

Though he is frequently cited to be a romantic admirer of Cuban-style armed revolution (Sigmund, 1980, preface xiii), Allende was a parliamentary politician who believed the possibility of the "Chilean Road to Socialism" (La Via Chilena). He preferred a so-called via pacifica (peaceful route)\(^2\) rather than an insurrectionary route (Oppenheim, 1985, p.59).

"In our political model, we want to use the bourgeois institutional framework to achieve the changes .... In the Chilean case the use of legal institutions is possible because they are open to the possibility of change" (Allende's Opening Address at the International Round Table, 1972. From Zammit, 1973, p.19).

Brazil in the early 1960s was undergoing political tumult because of the mixed effects of two-interrelated facts: legacies of populist politics and a staggering democracy in the face of an impatient military. Since Vargas' elevation to the presidency in 1930s, Brazil's presidents from Vargas to Kubitschek to Quadros had pursued populist policies. As a result, Goulart had

\(^2\) His negative stance to the via armada was also influenced by the consideration of maintaining the military's loyalty. See, chapter 5.
to pay for the costs of the populist economy. On the other hand, the military from the 1950s on had raised its political voice and Goulart himself faced serious objection from officers over his succession of Quadros.

A wealthy ranch owner, João Goulart’s political debut was made as Minister of Labor during Vargas’ second term. But the cabinet position was soon taken away from him under the pressures of the military angered by Goulart’s attempt to double the minimum wage, with probable costs to the officers’ portion. Since then, Goulart had been largely disliked by the officers due to his personality and pro-populist orientation (See, Wesson and Fleischer, 1983, pp.19-24). In the succeeding presidencies of Kubitschek and Quadros, Goulart was twice elected as vice-president. In 1960, president Quadros suddenly resigned in the hopes that such a dramatic action would aid his campaign of strengthening presidential power. Quadros thought the military would not allow the *persona non-grata*, vice-president Goulart, to fill the vacant presidency (Wesson and Fleischer, 1983, p.18). But owing to the “constitutionalist” officers, Goulart was able to take over the presidency on the condition that parliamentary checking powers against the president would be strengthened. On entering the president’s office, Goulart began to maneuver politically through elections, plebiscites, and campaigns in order to bolster presidential power once again (Stepan, 1978, p.118).

In terms of Goulart’s ideological attitude, no outright classification is possible. He surely had deep concern for the welfare of industrial workers and peasants. In his proposal of Basic Reform (1964), a left-oriented populist inclination (for example, he promised to legalize the Communist Party) was detected. On the other hand, he appointed anti-communist generals to
command the Fourth Army in order to control the leftist movement. His seeming opportunist position was skeptically interpreted by both the Left and the Right. Moreover key communist leaders did not agree with Goulart’s mobilization strategy.\(^3\)

As a result, he failed to attract full support from the popular forces, while at the same time losing “passive” support from the military. In retrospect, Goulart’s resort to mass rally and popular mobilization was more motivated by the political calculation of enlarging his power than by personal notions of establishing a socialist society.

From the Independence of 1948 on, Indonesia had been under Sukarno’s charismatic rule. In 1958 he dissolved parliament and tried to double his personal power under the system of Guided Democracy. Though he beautified this palace-coup with the cosmetics of socialism, Guided Economy, and development, his wish to strengthen his power base also played an important role in maintaining the ultra-constitutional system. In the “early Sukarno period” of 1927-1933, he vigorously pursued social radicalism and anti-capitalism. But in the 1960s, when Guided Democracy was fully established, Sukarno’s pro-Western, right-oriented conservative policies, such as the Economic Stabilization Program of 1963, were frequently implemented.

For this and other reasons, Sukarno has often been recognized as a conservative. His alliance with the Indonesian Communist Party (PKI) is also

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\(^3\) Besides their distrust of Goulart, the leaders of the Communist party, like Luis Carlos Prestes thought that it was not yet time to mobilize the country. “He feared that a premature attempt to radicalize the country and eliminate the bourgeois from a reform coalition would precipitate a countercoup in which the communists would be destroyed”. See, Stepan, 1978, p.124.
subject to be interpreted as the outcome of political needs --- i.e., "balancing
tactic" between a powerful army and a mass party with good organization. As
a "balancer", Sukarno is believed to have manipulated the two power groups
to check each other so that he could consolidate his own power base. Thus,
Feith concluded that Sukarno was not pro-communist. "Rather he depended on
the PKI to help him maintain his bargaining position vis-a-vis the army"
(Feith, 1967, pp.337-338).

On the contrary, Housewedell argues that Sukarno was a radical rather than
a conservative. According to him, Sukarno, since independence,
"may have merely postponed and not abandoned social radicalism
to a time when the first stage of the revolution --- the national
revolution against imperialism --- was completed. After 1963,
when the unified state with the inclusion of West Irian had been
established and all domestic rebellions had finally been quelled",
a marked departure from the previous period took place in the 1964-65 time
span, and a radical trend in both domestic and foreign policy was seen
(Housewedell, 1973, pp.113-114).

In fact, Sukarno's anti-Western, nationalist sentiments seem to have
reinforced his socialist-inclined impulses. Around the time of independence,
most of the Indonesian leadership had good feelings toward socialism which
they thought stood against Western capitalism.

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4 Legge is one of those who clearly identified Sukarno as a "balancer". He
thought that Sukarno's ultimate aim was to preserve his own position and
power and he did not really want a fundamental restructuring of the social
order. Sukarno was said to have no clear vision of social change and no
"Most discussions of Indonesia's economic future have been couched in broad 'socialist' terms, of have at least paid lip service to socialist ideals" (Mackie, 1971, p.43).

Accordingly, the slogan of "Socialism à la Indonesia" had been used as if representing an official ideology.

Despite such links to the communists, Sukarno's ideological characteristics are far from clear. He had actually made ambiguous turns both to the Left and Right. More importantly, like Brazil's Goulart, he may have approached to the PKI in order to rely on its mobilization power. In spite of his charismatic popularity, Sukarno lacked a national organization to back up his power base and to implement reforms. But it is not the question of how genuine Sukarno's commitment to the socialist ideology was, but how seriously his outward-looking ideology irritated the conservatives in Indonesian society that matters in this study. No matter how close his ideological line was to that of an opportunist, Sukarno's protection of the Communist Party must have prompted counter-mobilization of the Right under the leadership of the military.

The short period of the democratic experiment from 1973 to 1976 in Thailand most symbolically characterized the ill-fated polity which was given the opportunity to retain a civilian regime after decades of military rule. In 1932, the Thai military dissolved an absolute monarchy and took power themselves. Since then, Thailand had been under the military's control except

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5 Despite his adoption of the Stabilization Program in 1963, most people considered Sukarno to be an anti-Western and anti-capitalist figure. They believed that his 1963 turn was the product of an opportunist nature, not an ideological change.
for a few intermittent years. During four decades prior to 1973, seven coups and four attempted coups had been staged. In this period, four prime ministers from the armed forces had ruled the country for 34 years, while seven civilians stayed in power about eight years (See, Samudavanija, 1982).

The long tradition of military rule suddenly ended in October 1973 in the midst of the "Student Revolution". The ruling military clique, Thanom—Praphat had to flee from as many as four hundred thousand students who stormed Bangkok's streets. Along with the college students, King Bumiphol and an anti-Thanom/Praphat military faction led by Gen. Krit Sivara dealt the final blow to the regime (See, Suh, 1986).

The unexpected departure of the military leadership from the political arena left a vacuum in the power center. Though civilians were allowed to organize the government, they could not produce central figures and political forces able to end the chaos. Instead, the democratic experiment could not but depend on broad and heterogeneous coalitions. The first civilian prime minister, Sanya Thammasak appointed by the king, was only supposed to manage the care-taker government. During his administration, a new constitution was promulgated. In December 1973, the king selected 2,436 members of a national convention which would elect the new National Assembly (The members of the Senate were to be chosen by the members of the House). Because political parties had been banned since 1971, the newly elected 299 parliamentary members had to act as individuals. A year later, a general election was held and, at this time, all candidates were required to belong to a political party.
<table>
<thead>
<tr>
<th>Party</th>
<th>1975</th>
<th>1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrats</td>
<td>72</td>
<td>114</td>
</tr>
<tr>
<td>Social Justice</td>
<td>45</td>
<td>28</td>
</tr>
<tr>
<td>Thai Nation</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td>Social Agrarian</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>Social Action</td>
<td>18</td>
<td>45</td>
</tr>
<tr>
<td>Social Nationalist</td>
<td>16</td>
<td>8</td>
</tr>
<tr>
<td>Socialist</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>New Force</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Socialist Front</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>others</td>
<td>34</td>
<td>13</td>
</tr>
<tr>
<td>Total</td>
<td>269</td>
<td>279</td>
</tr>
</tbody>
</table>

**SOURCE:** Morell and Chai-anan, 1981, p.113 and p.265

On February 13, 1975, because the Democrat Party had the most votes in the House, Seni Pramoji was selected as prime minister. Seni, however, formed a new cabinet including only the center-right Social Agrarian Party and his own party. As the result, the minority government with 91 seats (or 34% of the total seats) fell just eight days later. After the breakdown of Seni's coalition, his own younger brother Kukrit Pramoji of the Social Action Party (SAP) was selected as new prime minister (See, Morell and Chai-anan, 1981, pp.118-120).

A well-known journalist, Kukrit's powerful and colorful personality and his intimate relationship with the monarchy greatly helped to enhance his
influence. Though his own SAP remained one of the minor parties with only 18 seats, his conservatism and political experience gave him sufficient support from powerful rightist groups like Social Justice, Thai Nation, and Social Nationalist. At the same time, his long time advocacy of political reform made him also acceptable to liberals and leftists (Darling, 1977, p.119).

Even skillful Kukrit, however, could not effectively overcome political instability, mainly due to the weakness of his own SAP in the face of endless attempts to call a vote of no-confidence, not only by the opposition but also by parties in the coalition like Thai Nation and Social Justice. In this situation, three progressive parties refrained from supporting Kukrit and, thus, he needed to rush into a closer alliance with the more reactionary elements in the House (Morell and Chai-anan, 1981, pp.131-32). Finally, the Democrat Party scheduled a no-confidence motion for vote in January 1976 and formed an alliance with the leftist parties --- Socialist, New Force, and Socialist Front --- on condition that their demands for further reforms would be met.6

But the rise of the leftist parties alarmed the military, which had kept a low profile in politics since 1973. On January 11, 1976, a number of leaders of the armed forces made it clear that they would not tolerate a socialist-oriented government and presented Kukrit with an ultimatum: dissolve the House and call new elections or allow the military to take over the administration (See, FEER, Yearbook of 1977, p.316). Adamantly opposed to a

6 The leftist parties' demand was as follows: establishment of effective government control over the rice trade, accompanied by state intervention in other key sectors of the economy; legislation to abolish the Anti-Communist Act; total withdrawal of U.S. military advisors by March 1976; and a shift toward a more nonaligned foreign policy. See, Morell and Chai-anan, 1981, p.281.
coup and in the hopes of realigning the balance of forces (in both the parliament and his own party) in his favor and building more a stable conservative coalition, he called for a new election. He also wished to isolate the socialists and other radical activists so as to stop further polarization (Zimmerman, 1978, p.77 and Morell and Chai-anan, 1981, p.262). To his and Thai democracy’s misfortune, however, Kukrit lost to an ultra conservative backed by the military, which was disillusioned with his being subject to the leftist political pressures (Zimmerman, 1978, p.78).

To add to Kukrit’s despair, Gen. Krit, who had represented the Thai army since the sudden fall of the Thanom-Praphat faction, and had actually dissuaded the impatient officers from drawing their swords again, died right after the April election. By losing two political pillars which had been able to maintain Thai experiment within a safe laboratory, the already conflictual climate of 1976 acceleratingly deteriorated. For the second time, Seni could succeed to his brother’s premiership. Owing the military and the Thai National Party for his elevation to prime minister, Seni had to coalesce with status quo-oriented, rightist political parties (Zimmerman, 1978, pp.78-79).

On the other hand, the ruling Democrat Party began factional infighting. Alerted by the strengthening of the progressive faction, the conservative Democrats came closer to rightist forces like the military and the Thai National Party, which had also been concerned about the rise of the leftists and the progressive wing of the Democrat Party. These pan-conservative elements accelerated the conspiratory mobilization so as to legitimize another coup (See, Morell and Chai-anan, pp.268-273).
In conclusion, none of the three civilian administrations had direct links to the leftist forces. Though they had attempted various changes such as land reform, placed more emphasis on industrial laborers' welfare, and promised to abolish the Anti-Communist Act, all three prime ministers were surely conservatives and, at most, moderate reformists. This slow progress frustrated the leftists. They became inclined to resort to extra-constitutional means. Meanwhile, conservatives became scared of the sudden flourishing of communist ideology. They were discontented by governments which they thought were too soft on the radicals' demands. In the process, the civilian prime ministers kept losing political influence. Few options were left for them.

Overall, our four regimes demonstrated one similar trait: weak leadership. Even charismatic Sukarno lacked the solid organization on which to base his personal power. In terms of ideological characteristics, however, each administration varied in the degree of commitment to leftist ideas. Except for Chile's Allende, the others looked either ambivalent or opportunistic. While Brazil and Indonesia's regimes were close to the Center-Left, Thailand was located around the Center-Right.

2. The Rise of the Leftist Movement

In this section, discussions will be centered on the sudden emergence of leftist ideology and radical movements in each of the four regimes. For the purpose of understanding such a phenomenon, the activities of the leftist parties, union movements, and other societal radical trends will be analyzed.

With the development of the mining industry, Chile's society had provided
fertile soil for union activists. After nitrate workers staged the first general strike in the country's history in 1890, it was not long until the first labor union-like groups began being formed in 1901 (Stallings, 1978, pp.27-28).

In addition to the early bloom of the labor movement, Chile's political tradition had produced a clearly class-based party system. After the bourgeois-backed political groups had been created in 1860's, about two decades later, the non-bourgeoisie Democratic Party --- predecessor of the Radicals (PR) and the Christian Democrats (PDC) --- came into being in 1887. The first socialist party (Socialist Workers' Party) was formed in 1912 and it later changed its name to the Communist Party (PC). Twenty one years later, a faction of the Left put on another sign --- the Socialist Party (PS). In 1938, the leftist forces joined the Popular Front government under the leadership of the PR (Stallings, 1978, pp.30-32).

The recent history of Chile included very unusual experiences in that Chileans were exposed to ideologically very diverse governments in turn. From 1959 to 1964 Alessandri's rightist government ruled the country whereas the centrist PDC of Frei took charge during next six years. In 1970, it was socialist Allende's turn. In other words, Chile since the 1950s had kept sliding toward a leftist ideology. However, as TABLE 3.3 shows, this trend did not mean that the electoral support of the Left increased either dramatically or incrementally. Rather its political power in terms of electoral performance had been fixed around the mid-30% level.

In fact, minority president Allende gained fewer votes in 1970 than he had in 1964. Moreover, the balance of power in Congress was absolutely
TABLE 3.3 COMPOSITE VOTE ALONG THE CLASS-LINE IN CHILE (\%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Right</td>
<td>43.7</td>
<td>42.0</td>
<td>25.3</td>
<td>33.0</td>
<td>30.4</td>
<td>12.5</td>
<td>20.0</td>
<td>21.3</td>
</tr>
<tr>
<td>Center</td>
<td>27.9</td>
<td>46.7</td>
<td>43.0</td>
<td>44.3</td>
<td>43.7</td>
<td>55.6</td>
<td>42.8</td>
<td>32.8</td>
</tr>
<tr>
<td>Left</td>
<td>23.1</td>
<td>9.4</td>
<td>14.2</td>
<td>10.7</td>
<td>22.1</td>
<td>22.7</td>
<td>28.1</td>
<td>34.9</td>
</tr>
</tbody>
</table>

(Right) includes: Conservatives, Liberals, Nationals

(Center) includes: Radicals, Christian Democrats or Falangists,

Democrats, Agrarian Laborists

(Left) includes: Socialists, Communists


unfavorable to the leftist parties. In short, the election of the socialist
president never meant that any serious electoral realignment had taken place in
ChileSee, TABLE 3.4>.

TABLE 3.4 PRESIDENTIAL ELECTIONS IN CHILE

<table>
<thead>
<tr>
<th></th>
<th>1958</th>
<th>1964</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allende</td>
<td>28.5%</td>
<td>38.6%</td>
<td>36.2%</td>
</tr>
<tr>
<td>Frei</td>
<td>20.5%</td>
<td>55.7%</td>
<td></td>
</tr>
<tr>
<td>Alessandri</td>
<td>31.2%</td>
<td></td>
<td>34.9%</td>
</tr>
<tr>
<td>Tomic</td>
<td></td>
<td></td>
<td>27.8%</td>
</tr>
</tbody>
</table>


The tragic fate of Chile's democracy resulted from the imbalance between
low support for the socialist government and its hasty push toward populist
reform. The rise of leftist elements in society was evidenced by the rocketing frequency of labor conflicts. Due to the populist policies of the previous PDC Administration, Chilean workers and peasants had an opportunity to rebuild their political power from the low levels of the 1950s. As the figures pinpoint (See, TABLE 3.5), the Allende regime did not bring about dramatic changes from the PDC period with regard to the organization of new unions.

**TABLE 3.5 NUMBER OF UNIONS AND STRIKES IN CHILE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Industrial Unions</th>
<th>Craft Unions</th>
<th>Agricultural Unions</th>
<th>Strikes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td></td>
<td></td>
<td>32</td>
<td>723</td>
</tr>
<tr>
<td>1966</td>
<td>990</td>
<td>1,679</td>
<td>201</td>
<td>1,073</td>
</tr>
<tr>
<td>1967</td>
<td></td>
<td></td>
<td>211</td>
<td>1,114(^a)</td>
</tr>
<tr>
<td>1968</td>
<td>1,261</td>
<td>2,163</td>
<td>371</td>
<td>1,124(^b)</td>
</tr>
<tr>
<td>1969</td>
<td></td>
<td></td>
<td>421</td>
<td>977</td>
</tr>
<tr>
<td>1970</td>
<td>1,440</td>
<td>2,569</td>
<td>510</td>
<td>1,819(^c)</td>
</tr>
<tr>
<td>1971</td>
<td>1,605</td>
<td>2,881</td>
<td>632</td>
<td>2,709</td>
</tr>
<tr>
<td>1972</td>
<td>1,781</td>
<td>3,511</td>
<td>709</td>
<td>3,289</td>
</tr>
</tbody>
</table>

(SOURCE: A. Valenzuela, 1978, p.31 and p.62

\(^{a,b,c}\); Stallings, 1978, p.247)

However the number of strikes increased explosively. Whereas 977 strikes were attempted in 1969, it increased by 277 % and 336 % in 1971 and 1972. While strike activity increased by 45% in the 1964-66 period, in the first two years of Allende government its increase averaged about 170 %. In this sense, A. Valenzuela correctly observed that “unionization and strike activity clearly are better indicators of uncontrolled mobilization than is electoral turnout”
Unlike those of Chile, Brazil’s leftist forces had not been legally allowed to participate in politics. Though populist regimes preceding Goulart had maintained somewhat generous attitudes toward the Left, it was Goulart who officially proposed in 1964 to legalize the Communist Party. First of all, Brazil’s party system had not been well established. For a couple of decades, the Social Democratic Party (PDS, based on rural bosses and nationalist entrepreneurs) and the urban labor-backed Brazilian Workers’ Party (PTB) had maintained an uneasy coalition against the National Democratic Union (UDN) around the elections. But such an alliance had not developed into a dominant party.

<table>
<thead>
<tr>
<th>Year</th>
<th>PSD</th>
<th>UDN</th>
<th>PTB</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>42.3</td>
<td>26.3</td>
<td>10.1</td>
</tr>
<tr>
<td>1950</td>
<td>22.2</td>
<td>14.0</td>
<td>13.6</td>
</tr>
<tr>
<td>1954</td>
<td>22.0</td>
<td>13.6</td>
<td>14.9</td>
</tr>
<tr>
<td>1958</td>
<td>18.4</td>
<td>13.2</td>
<td>14.7</td>
</tr>
<tr>
<td>1962</td>
<td>15.6</td>
<td>11.2</td>
<td>12.1</td>
</tr>
</tbody>
</table>

(Source: Stepan, 1978, p.116)

The election of 1962 posed good opportunities to leftist elements for mobilizing their parliamentary potential. Encouraged by the dramatic increase

7 The PTB was the senior member of the PSD-PTB coalition until 1961. But in the 1962 Congressional elections, the PTB seriously challenged the PSD’s
in the total number of voters, numerous leftists staged vigorous campaigns. In addition, Goulart's promise to legalize the Communist Party helped to accelerate the upsurge of the Left. As a result, political intensity and ideological polarization in the 1962 elections was extraordinarily high (Stepan, 1978, p.124 and p.113). Finally in 1964 when Goulart challenged the constitutional system by proclaiming Basic Reforms, leftist political groups and the unions rapidly emerged as a political power.

The strengthening of the Left was evident in union activities. The number of labor conflicts where government labor tribunals were involved increased from 524 (1959) to 1,069 (1963). In 1961, there were 180 strikes. Two years later, the number increased to 302 (See, Stepan, 1978, p.112 and Epstein, 1984, p.49). Rural workers were also granted the right to form rural unions. More importantly, the communists in 1961 achieved a commanding position in principal unions and in the labor confederation. Thus, irritated by his rivals gaining ascendency in the unions, Goulart had to take a more leftist position to meet the competition with the radicals and to keep control over the unions (Wesson and Fleischer, 1983, p.20).

The Indonesian Left --- represented by the Communist Party (PKI) --- had a good opportunity to grow in that Indonesian leaders were inclined toward socialist ideas. On the other hand, it had to fear intimidation by the armed forces. In searching for a safe shelter from the military's imminent leadership by obtaining 109 seats, only 13 seats fewer than those of the PSD. The PTB's seats had increased from 22 (1948), 51 (1950) to 56 (1954), 66 (1958). See, Roet, 1984, pp.58-59.

8 The total number of voters in 1945 was 6,200,805. But in the 1962 Congressional and Gubernatorial elections, it increased to 14,747,321. Stepan, 1978,p.113.
suppression, the PKI adopted two tactics: to ally with Sukarno and to send nationalist appeal to the masses.

In the early 1950s, the PKI — dominated by Javanese — sided with Sukarno in his opposition to the Masjumi religionists (mainly Sumatrans). In return, it earned his tacit permission to recruit a mass following and, as a result, the party able to win a solid success in the 1955 elections by gaining as many as 39 seats (Sukarno’s Nationalist PNI and the Masjumi Party won 57 respectively, while Nahdatul Uluma obtained 45). At the same time, the PKI’s success was accompanied by a downfall of the socialist PSI (Cady, 1978, p.245 and p.251).

The PKI’s solidarity with Sukarno began to fully bloom from 1957 on, when Sukarno dissolved parliament and attempted to concentrate political power in his hands. For Sukarno, the party’s national organization and mass mobilization ability could be effectively used as a means of counter-checking the military’s power. At the same time, the PKI was given protection by Sukarno against the military’s assaults. He publicly delivered a speech at the PKI’s convention. The PKI’s status rose to the degree that its ideology could spread even to the government level. The PKI’s platform even became one of the official slogans for the celebration of the 20th anniversary of the proclamation of Independence in 1965 (Husewedell, 1973, pp.133-138). In addition, Sukarno’s anti-Western, nationalist policies, along with the rise of Communist China and the Soviet’s approach to Indonesia boosted the PKI’s growth. Accordingly, the membership of the party surpassed two million by 1958 and more than doubled in 1963 by reaching four and half million (Cady, 1978, p.268 and p.269). PKI-Sukarno cooperation was developing into a
symbiotic relationship. (In terms of ideology, however, the PKI had to significantly tone down its approach.\textsuperscript{9}

In the pre-1965 regime, despite the strengthening of the populist trend, union activities were not so dramatic. Due to an economic structure under the dominance of agriculture, the communist-controlled SOBSL could not rapidly expand its activities. Overall, popular demand for jobs overshadowed the union’s struggles for wage increases and other demands. Making matters worse, the Guided Democracy program outlawed strikes in all vital economic categories (Cady, 1978, p.269). The following data indicate low momentum in labor mobilization in the G.D. period.

**TABLE 3.7 DISPUTES AND WORK STOPPAGES IN INDONESIA**

<table>
<thead>
<tr>
<th>Year</th>
<th>Disputes</th>
<th>Work stoppages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>3,697</td>
<td>469</td>
</tr>
<tr>
<td>1956</td>
<td>3,896</td>
<td>505</td>
</tr>
<tr>
<td>1957</td>
<td>4,131</td>
<td>151</td>
</tr>
<tr>
<td>1958</td>
<td>3,350</td>
<td>55</td>
</tr>
<tr>
<td>1959</td>
<td>2,825</td>
<td>70</td>
</tr>
<tr>
<td>1960</td>
<td>1,096</td>
<td>64</td>
</tr>
<tr>
<td>1961</td>
<td>1,159</td>
<td>86</td>
</tr>
</tbody>
</table>

(SOURCE: Hawkins, 1967, p.266)

\textsuperscript{9} In order to present its image that would be acceptable to non-communist political forces, the PKI had to behave as if being patriotic, sympathetic to religion, and peaceful in pursuit of its goals. It also needed to moderate its reformist demands. In other words, the party’s class-based struggles had to be softened. See, Hindley, 1964, p.283 and Feith, 1967, pp.339-40.
The PKI performed a little more successfully in the countryside. During the 1950s, it succeeded in mobilizing the support of part of the peasantry. Thus, though the party could not overcome the barriers of a low level of class consciousness among peasant workers, it could pose an increasing threat to the predominantly Muslim landowning classes by inciting the peasantry's struggle over land (Robinson, 1982, p.52 and Crouch, 1979, pp.573-74).

The sudden fall of military rule in 1973 brought about the flourishing of leftist ideology in Thailand. Various Communist works, in particular those of the Maoists freely spread into college campuses. Though the Communist Party (CPT) was still subject to the Anti-Communist Act, it could expect a brighter future when prime minister Kukrit implied his sponsorship to the abolishment of the law and when the Democrat Party accepted the three leftist parties' demand of repealing the Anti-Communist Act. At the same time, the leftist forces were encouraged by developments in international politics, such as the communist takeover of Indo-China and the reemergence of Communist China. Moreover, the civilian administrations competed with each other for the rapid completion of the U.S. armed forces' withdrawal. In this situation, radical elements, including the CPT, accelerated their infiltration of the student and labor movements (Zimmerman, 1978, pp.66-67).

For the communists and other extremists, however, the establishment of open parliamentary politics was not their ultimate goal. Rather they thought that struggles for maintaining a legal system would only disperse revolutionary zeal and, thus, concentrated on radical polarization and armed struggles (Zimmerman, 1978, pp.80-82). In fact, the leftist forces within
parliament --- Socialist, New Force, Socialist Front --- obtained only 37 seats in the 1975 election, and their chances of participating in a coalition with the Democrat Party vanished when Kukrit dissolved the House. In the 1976 election, however, the Left experienced a much more miserable defeat: the three parties altogether gained just 6 seats. In a sense, the Left found common interest with the Right in breaking down the parliamentary experiment.

Progressive elements in the student movements also became frustrated because of the slow progress of social transformation. The radicals publicly expressed their skepticism over the probability of accomplishing reforms within the boundary of the constitutional system. Thus the NSCT and other university-based student organizations were unwilling to moderate their demands and refused to cooperate with those elements they considered conservative (Zimmerman, 1978, pp.59-60). The grumbling radicals were easily trapped by the Right's pre-planned provocations and by the "betrayal" of the vocational college students who were transformed into the vanguard of the conservatives. When the rightists' counter-mobilization manipulated the return of the former dictators, Praphat and Thanom, angry students formed, in reaction, a more left-oriented organization --- the Anti-Dictatorship Front (ADF) in 1976. Extreme activists even began to ignore the taboo of the sacred inviolability of the monarchy (Elliot, 1978, pp.135-136).

The effects of the radicalization of Thai society also clearly affected the mobilization of the working classes (See, TABLE 3.8).

After many years of Sarit's strict ban on union activities, in 1972, partial

\[10\]

In 1944, the first national union organization was formed and it consisted
TABLE 3.8 STRIKE ACTIVITIES IN THAILAND

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Strikes</th>
<th>Total Number of Man-Days Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>17</td>
<td>18,764</td>
</tr>
<tr>
<td>1967</td>
<td>2</td>
<td>470</td>
</tr>
<tr>
<td>1968</td>
<td>14</td>
<td>3,217</td>
</tr>
<tr>
<td>1969</td>
<td>18</td>
<td>23,593</td>
</tr>
<tr>
<td>1970</td>
<td>25</td>
<td>6,004</td>
</tr>
<tr>
<td>1971</td>
<td>27</td>
<td>12,646</td>
</tr>
<tr>
<td>1972</td>
<td>34</td>
<td>19,903</td>
</tr>
<tr>
<td>1973</td>
<td>501 (^a)</td>
<td>296,887</td>
</tr>
<tr>
<td>1974</td>
<td>358</td>
<td>507,608</td>
</tr>
<tr>
<td>1975</td>
<td>241</td>
<td>722,946</td>
</tr>
<tr>
<td>1976</td>
<td>133</td>
<td>495,611</td>
</tr>
</tbody>
</table>

\(^a\) 367 from Oct.14 to Dec.31

(SOURCE: Morell and Chai-anan, 1981, p.188)

freedom was given to form workers' associations. But unions were restricted to the company level and, before October 1973, only 14 associations were registered. The 1973 uprising drastically changed the attitudes of the union activists. Workers formed an alliance with the most active political group, students. In late 1975, the Federation of Labor Unions of Thailand was

mainly of Chinese workers. But the Phibun government replaced it with TNTUC in order to neutralize the labour movement. By that time, the number of trade unions had increased to 150. In 1956, the first Thai Labour Law was promulgated. Sarit, however, after the 1958 coup, abolished the law and banned all unions. Sarit's anti-union attitudes in part reflect the Thai people's hatred of trade unions which principally comprised Chinese wage earners. See, Wehmhoerner, 1983, p.482.
founded. In the previous year, for the first time in Thai history, a legal organization for the peasants (the Peasants Federation of Thailand: PFT) was founded.

As TABLE 3.8 indicates, the number of strikes radically increased in the post-1973 period. Both unions strongly pressed the governments for an increase in the minimum wage, land reform, and implementation of rent ceilings (Mallet, 1978, p.82). In June, 1974 when as many as 20,000 farmers stormed the capital in solidarity with students demanding reforms and demonstrated their support for strikes under progress, Thai society surely approached a new era of social mobilization (Bell, 1978, p.68).

To summarize, the rise of the Left in all four regimes took place with unprecedented speed and power. In consideration of the Left’s weak support base and the Right’s determined will to self-defense, however, most of the reform demands were excessive for that phase. As the Right hurried to counter-attack leftist mobilization, the collapse of the populist regimes came one step closer.

3. Counter-Mobilization of the Right

In reaction to the rise of leftist radicals, various kinds of counteraction had been organized by rightist conservatives. These reactions, in turn, pushed the Left to move more toward accelerated radicalization. Of those rightist elements, four distinguished forces need to be carefully discussed; the military, rightist political parties, bourgeois groups, and foreign influences. In this section, the latter three will be analyzed. Reaction from the military will
be examined in detail in chapter 5.

For Chile’s anti-Allende parties, like the PDC and the PN, the election results of 1971 and 1973 were nothing but frustration. As the following data signify, in both Municipal (1971) and Congressional (1973) elections, radical socialists continued to move upward in popular votes.

**TABLE 3.9  CHILEAN SOCIALISTS’ RISE IN POPULAR VOTES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>POPULAR UNITY</td>
<td>40.0%</td>
<td>48.6%</td>
<td>43.9%</td>
<td>43.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socialists</td>
<td>13.9%</td>
<td>22.3</td>
<td>12.2</td>
<td>18.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communists</td>
<td>14.8%</td>
<td>16.9%</td>
<td>15.9%</td>
<td>16.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>others</td>
<td>10.9%</td>
<td>9.4%</td>
<td>15.8%</td>
<td>9.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPPOSITION</td>
<td>57.0%</td>
<td>48.2%</td>
<td>49.8%</td>
<td>54.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDC</td>
<td>35.6%</td>
<td>25.7%</td>
<td>29.8%</td>
<td>28.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nationals</td>
<td>14.3%</td>
<td>18.1%</td>
<td>20.0%</td>
<td>21.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>others</td>
<td>5.3%</td>
<td>4.4%</td>
<td>4.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


In particular, the 1973 elections, in which the Right wished to obtain a two-thirds majority so that they could constitutionally bring down Allende, clearly taught the conservatives that “the rules of the game were no longer adequate to protect their goals and interests”. In other words, they learned that “unconstitutional means would have to be employed to curb the government” (A.Valenzuela, 1978, p.85). Even moderates of the PDC rejected cooperation
with Allende's conciliatory proposals, and the radical conservatives doubled their efforts to destabilize the UP government.

The political difficulties of the Left were further aggravated when the petty-bourgeois as well as the bourgeois classes began to undertake anti-regime actions. Protesting the populist economy which resulted in relatively more hardships for the propertied classes, middle-class housewives took to the street and retail merchants went on a one-day national strike. However, it was the truck-owners' strike in early September of 1973 that most seriously hurt the economy and the UP government. Because of the unusual importance of trucks as transportation in Chile, the truckers' strike threw the whole economy into chaos. Allende's expansion of social ownership, attempts to ration distribution of supplies and other reform measures forced even passive supporters like petty-bourgeois classes to take violent actions for their self-defence (A.Valenzuela, 1978, pp.78-79).

The Allende regime also suffered harsh sanctions from foreign countries, especially from the U.S. After having failed to prevent Allende from becoming president, the U.S. administration pursued two-way tactics in order to disturb the UP government. (1) CIA's direct instigation of the military, and bourgeois groups to uproot the UP (cf. Chavkin, 1985, ch.2) (2) economic sanctions by cutting foreign aids and international credits (Stallings, 1978, pp.133-134 and A.Valenzuela, 1978, pp.56-57). While the U.S. continued to support the military, it attempted to cut the lifeline of the country's economy.

Thailand in the 1973-76 period most dramatically set a good example of organized mobilization by the Right. Under the slogan of "the Nation, the Monarchy, Buddhism", the right-wing conservatives mobilized all of the anti-
Left social forces and continuously and directly assaulted the leftist groups. In a word,

"The coup of 1976 was not a sudden intra-elite coup de main, but rather was the culmination of a two-year-long right-wing campaign of public intimidation, assault and assassination" (Anderson, 1977, p.13).

The rightist strategy was, on the one hand, to provoke disorder and unrest in the society and, on the other hand, to stimulate the Left to act more extremely so that the military could justify its intervention (Girling, 1981, p.116 and p.209). Upon such tactics, the military openly used its own communication organs to verbally castigate the leftist activists (Marks, 1977, pp.57-58). More importantly, it supported and even implicitly organized key right-wing strike-forces such as the Red Gaur, NAWAPOL, and the Village Scouts. Of them, the Red Gaur—mainly recruited from the vocational college students who were personally opposed to the NSCT and the ADF activists—was set up by the Internal Security Operations Command (ISOC). It played the most important role in disrupting the student and leftist movements (Ungphakorn, 1977, pp.10-11). The right-wing’s counteractions also resulted in numerous violent attacks on the leftist personnel. Prominent figures like Dr. Boonsanong, secretary-general of the Socialist Party, were assassinated by “unknown-hands”. From March 1974 through August 1975, at least 21 peasant leaders of the PFT were killed. Although there are no clear reports on the matter, these and other acts of political violence must have been part of an organized plan of political intimidation committed by the Right (Morell and Chai-anan, 1981, p.225).
In Thailand, there was one more key institution which had been extremely frightened by the acceleration of the radical movement. It was King Bumibol.\textsuperscript{11} Though Bumibol definitely played a key role in the 1973 event, "the king's open intervention in October 1973 should not be interpreted as support for drastic social reform of Thai society" (Morell and Chai-anan, 1981, p.271). While he had no reason to ignore the necessity of gradual and incremental changes, he, at the same time, became increasingly scared by the radicalization which even threatened the very foundation of the monarchy itself. The communization of Vietnam, and among others, the tragic fall of the Laotian Monarchy led Bumibol to worry about his own security. Consequently, "the palace began to see student, labor, and farmer leaders as communist agitators, or at least as deeply influenced by such elements" (Morell and Chai-anan, 1981, p.57).

As Thailand Neared the catastrophe of 1976, the king took a more and more positive attitude toward the Right and even gave some encouraging motions to the conservative mobilizations.\textsuperscript{12}

In Brazil and Indonesia, the reactions of the Right were relatively less vigorous than those of Chile and Thailand. The center of the counter-mobilization effort was concentrated in the military camps. In 1961 when

\textsuperscript{11} Rama VII had abdicated his power "to the people" and as a result, the king had been supposed to have no real power. Nonetheless, king Bumiphol steadily increased his popularity and influences. By the 1960's, he in all probability possessed more personal influence than any other figure in Thailand. See, Suh, 1986, p.16 and Marks, 1977, p.53.

\textsuperscript{12} Unlike in 1973, he did not take strong action against the return of Thanom. He had his prince wear military uniforms in public and this was interpreted to be a friendly gesture to the military by the rightists. He also appeared at the Village Scouts meetings and took actions seeming to encourage the Right. See, Morell and Chai-anan, 1981, pp.242-46.
Goulart assumed presidential power, rightist forces had already reinforced their alarm against the spread of the populist trends. Status quo-oriented groups such as landowners and right-wing vigilante units had been determined to arm themselves in preparation for the uprising of the Left (Stepan, 1978, p.117). Anti-communist business groups such as CONCLAP, IBAD, and IPES did not save their efforts for having officers confront Goulart (Alimonda, 1984, p.139). As Goulart’s mass mobilization came into climax, radical conservatives began to openly request the military’s intervention. And the mass media, under their influence, also demanded the military not obey “illegal” orders of the president.\(^{13}\)

As mentioned earlier, Sukarno’s “Socialism à la Indonesia” was more or less ambivalent. Toward the final stage of his term, Sukarno devised the Stabilization Program and tried to obtain American loans. Nonetheless, his administration had been opposed by the merchant bourgeoisies and the urban middle-classes. The Muslim landowning classes threatened by the Land Reform and by the struggles over land especially strongly opposed him (Robinson, 1982, p.52). In addition, Sukarno’s anti-American and anti-Western policies, diplomatic collaboration with China under the “Peiking-Jakarta Axis” incurred increasing U.S. support of anti-communist, anti-Sukarno forces (Hauswedell, 1973, p.121).

\(^{13}\) The editorial of “Defense of Illegality” of *O Jornal* claimed as follows:

The armed forces say they participated in the illegal and revolutionary rally---in obedience to the order of the President! No one is obliged to accept and obey an abusive order Stepan, 1978, p.129^2^.
In short, as populist regimes hurried radical transformations, rightist elements began to oppose the administrations beyond constitutional limits. Meanwhile, extreme leftists became impatient with slow change and demanded "one-shot" solutions. The result was the acceleration of polarization.

4. Polarization

Recent studies on radical regime changes—revolution, coup d'etat, regime breakdown, and so on—have paid more attention to the role of "middle-ground" elements or neutral forces rather than on the extreme elements of the Left or the Right and found that the former's "transfer of allegiance" from one to another side decisively affected the outcomes of political conflicts. Thus A. Valenzuela observes that:

"The extreme forces on the Right and Left per se did not bring breakdown. They are a constant in the political system. The actual breakdown was more the result of the inability of centrist forces—of democrats on both side of the divided political system" (1978, preface xiii).

With regard to the deepening of political violence, Linz and Stepan have claimed somewhat "untraditional" views that it is not the "disloyal opposition" (which refuses to confine its political struggles within constitutional boundaries) but the "loyal opposition" that plays a more important role in bringing about regime demise. They believe that polarization is accelerated when "loyal" groups cross the line of legality (See, Stepan, 1978, pp.116-17 and Linz, 1978).
Overall, each of the four regimes experienced serious political and ideological polarization so that, when political collapse took place, no rapprochement could be made between the opposing camps. First, there remained little room in which centrist and moderate elements could exist. Second, radical groups of each ideological line took over political hegemony from their own "soft-liners". Third, the extremists rushed into "disloyal" means of struggle such as armed conflicts. Thus they directly challenged the armed forces which had thought that they were losing political power and, at the same time, that their own professional autonomy was threatened by the leftist "maximalists".

In Chile, the centrist PDC's refusal to cooperate with the UP and decision to closely collaborate with the rightist forces instead was a source of despair for Allende who had tried to avoid further radicalization. It is true that Allende in his early days in power had been reluctant to ally with the Christian Democrats. And his stubborn determination to speed up socialist transformation must have enraged the moderate PDC followers. But the the party's own calculation of interests also blocked some moderates' attempts to compromise with the Left. First, loss of their ideological identity—i.e., inclination to the Left—resulted in shocking defeats in the 1971 Municipal elections. The PDC lost as much as 10% of the popular vote from the 1967 contests when it had enjoyed 35.6% of total votes (A.Valenzuela, 1978, p.54). Second, party leaders had self-confidence that their party would have the best chance to succeed Allende in the event that the UP government collapsed. But the PDC's alliance with the Left could allow the rightist PN to take over the leadership of opposition (A.Valenzuela, 1978, p.60).
In Thailand, two unexpected incidents abruptly eroded the position of the Center. General Krit, the "godfather" of the anti-Thanom/Praphat factions in the military died suddenly right after the 1976 election. To complete the series of Thai miseries, a skilled politician, the incumbent prime minister Kukrit suffered a surprising defeat by an ultra-conservative candidate supported by the military. The withdrawal of two key figures from the political scene resulted in the breakdown of a buffer-system. The death of Krit eventually opened the way for rightist officers to make their comeback to politics. The absence of Kukrit deprived the polarizing Thai society of a "balancer" who could moderate extremist impulses. With these two pillars suddenly gone, the Thai experiment in democracy began to count its days (Zimmerman, 1978, pp.79-80).

Second, the populist regimes witnessed the rise of radicals over moderates in each side. As time went on, the slow and gradual approach to reform made the impatient "original supporters" disappointed. On the other hand, the alarmed conservatives became increasingly nervous about the direction of future development. Allende had to watch with his arms crossed as socialists left him and joined the extremists like the MIR.\(^4\) Along with this

\(^4\) In the 1970-73 period the PC and the "Allende socialists" comprised moderate left, while the "Altamirano socialists" and other small extremist groups were forming radicals. For more than 40 years the Chilean left had maintained a basic agreement on a transition to socialism. It would be achieved through the "second" route to socialism. All leftist forces emphasized their unity and electoral alliances.

By 1973, however, moderate communists and radical socialists began to confront on several issues. First, with regard to the transition to socialism, the former claimed a "fixed stage" theory which presupposed a pre-socialist "democratic revolution" or "national liberation" in favor of socialism. On the other hand, radicals conceptualized a "fluid one" which opposed the slow down of transition and placed a top priority on destroying the bourgeois apparatus of society.
movement in the Left, moderate conservatives in the PDC fell into the minority around mid-1973 and were unable to push the party to accept Allende's reconciliatory proposals.

In Brazil, Goulart's enforcement of the Basic Reforms led his passive supporters—for example, "legalist" officers in the military—to take strong reactions against him. When it appeared that he would destroy the rules of the political game so as to strengthen his own power, influential politicians who had stakes in the maintenance of the constitutional system, such as governors from Minas Gerais and São Paulo (would-be-presidential candidates) began to openly call for the overthrow of Goulart. They even declared that they were determined, if necessary, to call in their states' armed forces against the "illegal" government (Stepan, 1978, p.128).

Leftist radicals in Thailand were prone to resort to extreme measures in the face of the imminent conspiracies of the Right. In order to block impending coup-threats, students had to prepare mass demonstrations. Their radicalization, in turn, pushed rightists toward more violent solutions. Meanwhile, the palace, too, became more subject to conservative pressures. Especially Queen Sirikit—manipulated by her close advisors, mostly extreme rightists—emerged as a patron of the Right. By late 1976, "the polarization had gone too far. Most of the Center had been alienated into neutrality and

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With respect to the scope and speed of socialization, both sides again confronted. While moderates emphasized a "step-by-step" strategy by maintaining the legality of the UP's actions in order to build a majority for socialism, radicals demanded the enlargement of the socialization.

Behind these ideological differences, however, as chapter 4 discusses, political rivalry between the two also played an important role. See, Oppenheim, 1985, pp.60-65.
rightist organizations were highly effective” (Morell and Chai-anan, 1981, p.276).

Toward the final days of the G.D., Sukarno's dependence on the PKI deepened. As the communists' influence over the government increased, the military's suspicion of the PKI was also enhanced. Eventually the Left was compelled to stand against the army, and it resulted in the latter's brutal repression of its political adversaries.

Finally, the left-oriented populist regimes faced the similar loud voices of the "maximalists" who argued the necessity of arming the militias and attempted to directly confront the military. They not only trespassed the boundaries of military autonomy, but also agitated low-rankling soldiers to ignore the hierarchy. In Chile, extreme leftists like the MIR and socialists urged Allende to allow workers' self-armament in preparation for armed conflicts with the military. In Brazil, both the Left and Right discussed the necessity of self-defense. Thai radicals had begun to hide in the underground since mid-1976 and prepared for guerrilla war in the jungles. Some members of the PKI of Indonesia even joined a coup plot, which cost the lives of several key military leaders (For a detailed discussion, see, chapter 5).

Radical forces' resort to armed struggle with no doubt aggravated ideological conflicts. At the same time, such a tactic inevitably enraged military officers who felt that drastic rise of the Left had finally encroached on the military's own interests and self-pride. In addition, when the military's hierarchical structure was unduly disrupted by the Left's demagogues, officers could not fail to recognize that the time had arrived for them to enter the front stage of politics.
III. The Populist Economy

1. Structure and Nature of Economic Development

In this section, before examining some basic characteristics of the populist economy, brief discussions on the nature of each of the four economies and their class structures will be in order.

Blessed with rich natural resources such as nitrate and copper, Chile’s economy in the nineteenth century was mainly outward-oriented. While the state undertook major infrastructure projects, the domestic economy thrived under tariff-protection (Stallings, 1978, pp.25-26). Since the late 1930s, however, the economy has changed toward inward-oriented development and a big push was made toward industrialization. At the same time the domestic economy had become heavily dependent upon foreign capital. In 1960, Chile owed $598 million, but ten years later, foreign debts increased to $30 billion. As of 1968, foreign capital accounted for one-sixth of total investment (Lagos in Zammit, 1973, p.43 and Stallings, 1978, pp.30-32).

To repeat, Chile since the 1950s had been ruled by ideologically distinct

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15 In this study, the populist economy is differentiated from the socialist economy in that the former is not induced under a scheme of total restructuring. Instead, it is designed to implement economic policies which most benefit the economically underprivileged classes rather than the dominant economic powers. Because private property is maintained, however, the populist economy has inherent limit in pursuing its reforms and soon faces enormous opposition from the propertied classes. Diaz-Alejandro said that it is characterized by its reliance on fiscal-- monetary reflation in order to raise domestic demand and, thus, to stimulate growth. At the same time, he stressed the populist economy’s attempt to redistribute income to wage-earners. See, Diaz-Alejandro, 1981.
regimes. The Right, Center, and Left, of course, had different philosophies over the management of the economy (Stallings presented very concise comparisons among these regimes. See, 1978, pp.179-180). While the Alessandri regime had emphasized stabilization and the expansion of private initiatives, Allende’s UP Administration gave priority to enlargement of the state’s economic role and to welfare policies favorable to the low-income classes. Overall, the Chilean economy prior to Allende had been based on typical capitalist development. Though the state exercised administrative regulations on economic activities, such as wage and price control, its main stream had been favoring the interests of the capitalist classes. It had poured big money into domestic fixed capital and infrastructure where private investment would not be made. In short, the state had placed more emphasis on capital accumulation than distribution (See, Stallings, 1978, pp.46-47).

Two different approaches to the explanation of the economic crisis in Brazil in the 1960s exist. While O’Donnell (1973), Cardoso(1968), and Jaguaribe(1968) argue that the exhaustion of ISI, a reduction of profits, and the rise of the populist classes resulted in crisis, others do not accept such a structuralist view. For example, Wallerstein (1980) did not see any drastic decrease of profits or rapid wage hikes in the Goulart period. He and Richards (1985) believe that a balance of payment crisis, inflation, and international pressures led to the economic difficulties.

Since the implementation of ISI from the 1930s onward, Brazil’s industrialization stimulated the alliance of capitalists and industrial workers. In the meantime, agricultural exports had been overshadowed by industrialization. In the succeeding years, the populist regimes, in particular during the
Kubitschek period ignored the necessity of stabilization measures. Conditions of the international loans became worse. In fact, the economic disasters of the mid-1960s can be chiefly attributed to the policies of previous regimes (See, Wallerstein, 1980).

The two Southeast Asian countries in this study share several important economic characteristics: low level of industrialization, lack of indigenous industrial bourgeoisie, dominance of Chinese capitalists, bureaucratic capitalist elements, the military's deep involvement in economy, so forth. In Indonesia, the legacies of Dutch colonial rule strongly affected the post-independence economy. Though Sukarno and his advisors had favored nationalist and socialist development models, they soon recognized the inherent obstacles in dissolving colonial patterns. First, state revenues were controlled by the Dutch and Chinese bourgeoisie, since the production of agricultural and mineral exports from which the state received these revenues were financed and managed by them. Second, there were no able and skilled indigenous entrepreneurs who could replace foreign capital (Freeman, 1968, pp.84-86 and Robinson, 1982, pp.50-51). Thus political leaders and economic planners came to the conclusion that any rapid move from a colonial to a national economy would only fatally disrupt the economy as a whole.

It is not that the state did not care at all about indigenous businessmen's cry for more support. In 1950, the Benteng Program was launched to protect and subsidize asli businessmen through preferential allocation of import licenses, credits, concessions and other bureaucratic privileges which had primarily been given to the Chinese merchants. However, this nationalist-based program had to be ended five years later. The indigenous classes could not
compete with the Chinese in terms of business skills and financial abilities. Besides that, military officers would not idly watch their sources of lucrative activities (provided by the Chinese) disappear (Robinson, 1978, pp.19-20). In sum, the Indonesian state (and its "managers" like the military) had been deeply involved in economic activities. In the process, domestic entrepreneurs had been less well treated by the state than the Chinese.

Relying heavily on agricultural production, the Thai state had controlled rice exports and drawn big money from taxes on it. After the establishment of Sarit Thanarat’s ascendancy in 1957, the Thai economy set about its modernization and, in the process, the agricultural sector had provided the economic basis of development. The Thai state administered “original accumulation of capital” (i.e., transformation of merchant capital into industrial capital) by extracting the surplus out of the peasantry and pouring it to industrial projects (Bell, 1978, p.60). Along with the expansion of the state’s economic role, merchants and the military bureaucracy had been fused into a new bourgeoisie, the so-called bureaucratic capitalists.

The Sarit government also promoted state enterprises. During the period of 1953-58, 140 state enterprises were created (Bell, 1978, p.60) and under the auspices of virtually every ministry state enterprises flourished. In 1959, however, the World Bank advised the government to dismantle state enterprises to instead concentrate the state activities on developing public infrastructure for the use of private enterprises (Girling, 1981, p.81 and Elliot, 1978, p.117). Additionally, the state was forced to rescue the National Economic Development Corporation LTD (NEDCOL) from financial collapse, helping Sarit to discourage the formation of new government enterprise
(Silock, 1967, p.263).  

From the 1960s on, while Thailand increasingly integrated into the world capitalist economy, the liberal model of development emerged. First, foreign investment replaced the rice surplus as the main engine of accumulation. Second, private enterprise (fostered by both foreign and Thai capital) replaced state capitalism (Bell, 1978, p.65). The Thai economy also brought about the rise of financial capital engineered through the exchange and distribution system. The presence of the U.S. armed forces further discouraged industrial investment because the war-boom provided much brighter opportunities in the service industries (Elliot, 1978, p.13).

Finally, Chinese economic powers in Thailand came to establish pragmatic partnerships with the military bureaucrats. Though Chinese business groups had to endure anti-Chinese nationalist discrimination from 1950s on, they had undergone the assimilation process. As a result, the Chinese community developed a symbiotic relationship with the military leadership along clique lines (Girling, 1981, pp.73-77).

2. Philosophy of the Populist Economy

In previous discussions, it has been shown that the four regimes, in varying degree, were inclined to a leftist ideology. At the same time, they faced the common need to expand political support so that the political leadership could be strengthened and socioeconomic transformations could be

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15 Sarit's policy change coincided with his change in patronage methods and patrons. He no longer based his power on patronage within the system of state enterprises, but had extensive private interests. See, Girling, 1981, p.81.
accomplished. This two-pronged strategy was most clearly reflected in their economic policies.

Generally speaking, the populist economy is comprised of three interrelated philosophical trends: One is to introduce a socialist economy by expanding public ownership and the state’s economic role; Second, the state tends to emphasize the improvement of the welfare of the economically disprivileged classes at the cost of the capitalists and other propertied classes. Finally the economy is strongly influenced by a nationalist ideology.

For the purpose of restructuring the private ownership in favor of the lower-classes and of transferring strategic economic activities from private monopolistic or foreign control, to the control of society as a whole (Vuskovic in Zammit, 1973, pp.49-50), the populist economy seeks to expand the public ownership of the property. Accordingly, the state’s economic role highlights another aspect of the populist economy. Though chronic inflation had largely been aggravated by the hike of government spendings, the populist leaderships could not cut them because of the political need to enlarge social services.

The expansion of the state’s economic intervention was directly related to the second characteristic of the populist economy: income redistribution favoring the poor classes. During this stage, any stabilization programs involving loss of income and austerity were rarely launched. Instead, consumption, imports, low prices were emphasized. Above all, increases of wages and the institutionalization of minimum wages --- along with a free union movement --- were two of the most important elements in the populist economy. In the process, the regime inevitably faced a strong challenge from
employer groups.

Finally, ideological nature and political needs led the populist leadership to claim economic nationalism. Expropriation of foreign capital and other anti-Western politico-economic actions produced complicated results. But, overall, politically-initiated economic measures simply led the already problem-stricken populist economy toward the final catastrophe.


1) Expansion of the State’s Role

In Chile, the idea of socialist economy was put into practice, primarily, through alternation in the ownership of property toward collectivism. During the Rightist and Centrist administrations, 77% and 52% of national properties had been in private hands. By 1972, however, private ownership dropped to 40% (Stallings, 1978, p.155). By implementing the Social and Mixed Area policy, by the end of 1971, the Allende government had put over 150 industries under state control, intervened in 104, requisitioned 35, and expropriated 4. Also, 12 of the 20 largest industrial firms and a majority of the 23 private national banks had been purchased. By October 1972, another 24 firms were requisitioned and 37 were intervened in (Stallings, 1978, pp.131-132). When Allende’s socialization program was vetoed by the PDC and a counter-bill was introduced requiring Congressional authorization for each

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16 Allende divided all private properties into Social Area, Mixed Area, and Private Area. Then all companies with capital exceeding $1.34 million as of December 1969 would be put in the Social or Mixed Area. See, Stallings, 1978, pp.131-32.
individual expropriation, Allende had to temporarily revive an old law from 1932 to keep the process going.\textsuperscript{17} "Nevertheless his Social Area basically went ahead in an ad hoc fashion" (Stallings, 1978, p.131).

Under Allende's reign, government spending also rapidly increased. The share of public sectors in the GDP averaged 38% and 43% during Alessandri and Frei's rules. In the Allende administration, it increased to 53% (Stallings, 1978, p.158). From September 1970 to the end of 1971, fiscal expenditures increased from less than one-third to almost 60%.\textsuperscript{18} Money in circulation increased by 110.5% between December 1970 and December 1971 (A.Valenzuela, 1978, p.51). Reviewing all these data, the comment of Allende's hero, Fidel Castro, seems to be not far from the truth;

"Marxism is a revolution of production; Allende was a revolution of consumption" (Rosenstein-Rodan, 1974, p.10).

For Sukarno and the communists, the state's intervention in the private economy was not a subject to be discussed. Especially for the PKI, in spite of its criticism of bad management of the state enterprises (which was said to represent the worst kinds of protectionist and étatist philosophies /McCawley, 1981, pp.62-64), it could not but continue to support the state sector because of its ideological commitment (Mortimer, 1974, pp.257-58). Sukarno's commitment to state enterprises and ambitious development plans inevitably

\textsuperscript{17} The "old law", decreed during the 12-day Socialist Republic in 1932, directed that the government could "intervene" or "requisition" firms where labor or other problems were causing production declines that seriously affected the economy. See, Stallings, 1978,p.131.
\textsuperscript{18} By the end of 1970, the public sector was 2,068 out of total 8,845 (millions of escudos). Seven months later, it increased to 9,121 out of 17,633. By the end of 1971, the total amount of credit granted by the banking system was 26,900 while the public sector occupied 16,115. A.Valenzuela, 1978,p.52.
resulted in deficit financing. Along with the drop in tax revenues and foreign aid, public outlays were 50% greater than income in 1958 and 1959; during the 1962-63 period they were twice as large; and in 1964 and 1965 government spending outnumbered income by two and a half times (Freeman, 1968, p.86).

Since the mid-twentieth century, the Brazilian state had played a crucial role in developing basic industries such as energy and transportation. A populist leader, President Kubitschek, strengthened the role of the state as investor, particularly, in the expansion of heavy industry and in the formation of an infrastructure for the production of durable consumer goods (Cardoso, 1973, pp.143-44). In 1964 Goulart’s proposal of Basic Reforms specified the expansion of state’s ownership by trying to nationalize all remaining private oil refineries in Brazil (Stepan, 1978, p.125). The current account expenditures of the federal government --- the operational costs of the bureaucracy, subsidies, and transfers --- rose from 10.9% in 1959 to 14.4% in 1963 (Stepan, 1978, p.114). At the same time, the government’s deficits rapidly increased. In the 1956-60 period, the average deficit of all levels of government occupied 0.7% of the G.D.P. It increased to 2.9% (1961), 4.8%(1962). The next year, it dropped by 1% (Wallerstein, 1980, p.27).\(^{19}\)

Until 1973, the Thai state’s role had been confined to a defensive one. Traditional values such as a balanced budget and strong foreign reserves were highly praised. But Kukrit and his Minister Boonchu tried to transform the

\(^{19}\) In 1960 the total expenditures formed 23.3% of total GDP. In 1964, it rather decreased by 0.1%. On the other hand, government revenue’s portion dropped from 23.3% to 18.8%. See, Stepan, 1978, p.114 and Wallerstein, 1980, p.27.
state's role into an active one which could give direction to the economy. Kukrit's populist policies required huge financial resources. Boonch took the first step to reverse the "utter passivity" tradition with a planned package of U.S. $500-600 million to be borrowed during the Fourth Plan (1977-81). He also formulated an expansionist budget by doubling the projected deficit of the previous year in the 1976 budget (FEER, 2-4-1977).

The fall of Kukrit, however, was accompanied by a complete dismantling of Boonchu's deficit financing. His successor, Seni retreated to the traditional conservatism by opposing the idea that the budget should become an active instrument of change. Therefore, even before the 1976 coup, a retreat from expansionary budget policies had already begun in the civilian government (FEER, 2-4-1977).

2) Emphasis on Distribution and Consumption

The most significant features of the populist economy was that the key priority of economic policy was the expansion of welfare for the popular classes: wage and salaries were raised; minimum wages were increased; consumption was emphasized over production; and social services were enlarged.

Allende's wage policies basically deviated from those of previous rightist and centrist administrations. In the Alessandri Government, wage increases had been regarded as the main cause of inflation, and, thus they had been adjusted within a limit not surpassing the cost-of-living increases for the previous year. In the Frei era, wages could be raised to exactly 100% of the previous year's
inflation, but no more. But Allende thought that, in contrast, wages should go up by at least the same amount as the cost-of-living (Stallings, 1978, pp.169-70). As a result, the process of income distribution exceeded even Allende’s goals. Basic wages went-up by 66.6% and basic monthly salaries by 35%. By July of 1971, average income per employee had increased by 54.9% (The original goal was programmed around 40-45%/A.Valenzuela, 1978, p.51). Allende’s consumption-expanding popular policies were also expressed in the rapid increase of foodstuff importation. After a year of his administration, its share of total imports increased from 14 to 24%. This had a serious impact on the economy as a whole because foodstuffs importation was pushed at the cost of machinery imports (A.Valenzuela, 1978, pp.54-55).

When Goulart took office in the early 1960s, Brazil’s economy had long suffered from chronic inflation. Imports, state spending, and the credit and wage increases had to be reduced until an equilibrium was reestablished, especially in foreign transactions. Besides that, for Goulart, help from the IMF and immediate aid from the U.S. were essential. These foreign money-lenders requested, in return, austerity policies. But Goulart did not possess enough political power to maintain the stabilization programs which required a reduction in real income of all sectors (Wallerstein, 1980, pp.29-30). In January 1963, the Dantas-Furtado plan was proclaimed. But it soon had to be abandoned in the face of salary readjustments for civil servants and the military. Though Goulart promised the IMF that he would raise wages no more than 40%, he had no power to overcome the military’s pressure for a 70% increase (Wallerstein, 1980, pp.31-32).20

20 Against traditional understanding, Wallerstein claimed that, though Goulart
In 1963, the Sukarno government attempted an important turn toward a rightist economy by accepting a Western-sponsored stabilization program. The IMF and the U.S. were to provide credit of $250 million. In return, Sukarno was requested to reduce military expenditures, to devalue the rupiah, to tighten credit policy, to keep a balanced budget, and, most harshly, to remove price controls on all commodities (Hausewedell, 1973, p.118 and footnote #38). This stabilization program was vehemently opposed by popular forces, bureaucrats and the military. Eventually in September 1963, Sukarno largely had to scrap the program. The PKI’s economic program, which no doubt decisively affected Sukarno’s policies, included elements of the populist economy. In its economic seminar in February 1959, following the Soviet model, heavy industry was emphasized. But later its priority was changed toward light industry and agriculture which could satisfy the basic needs of the popular classes (See, Mortimer, 1974, pp.255-56 and p.270).

Civilian administrations of Thailand, though unable to launch strong programs to cope with mounting internal problems, proposed a series of reformist policies aimed at expansion of the lower-classes’ welfare : plans for free medical care at government clinics and free bus rides for the urban poor, land reform,\(^{21}\) formation of co-operatives in the countryside and so on (Bell, 1978, p.68). Strengthened unions demanded wage increases. The textile workers’ strikes of June 1974 brought a minimum wage increase from 60 cents to 1.25

\(^{21}\) A Land Reform Law passed in March 1975 included a five-year program designed to distribute over four million acres of land to 500,000 families (FEER, 2-4-1977).
dollars (See, Bell, 1978, p.66 and Mallet, 1978, p.82, footnote #18).

3) Anti-Western Nationalist Measures

Memories of colonial rule, Western capital’s domination of the domestic economy, and the politico-ideological nature of the political leadership...all these facts drove the populist regimes to initiate anti-Western, nationalist reforms in the economic field. While foreign properties were confiscated and privileges to foreign investors were stopped, economic autarchy was also sought to keep up economic independence. In return, Western countries retaliated against the regimes by taking economic sanctions.

In Chile, Allende's pro-socialist shift culminated in the expropriation of foreign capital, in particular, in the mining industries. During the PDC's "Revolution in Liberty", important mining industries had already been nationalized. Since then, in many cases, agreements about the conditions of compensation had been made. But then Allende announced the "Allende Doctrine" which refused compensation to companies which recorded "excess profits" over the previous 15 years. If the "excess profits" were larger than the total value of a company, the government would not pay compensation. Thus, copper mines such as those owned by the U.S.-based Anaconda and Kennecott corporations were to be freely nationalized (See, Stallings, 1978, pp.132-33).

In Indonesia, besides the bitter experience of Dutch rule and key leaderships' good feelings toward socialism, two other factors also stimulated anti-Western impulses. First, territorial (Western Irian case) and nationalist
(anti-Malaysian Konfrontasi) disputes --- which were also utilized by Sukarno for strengthening his personal power. Second, the PKI’s fear of American influence in Indonesia and the U.S.’s relatively lukewarm support for Indonesian development in comparison with the Soviet’s aggressive campaigns. In retaliation for the Dutch government’s holding of West New Guinea, Sukarno, during the 1958-60 period, seized all Dutch properties from mining to banks and wholesale establishments. In previous years, confiscation had been limited to key industries, like railways and airlines. But, now, even compensations to former owners were withheld as a means of putting pressure on Holland (Cady, 1978, p.263 and Mortimer, 1974, pp.255-56). In 1963, protesting support to Malaysia, Sukarno expropriated British and some American properties, too. With this development, the PKI urged Sukarno to maximize domestic resources or seek government-to-government loans from only communist and other “friendly” countries (Mortimer, 1974, p.258).

In Thailand, anti-American leftists’ campaign resulted in two conflictual patterns: while economic aid shrank, military aid continued at past levels. This was of course interpreted by anti-American radicals as a move by the U.S. to destabilize the parliamentary system and to strengthen right-wing military forces (Mallet, 1978, p.86)

IV. Ideology and the Economy : Reflection on the Outcomes

1. Outcomes of the Populist Economy

Overall, a populist economy dominated by ideology and political needs did
not succeed. This failure was not unexpected. Even the economic planners of these regimes themselves did not believe that their economy would work well in the short term. The problem was, however, that the future prospects look did not look any better. In addition, the political leadership was not strong enough to endure the storm of resistance caused by economic transformations and the slowdown of growth.

Though all of the economic disasters may not be attributable to mishandling by the populist regimes (for example, Wallerstein defended Goulart by saying that he had been forced to pay for the legacies of the populist policies implemented by his predecessors, in particular, Kubitschek. See, 1980), regime managers in this study surely are in a position to be blamed. As the following data on the GDP growth rate and the CPI indicate, all four regimes were pushed to the edge of the crisis.

From the standpoint of the GDP growth rate, Chile and Indonesia recorded the worst performances.

In terms of the inflation rate, all four countries, even Thailand, suffered unusual difficulties.

Deteriorating political disorder plus "crude"-nationalist mobilization inevitably resulted in dramatic decreases in investment. During the Frei regime, gross industrial investment occupied 9.4% of the total industrial output. In the Allende administration, it dropped to 5.0%. In the 1965-70 period, foreign and private investment respectively stood at 20% and 34%. But the Allende regime reduced their portion to 15% altogether (Stallings, 1978, pp.161-62). Thailand was no exception. Foreign investors began to boycott the Thai market. In 1974
<table>
<thead>
<tr>
<th>year</th>
<th>Chile(^a)</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969</td>
<td>3.3%</td>
<td>10.1%(^b)</td>
</tr>
<tr>
<td>1970</td>
<td>3.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>1971</td>
<td>7.7%</td>
<td>8.1%(^c)</td>
</tr>
<tr>
<td>1972</td>
<td>1.4%</td>
<td>4.3%</td>
</tr>
<tr>
<td>1973</td>
<td>-6.2%</td>
<td>10.3%</td>
</tr>
<tr>
<td>1974</td>
<td></td>
<td>4.6%</td>
</tr>
<tr>
<td>1975</td>
<td></td>
<td>5.5%</td>
</tr>
<tr>
<td>1976</td>
<td></td>
<td>5.9%</td>
</tr>
</tbody>
</table>

\(^a\) IMF, International Financial Statistics, Jan. 1976

\(^b\) UN Statistical Yearbook for Asia and the Pacific, 1976

\(^c\) IMF International Financial Statistics, Dec. 1977

Japanese capitalists poured in $749.6 million, but, one year later, they invested just $423.6 million (FEER, June 25, 1976). Foreign investors also took capital out of Thailand. In 1975, capital outflows (in the form of loan repayments, dividends, and profits) reached $59.9 million in the first eight months, while $27.7 million had slipped out of the country a year ago (Mallet, 1978, p.86). Thai entrepreneurs themselves, too, began to invest abroad. In 1975, Thailand was the third largest investor in Hong Kong after the U.S. and Japan (Mallet, 1978, p.86).

The reduction of foreign investment was accompanied by the U.S.'s cut in foreign aid and blockade of access to international loans. In Thailand, U.S. military aid kept rising from $63.7 million in 1973 to $81.7 million in 1976.
TABLE 3.11 GDP GROWTH RATE

<table>
<thead>
<tr>
<th>Year</th>
<th>Brazil&lt;sup&gt;d&lt;/sup&gt;</th>
<th>Indonesia&lt;sup&gt;e&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>8.1%</td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>7.7%</td>
<td></td>
</tr>
<tr>
<td>1959</td>
<td>5.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>1960</td>
<td>9.7%</td>
<td>0.6%</td>
</tr>
<tr>
<td>1961</td>
<td>10.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>1962</td>
<td>5.3%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>1963</td>
<td>1.5%</td>
<td>-0.6%</td>
</tr>
<tr>
<td>1964</td>
<td>2.9%</td>
<td>4.7%</td>
</tr>
<tr>
<td>1965</td>
<td></td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

<sup>d</sup>: Wallerstein, 1980, p.5

<sup>e</sup>: Based on net domestic product at 1960 factor cost---U.N.

Statistical Yearbook for Asia and the Far East, 1968

(Bell, 1978, p.69). During the same period, however, economic aid of $39 million decreased to $17 million (Mallet, 1978, p.86). The U.S. not only cut economic supports to the Allende regime but also prevented Chile from obtaining foreign loans from IBRD, IDB, IMF and other private banks (See, Stallings, 1978, pp.133-34). Sukarno's failure to acquire American loans on good terms led him to declare anti-Americanism (Freeman, 1968, pp.93-93). This series of economic hardships decisively hurt the populist economy and deepened the crisis in the foreign sectors.

The execution of excessive nationalization also pressed the economy. In Chile and Indonesia, enterprises under government control, due to their bad
TABLE 3.12 CPI RATES

<table>
<thead>
<tr>
<th>Year</th>
<th>Chile</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>26.6\textsuperscript{a}</td>
<td>2.1\textsuperscript{c}</td>
</tr>
<tr>
<td>1969</td>
<td>30.6%</td>
<td>2.0%</td>
</tr>
<tr>
<td>1970</td>
<td>32.5%</td>
<td>0%</td>
</tr>
<tr>
<td>1971</td>
<td>19.0\textsuperscript{b}</td>
<td>2.0\textsuperscript{d}</td>
</tr>
<tr>
<td>1972</td>
<td>77.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>1973</td>
<td>354.5%</td>
<td>11.7%</td>
</tr>
<tr>
<td>1974</td>
<td></td>
<td>23.3%</td>
</tr>
<tr>
<td>1975</td>
<td></td>
<td>4.1%</td>
</tr>
<tr>
<td>1976</td>
<td></td>
<td>4.0%</td>
</tr>
</tbody>
</table>

\textsuperscript{a}Yearly average variation of CPI, retail: A.Valenzuela, 1978, p.19
\textsuperscript{b}When 1970=100: International Financial Statistics, IMF, Jan.1976
\textsuperscript{c}U.N. Statistical Yearbook for Asia and the Far East, 1976
\textsuperscript{d}When 1970=100: International Financial Statistics, Dec.1977

Performances, requested "endless" support from the state. Their management was so bad that even the PKI of Indonesia --- the original architect of nationalization --- criticized the managers of state enterprises (Mortimer, 1974, pp.257-58). In Chile, many government-controlled industries asked the Central Bank for loans. Increases in currency emissions no doubt further fueled inflationary tendencies (A.Valenzuela, 1978, p.63). The takeover of foreign-owned enterprises also resulted in a vacuum of technology. As a result, industrial production such as mining in Chile evidently decreased (Rosenstein-Rodan, 1974, pp.10-11).
TABLE 3.13 CPI RATES

<table>
<thead>
<tr>
<th>Year</th>
<th>Brazil[^]</th>
<th>Indonesia[^]</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>21.8%</td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td>13.4%</td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>17.3%</td>
<td>60%</td>
</tr>
<tr>
<td>1959</td>
<td>51.9%</td>
<td>25%</td>
</tr>
<tr>
<td>1960</td>
<td>23.8%</td>
<td>20%</td>
</tr>
<tr>
<td>1961</td>
<td>42.9%</td>
<td>29.4%</td>
</tr>
<tr>
<td>1962</td>
<td>55.8%</td>
<td>164.7%</td>
</tr>
<tr>
<td>1963</td>
<td>80.2%</td>
<td>122.2%</td>
</tr>
<tr>
<td>1964</td>
<td>86.6%</td>
<td>109.0%</td>
</tr>
<tr>
<td>1965</td>
<td></td>
<td>303.8%</td>
</tr>
</tbody>
</table>

[^]---Cost of Living annual variation---Wallerstein, 1980, p.5


2. Ideology, Politics, and Economy: Crisis on the Eve of a Coup

Pedro Vuskovic, Economics Minister of the Allende administration succinctly characterized the political objectives of his government's policy: To widen the Popular Unity government's basis of political support. Allende's populist economy was designed to benefit the popular classes and it was believed to lead the masses to back the socialist government (Tomic in Zammit, 1973, pp.35-36). For a regime which obtained less than 40% of the popular vote, no other item on the political agenda was more urgent than that of increasing political support. The leftist ideology-directed populist regimes chose to isolate the upper bourgeois classes from the middle- and lower-
classes and, in return, wished to expand political support among the latter groups. For this purpose, economic policies had to be fashioned in the direction of raising the share of the lower income groups. The resulting political costs (opposition from the wealthier classes) and the economic costs (slowdown of the growth) were supposed to be paid off at the polls (Sigmund, 1980, pp.279-80).

Thus the economy of the populist regimes was primarily dominated by ideological and political demands. The logic of the economy at large had to be ignored. During the period of Guided Democracy, “Sukarno regarded economic policy as a tool of political strategy” and “economy as a servant had to carry out commands from above” (Freeman, 1968, p.84 and Mortimer, 1974, p.268). Brazil’s Goulart could not stick to stabilization policies without the risk of losing political backing among the lower-classes. Thai civilian administrations, in spite of the already rising cries of the businessmen, could not but concede to the demands of the unions.

The four leaderships in this study, however, were not able to secure enough political power to maintain their regimes, as well as to implement their ideologies into the real world. The “original regime supporters”—leftist political forces, unions, and the radical intellectuals—pushed for quicker and broader reforms. For the regime managers, who had to place the economy under their control and had to minimize conservative resistance, the extremists in their own camp turned out to be political burdens.

As time went on, the populist leaderships tried to find centrist solutions through which they could console enraged conservatives. However, political forces determined to overthrow the leftist regime were not willing to
compromise with their enemies. On the other hand, a conciliatory approach by
the regime enhanced the alarm of radical leftists. Toward the end of each
regime, as a matter of fact, the extremists in the ruling coalitions demanded
more and more radical solutions. The radicalization process eventually reached
an explosive point which appeared threatening to the very foundation of key
conservative organs, like the military and the monarchy.

In conclusion, the implementation of the populist policies barely helped
the political leadership to strengthen its support base. Rather, the poor
performance of the reform-oriented economy irritated both the supporters and
the opponents of the regime. To the misfortune of political leaders like
Allende, Goulart, Sukarno, and Kukrit, there existed no centrist policy-line
which could satisfy the change-aspiring popular classes and, at the same time,
which could hold political resistance by the propertied, conservative rightists
to a minimum level. Some efforts to compromise both conflicting demands
only further weakened an already ailing political leadership. As a result, our
regimes failed to either put their ideological creeds into real practice or to
strengthen the political power of the key leadership.

By far this chapter has described and analyzed dark cloud hovering
situations in each of the four populist regimes anticipating a violent action by
the armed forces. In review, these regimes were entangled by chains of
political, ideological, and economic crises which stimulated one another in
deteriorating acute confrontations. For this reason alone, a purely economy-
centered approach to the breakdown of a populist regime can hardly be
accepted. As the introduction of the Interactive Model in chapter 2
emphatically repeated, it is why a synthetical perspective comprising both
political and structural dimensions is required. In short, the existence of a crisis situation is one thing and the actual occurrence of a military coup is another. The explanation of such a violent political event should be made with a primary reference to political actors. It is a task of chapter 5 which analyzes the political nature of each of the four militaries.
CHAPTER 4

POLITICAL AUTHORITARIANISM AND ECONOMIC NEO-LIBERALISM:
TRANSFORMATIONS IN THE POST-COUP PERIOD

I. Introduction

The preceding chapter analyzed the process of accelerating crisis in the
pre-coup period and attempted to provide clues to the causes of coup and
their relationship to the rise of leftist popular forces. This chapter will, in
turn, describe the political, ideological, and economic transformation brought
by the post-coup military regimes. Again it confines its scope to the
description of post-coup change and postpones the explanation of such a
transformation to Chapter 5.

For that purpose, section II of this chapter analyzes the political and
ideological nature of each of the four military regimes. In particular, their anti-
 populist ideology and commitment to authoritarian developmentalism will be
discussed in detail. After that, section III will characterize the nature of the
post-coup economy, above all, its adherence to the so-called "neo-liberal"
model, summarized by its advocacy of the market economy,
transnationalization, and pro-business policy, will be emphasized.

Finally, section IV will be devoted to a discussion which will focus on the
state's political and economic status vis-a-vis civil society. Since this study
considers the military officers in power as "state-managers" who make
politico-economic policies in accordance with their own political will, ideology,
and concern for corporate interests and are not "determined" by structural
strains, the closing pages of this chapter will closely review the post-coup state's policy stance toward dominant economic powers.

In sum, this chapter will pay its ultimate attention to one fact which appears in common in all four regimes: the post-coup regimes generally favor domestic and international capitalists over the "larger-pie-demanding" lower classes. But these regimes occasionally confront the interests of dominant economic powers. Structuralists, introduced in this study, i.e., classical structuralists and even revised state-autonomy theorists, can hardly explain post-coup states' ambivalent attitudes. Consequently, it is theoretically necessary to highlight the state-managers' independence from structural forces.

II. Political Nature of Military Regime

1. Process of Regime Consolidation

As mentioned previously, the Chilean people have taken pride in their century-long tradition of a parliamentary system. However, Gen. Augusto Pinochet has buried this democratic legacy in the memory of past history. Assuming power, he at once closed the Congress and banned political parties. Then, the military junta --- composed of the chiefs of each armed forces' service --- replaced the functions of the Legislature.

As a result, no elections have been held for 13 years. Instead, two plebiscites --- one in 1978 and the other in 1980 --- were called. The first one was a vote of confidence in reaction to the U.N.'s resolution condemning Chile's human right violation. The second one was to promulgate a new
Constitution. Both plebiscites ended with Pinochet's one-sided victories. According to the 1980 Constitution, his current term will be guaranteed until 1989. After that the junta will examine a single presidential candidacy --- clearing any obstacles for another Pinochet term until 1997. Right after the 1989 "presidential election", the parliamentary system will be restored.

Due to Pinochet's harsh repression (cf. post-coup arrests were estimated at 50,000 to 90,000 and the number of deaths at between 5,000 and 10,000, Sigmund, 1982, p.105) plus a remarkable growth of the economy, the military regime --- despite the naked characteristics of its authoritarian politics --- did not face any serious challenge until 1983. Since then, encouraged by international support and an economic downturn, opposition groups have challenged the regime by organizing nation-wide protests and strikes. However, Pinochet has successfully suppressed such movements by proclaiming a series of states of siege. Chile's opposition groups have so far failed to engineer effective threats to Pinochet. Moreover, Pinochet has not loosened his firm control over the military. In addition, several factors have enlarged Pinochet's breathing room in spite of his low popularity.¹

First, strong conservative elements, still troubled by deeply seated anxieties and enmities against the Allende years, have maintained at least negative support for Pinochet (Valenzuela, 1985, p.80 and Sanders, 1983, p.1). Second, because of continued repression and internal rivalries, the opposition

¹The Gallup Poll conducted in June 1975 shows that 76% of the respondents supported Pinochet, while only 20% expressed hostility. See, Latin American Political Report, 1975 B, p.203. But eight years later, another survey found that 59.8% of the respondents opposed him while 29% favored. See, Sanders, 1983, pp.9-10.
has failed to develop coherent and concerted anti-regime forces (Fleet, 1985, pp.176-77 and Valenzuela, 1985, p.80). Third, it is difficult for the military elites to envision a practical alternative to Pinochet or to the military regime as a whole (Sanders, 1983, p.1). Therefore, it is not actually expected that Pinochet will either step down or allow the restoration of a parliamentary system in the near future.

In contrast to Chile, Brazil’s military has largely been led by moderate and "legalist" leaders. Though they frequently resorted to brutal and extraordinary measures of repression and coercion, they, nonetheless, were reluctant to do away with the parliamentary system altogether. In short, "the break with the former civilian political regime was less than total" (Cammack, 1982, p.11). Beginning in the mid-1970s, more importantly, the military government under president Ernesto Geisel initiated a political opening called, distensão and abertura.² Thus, the two decades of military rule in Brazil can be characterized by the alternating and cyclic mobilization of repression and "liberalization" processes. Alves (1985, p.256) summarized such a process as follows:

\[
\begin{align*}
\text{return to normalcy (1965)} & \quad \text{--- policy of relief (1967-68)} & \quad \text{--- decompression (1974-76)} & \quad \text{distensão (1977-79)} & \quad \text{abertura (1979-85)}
\end{align*}
\]

²Many students argue that the Geisel government had no choice but to allow democratization in the face of economic recession and the elimination of the guerrilla movement (For example, see, Fleischer, 1982, p.95). But they usually neglect two key facts. First, "although the underlying economic factors were already pointing towards the need for major adjustments, they were barely noticeable at the time" (when Geisel began to open the political system) (Moreira, 1984, p.159). Second, they do not pay attention to the "legalist" tradition of Brazil’s military (See, Suh, 1986).
Despite keeping the parliamentary system open, however, the military made sure that it would win the elections. The Constitution was amended so that president was elected indirectly. They also restructured the electoral system at their own will.\textsuperscript{3} Due to the repression and electoral maneuvers, during the first 10 years of the military rule, civilian opposition was controlled with little difficulty. But, since the 1974 elections when the MDB outnumbered the government party (ARENA) in the Senate race,

\begin{table}
\centering
\caption{Elections in Brazil (1966-1978)}
\begin{tabular}{|l|l|l|l|l|l|l|l|}
\hline
 & \multicolumn{2}{|c|}{House} & \multicolumn{2}{|c|}{Senate} \\
\hline
 & ARENA & MDB & ARENA & MDB  \\
\hline
Year & \% & s & \% & s & \% & s & \% & s & \% & s  \\
\hline
1966 & 63.98 & 277 & 36.02 & 132 & 56.63 & 48 & 43.37 & 14  \\
1970 & 69.46 & 233 & 30.54 & 87 & 61.39 & 40 & 38.61 & 6  \\
1974 & 52.00 & 48.00 & 161 & 41.02 & 6 & 59.40 & 16  \\
1978 & 50.43 & 49.57 & 189 & 43.03 & 15 & 56.97 & 8  \\
\hline
\end{tabular}
\end{table}

\textsuperscript{s}: seats

\textit{(SOURCE: Alves, 1985, pp.145-46).}

the opposition has begun to take the lead in electoral politics (See, TABLE 4.1)

\textsuperscript{3}The multi-party system was changed to a bi-party system in 1965. But, as the opposition MDB became too powerful, a multiple system was restored in 1979. Besides the frequent and arbitrary delay of the elections, the regime produced various kinds of discretionary measures such as a “candidate registration cancellation” rule in order to neutralize the opposition’s rise (See, Roett, 1978, pp.134-43 and Wesson and Fleischer, 1983, p.30).
Finally in 1982, the ruling PDS had to watch the opposition parties (under the multi-party system) obtain more than 55% of votes.

### TABLE 4.2 ELECTIONS IN BRAZIL, 1982

<table>
<thead>
<tr>
<th></th>
<th>Senate</th>
<th>House</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>seats</td>
</tr>
<tr>
<td>PDS</td>
<td>42.1</td>
<td>46</td>
</tr>
<tr>
<td>PMDB</td>
<td>43.7</td>
<td>21</td>
</tr>
<tr>
<td>PDT</td>
<td>5.9</td>
<td>1</td>
</tr>
<tr>
<td>PTB</td>
<td>4.6</td>
<td>1</td>
</tr>
<tr>
<td>PT</td>
<td>3.7</td>
<td>0</td>
</tr>
</tbody>
</table>


Toward the end of the 1970s, Geisel and his presidential nominee João Baptista Figueiredo (both of whom were "Castellistas", the followers of the first military president, Castello Branco) promised that they would hand over power to civilians. Though the ruling PDS outnumbered the opposition PMDB by 76 seats in the president-selection electoral delegates, the split in the government camp and the coalition of the opposition forces under the leadership of a moderate candidate, Tancredo Neves, ensured a peaceful transition in 1985. As a result, the 21 year-long military rule ended in the celebration of the birth of a democratic regime.

As one of the typical "veto regimes" (Sundhaussen, 1985), Suharto's New Order opened its new era by completely eradicating PKI followers, leaving hundreds of thousands of casualties. Indonesia's military regime has also
eliminated its original allies such as student leaders, Muslims, and army radicals and consolidated Suharto’s system in a coalition with the army centrists, bureaucrats, and technocrats (Sundhaussen, 1978, pp.48-49 and Jackson, 1978, p.11). Thus one of the secrets of the Suharto regime’s long survival lies in the destruction of, among others, the PKI and modernist Muslim politicians (Ward, 1973, p.67 and Liddle, POLITY, p.2).

In the meantime Suharto’s tight control over the military and building of legitimation, culminating in the maintenance of a pseudo-democratic system, further consolidated the regime. With regard to the method of renewing the president’s term, Indonesia is quite similar to Brazil. Suharto has been elected three consecutive times by the People’s Consultative Assembly (MPR), constitutionally the nation’s foremost collective authority. Of the 920 seats of the MPR, less than two-fifths were filled by direct elections in 1982. The remaining seats were appointed by Suharto. National elections were held to choose 360 Congress members, but another 100 members were appointed by the president. In the three elections held in 1971, 1977, and 1982, the government-controlled GOLKAR has secured over 60% of votes. Non-government political forces could share only a "handful" of seats in Congress (For example, 124 out of 460 seats in the 1971 elections. See, Sundhaussen, 1978, p.49).

Needless to say, Indonesia’s electoral system does not do anything more than cosmetically rationalize Suharto’s renewal of the presidency. But with the PKI, PSI, and the Masjumi banned and severely weakened, and with the regime’s authoritarian control over Moslem parties, any potential opposition can hardly find a way of resurgence. In addition, Suharto’s personal popularity
TABLE 4.3 ELECTIONS IN INDONESIA (%)  

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Masyumi/Parmusi</td>
<td>20.9</td>
<td>5.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nahdatul Ulama (NU)</td>
<td>18.4</td>
<td>18.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSII</td>
<td>2.9</td>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perti</td>
<td>1.3</td>
<td>0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPP</td>
<td></td>
<td></td>
<td>29.3</td>
<td>28.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-Moslem Parties</th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PNI</td>
<td>22.3</td>
<td>6.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parkindo</td>
<td>2.6</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>P.Katolik</td>
<td>2.0</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IP-KI</td>
<td>1.4</td>
<td>0.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murba</td>
<td>0.5</td>
<td>0.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDI</td>
<td></td>
<td></td>
<td>8.6</td>
<td>7.9</td>
</tr>
<tr>
<td>PKI</td>
<td></td>
<td></td>
<td>16.3</td>
<td></td>
</tr>
<tr>
<td>GOLKAR</td>
<td>62.8</td>
<td>62.1</td>
<td>64.1</td>
<td></td>
</tr>
</tbody>
</table>


and the relative success of economic development have further deprived the opposition of the opportunity to strengthen their challenge to power.¹⁴

¹⁴Dapice explains the paucity of bitter opposition against Suharto despite the recent economic slowdown caused by the decline of oil revenues as follows: 1) Real respect within the elite towards the technocrats 2) Control of a few major prices such as rice 3) Most people are now much better off than a decade ago. See, Dapice, 1983, p.15.
Of the four countries, it is Thailand which has experienced the most turbulent political turmoil. During the past decade, four coup attempts have been staged, in 1977 (twice), 1981, and 1985. But two facts have encouraged those Thais who wish to watch their "half-way democracy" fully blossom in the near future: the latest two coup attempts failed and the electoral system has slowly, but steadily developed. Most impressively, the current military leaders are increasingly aware of the limitations and inadequacies of a rigid military-dominated system. In other words, even the army's ranks recognize that they don't have an easy solution to political problems. Furthermore, they believe that political means have to be sought to fight communism and win in the "people's war" (Samudavanija, 1982, p.9 and Darling, 1980, p.186).

Interestingly enough, the military in 1977 overthrew its civilian protege Thanin Kraivichien in the name of liberalism at home and detente abroad. Then the military promised press freedoms, the lifting of martial law and return to open politics (FEER, 11-14-1977). In 1979, the first national elections since 1976 were held to choose members of the House. But the 225 Senators were appointed by Prime Minister Kriangsak. Owing to loyal support from the Senate, the government did not need to directly control its own political party. Instead civilian parties formed coalition governments under the leadership of the military prime minister (See, TABLE 4.4).

After two and a half years in power, Kriangsak resigned in early 1980 in the face of controversial economic policies. His resignation "opened the way for what seemed like the improbable --- an orderly change of government within the parliamentary system" (FEER, 3-21-1980 and Darling, 1980, p.186). Because the Thai Constitution does not require the Prime Minister to be a
<table>
<thead>
<tr>
<th>Parties</th>
<th>1979</th>
<th>1983</th>
<th>1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Action</td>
<td>83</td>
<td>92</td>
<td>51</td>
</tr>
<tr>
<td>Chart Thai</td>
<td>38</td>
<td>73</td>
<td>63</td>
</tr>
<tr>
<td>Democrat</td>
<td>32</td>
<td>56</td>
<td>100</td>
</tr>
<tr>
<td>Thai Citizen</td>
<td>32</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Siam Democracy</td>
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<td>18</td>
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</tr>
<tr>
<td>National Democracy</td>
<td>15</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Thai People</td>
<td></td>
<td>4</td>
<td></td>
</tr>
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<td>Progressive Party</td>
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</tr>
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<td>Free People</td>
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<td>Ruam Thai</td>
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<td>19</td>
<td></td>
</tr>
<tr>
<td>People</td>
<td></td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>Community Action</td>
<td></td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Mass</td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>democratic Labour</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>53</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>301</td>
<td>324</td>
<td>347</td>
</tr>
</tbody>
</table>


Member of the legislature, Army Commander-in-Chief Prem Tinsulanon should
become Prime Minister. With a personal reputation as an "incorruptible" soldier and with strong support from the Palace, Prem has been able to expand his political authority and to tighten control over the military. Though two coups against him have been attempted, military loyalists, encouraged by royal backing, successfully defended Prem from the rebels. In 1986, Prem dissolved the House in reaction to the ruling coalition's parliamentary revolt. Though this dissolution was called 11 months short of completing Prem's full four-year term, such action and the following general elections symbolized another triumph for democratic rule in Thailand, since built-in constitutional mechanisms, rather than a military coup, were chosen to cope with the parliamentary crisis (FEER, 5-15-1986)

2. Nature of Regime Consolidation

Based on the above descriptions of each regime's process of power consolidation, more detailed discussion with regard to the nature of such consolidation is in order. In this section, three factors will be compared: maneuverings to weaken the anti-regime forces; adoption of pseudo-democracy; and the personal or institutional nature of the political leadership.

1) Weakening of Opposotions

In Chile, all political parties lost their political role in the aftermath of the coup which closed Congress. Breaking a decade-long silence, in 1983 Chile's political parties began to form movements of solidarity against Pinochet. In February of that year, representatives from most Chilean parties formed PRODEN (Project of National Development) and announced the "Democratic
Manifesto". Five months later, centrist and moderate Leftist political forces, encompassing about two-thirds of the pre-1973 electorate, organized the Alianza Democratica (AD). In reaction to the organization of AD, radical leftists formed their own Movimiento Democratico Popular (MDP). Labor union leaders, as many as 1,200, also signed a letter in March 1983 opposing the regime.

The solidarity of opposition forces, demonstrating their power in successive nation-wide protests, forced Pinochet to appoint a new Minister of the Interior in August 1983 and to make gestures of considering a partial political opening (Valenzuela, 1985, p.80). But the AD's talks with the regime aggravated the deep-rooted distrust among ideologically-conflicting opposition groups. The centrist AD, under the leadership of the PDC, does not have any illusion that the opposition will be able to defeat the regime militarily. Their ultimate objective is to convince the military that "their own credibility as well as that of government is at stake" unless they remove Pinochet (Valenzuela, 1985, p.80).

Their non-violent line and ideological suspicion against radical leftists has prevented a pan-opposition alliance from being formed (Sanders, 1983, p.4). As long as the opposition forces remain within the boundary of "peaceful demonstration", Pinochet has little difficulty in defending the regime. If armed struggle-oriented radicals take the initiative, he may find a better excuse to strengthen his iron-clad rule in the name of crushing leftists. So far the logic of confrontation by radical opposition has only contributed to Pinochet's

\[ ^5 \text{In the protests of November 11, 1983, AD, MDP, and 150 other opposition groups participated. In the demonstration of March 1985, most public transportation came to a stand still. In major cities, fewer than 15% of students attended school. See, Shavkin, 1985, p.264.} \]
power consolidation (Valenzuela, 1985, p.90).

With the PKI and the modernist Muslims being swept away, no opposition parties have been able to mount a challenge to Indonesia’s New Order regime. On the one hand, those “radical” Muslims opposing the New Order’s Pancasila ideology have been squeezed out of the formal political system. On the other hand, political parties, as “loyal opposition”, have been very well “tamed”. Party leaders almost totally depend on government favour and subsidy. The continuity of leadership can be disrupted by the regime. A 1975 law gave the President authority to “freeze” party leadership and insist on the forming of a new party executive (Ward, 1973, p.71 and Sundhaussen, 1978, p.49).

Brazil’s military preserved the parliamentary system even though manipulating elections and trying to create an “official” opposition. Except for a series of electoral gerrymandering efforts, no conspiracy to systematically eliminate the opposition had been attempted. But officers were determined to fight against the Communist-led guerrilla movement. In a sense, the radicalization of a segment of the opposition helped the military leadership to rationalize their further strengthened authoritarian rule for a few years from the late 1960s to the early 1970s. From the mid-1970s on, with the terrorist groups being cleaned up, moderate opposition sought to build up its political support within the legal system.

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6 They opposed the Pancasila because it calls itself the sole political principle, and forces Muslims to reject their religion as the basis of political activity. However, these radical Muslims have so far failed to pose a threat to the regime because they tend to be the rural elite and are thus reluctant to tie up with and mobilize the urban and rural poor. See, FEER, 3-24-1983.
The Thai military regime, too, sustained a fairly open political system as far as the House contests are concerned. Because the military government does not possess its own political party, the House has been left to civilian parties. As a result, no serious attempts have been made by the military to weaken particular political parties. Three major parties, the Social Action, Chart Thai, and Democrat, have formed coalition governments on the condition they admit military premiership. The 1986 elections allowed the Democrat Party to outnumber the Social Action Party which had led the coalition during the past two elections (See, FEER, 8-7-1986). To some degree, in spite of a great deal of tension among themselves, these three parties have played a "government party's" role, with the remaining small parties, obtaining 133 out of 347 seats in the 1986 elections, acting like the opposition.

2) Pseudo-democracy vs Authoritarianism

In this study, Chile is the only regime which totally ignores the legitimization strategy through an electoral mechanism. In combination with brutal repression against popular forces, such an authoritarian system may be the last option left to Pinochet as he attempts to reverse the long tradition of Chile's democratic rule (See, Stallings, 1978, p.152).

As explained above, Indonesia's political parties, and the electoral system as a whole, have limited roles in renewing Suharto's presidency. A loosely-knit federation of non-party organizations, the ruling GOLKAR, does not stay in public sight except for election times. Under the slogan of "a federation of people from all classes", GOLKAR is made up of some 200 groups (FEER, 8-14-1971) encompassing the civil service, labour unions and the masses in the countryside. Even though it has obtained over 60% of the popular vote in each
of the past three elections, the majority of the MPR members were picked by Suharto.

On the other hand, Thailand's post-1976 political system has been "fully" democratic as far as half of the electoral system is concerned. Three hundred and forty seven members of the House (1986) were elected by popular vote. However, senators (225 members in 1979) are appointed by the Prime Minister. Thailand's "half-way democracy" must be the product of a compromise by a military which pursues two rabbits, democracy and stability.

Compared to Thailand, Brazil's political system has been much closer to a Western-style democracy. Despite the maintenance of an indirect selection of president and electoral gerrymandering, the regime allowed opposition parties to build up their electoral power and to finally win the 1985 presidential contest.

3) Personalism vs Institutionalized Rule

Finally, the nature of the leadership in military regimes needs to be discussed. The B-A model anticipates that military regimes established by a "veto-coup" will be ruled by the military as an institution, not by a single powerful man (See, O'Donnell, 1973). In this study, Brazil and Thailand's cases most appropriately fall with this assumption. However, one-man rule in Indonesia and Chile seriously invalidates the "institutionalized" leadership

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7 In 1979, almost 200 of the 225 senators appointed by Kriangsak were drawn from the military and police. FEER, 6-1-1979.
8 As a result of the manipulation of the electoral system, in the 1982 Senatorial elections, the ruling PDS obtained 46 seats with 42.1% of popular votes. On the other hand, the opposition PMDB gained only 21 seats even though it had 1.6% more votes than the PDS.
concept.

In Brazil, as will be discussed in Chapter 5, Castellistas, following Gen. Branco's Sorbonne groups, formed the mainstream in the military during the two decades of military rule. Military Presidents such as Branco, Geisel, and Figueiredo have consistently pushed for political "normalcy" by checking the hard-line "Duros". On the other hand, Presidents Costa e Silva and Médici Silva and Medici represented the non-Castellistas, and during their reign, authoritarian rule deepened. Despite these ideological and personal differences, however, Brazil's military has not broken one principle: the military should control political power and the president must step down when his term ends. This principle has been well kept. No president has attempted to extend his presidency or to ignore the military's institutional interests. In short, Brazil has been led by no individual "heroes" or individual generals, but the military as a whole (Evans, 1974, pp.39-41).

Thailand's ruling military has also kept the iron-law that they should be in direct charge of the government. Though some younger officers of the military, usually called the "Young Turks", and a group of "Democratic Soldiers" have raised their voices with regard to democratization, the military's control over the Senate --- the key to keeping hegemony in the governing coalition --- has not been abandoned. The fact that current Prime Minister Prem has survived two coup threats, and has held the premiership for five consecutive times as the longest-lasting Prime Minister in Thai history attract special concern in this respect. As a staunch monarchist,\(^9\) he has

\(\text{\textsuperscript{9}}\)He served as royal aide-de-camp twice in 1969 and 1975. FEER, 3-1-1980.
enjoyed strong royal support. He is also said to have popular respect among the military and the nation in general.

In 1986, Prem surprised the Thai people by forcing heir-apparent army commander-in-chief Arthit Kamlang-ek to retire (NYT, 3-25-1986). Around the 1986 elections, he again demonstrated his self-confidence by giving up the Defense Ministry post, which has been usually occupied by the incumbent Prime Minister (C.S.M., 8-13-1986). Given these and other actions, Thai leadership seems to be moving toward personal rule. However, it is not yet probable that Prem will be able to build up his personal authority to the degree that he can manipulate the military at his own will. Rather it is expected that Prem will step down in a few years and another military man will succeed him.

Two conflictual interpretations exist among Indonesian specialists with regard to understanding the New Order's polity. King argues that Indonesia is one of a few ideal types of the B-A model. Jackson emphasizes the nature of the bureaucratic polity. Both scholars, however, agree that Indonesia is not ruled by a personalistic or sultanistic leadership (Jackson, 1978, p.17) but the ultimate authority resides in an oligarchy or the military as an institution (King, 1982, pp.22-23).

On the other hand, Sundhaussen and Liddle highlight Suharto's personal authority. They focus on such facts that Suharto is "clearly in control of the armed services and can reshuffle top ranking generals without great difficulties" (Sundhaussen, 1978, pp.72-73). According to Liddle, Suharto's successful combination of legitimation, cooptation, and coercion is his secret
to staying in power for two decades.\textsuperscript{10}

It is true that Suharto --- even though he has accumulated personal power for a long time --- can never ignore the voices of the military. But in comparative terms, Indonesia's polity is not ruled by institutional leadership. As Liddle noted, "the armed forces as a body thus reign, but they do not rule" (Liddle, POLITY, p.7), Suharto seems to have established his personal rule to the extent that he can manage the military with no great difficulty.

Unlike the other countries under discussion, Chile has from the beginning been under the reign of the military junta. Nonetheless Chile's polity is placed under Pinochet's personal leadership rather than the military's collective control.

Right after the coup there had been discussions of a system of rotation among the commanders of the army, navy, air force, and national police (Sigmund, 1982, p.106). But Pinochet moved from one of four coequal junta members to chief of the junta, and later head of the state during the 1973-76 period (Fleet, 1985, p.191). As a result, Pinochet, Commander-in-Chief of the army as well as head of state, "relies on the armed forces for support, but he is not constrained by them" (Valenzuela, 1985, p.78). In the late 1970s Pinochet forced some grumbling generals, in particular from the Air Force, to retire and since then, through his tight control over personnel promotion authority, has not faced any serious problems in consolidating his personal rule. Sigmund characterized the current polity as follows: "-----it is a

\textsuperscript{10}Liddle also says that a low level of political institutionalization has begun to replace personal rule. Thus he does not believe in the probability of rapid change in the post-Suharto era. See, Liddle, 1984, recit. by King, 1984, pp.4-7.
personalist regime that relies much more on his civilian advisors than on the military for policy input and advice.\textsuperscript{11}

In short, to a varying degree, the military regimes in this study have not been able to significantly ignore the institutional voice of the military. On the other hand, as the regime has been consolidated by one leader, political power tends to be concentrated into the hands of a single authority. Or, as in Chile's case, the military's commitment to professionalism and non-political attitudes has prevented institutionalized rule. In short, the B-A model's concept of institutionalized leadership was found inapplicable in two of the four military regimes under study.

3. Reactive and Generative Ideologies

As a "veto-regime", the four military regimes in this study have no doubt demonstrated a series of "reactive" policy lines. They are basically anti-leftist. They sometimes exaggerate the new rulers' skeptical views on civilian political systems in general. At the same time, the ideology of military regimes has also created a kind of "generative" innovation by placing emphasis on development and technocratic pragmatism. Overall, these regimes announced a fundamental negation of the past and promised to create a "new state" in a fashion similar to Barrington Moore's "revolution from the top" (Valenzuela, Valenzuela, 1985, p.78).

\textsuperscript{11}Sigmund explains this phenomenon by pointing to the fact that the Chilean military is still non-political in the sense of not making or directly influencing policy. Sigmund, 1982, p.98. In contrast, Valenzuela warns not to exaggerate the degree of personal rule in Chile. According to him, Chile's ministries have a great deal of autonomy and the junta is still the locus of legislative power.
1982, p.4 and Nef, 1983, p.305). Thus, the new military leaders presumed a fairly long "transitional period" (Angel, 1982, p.18) or, in the Indonesian case, never accepted a provisional characterization of their regime and held out "no prospects for a return to civilian rule" (King, 1984, p.2).

1) Anti-Leftist Ideology

In reviewing the ideological conflicts in the pre-coup populist period, it is no surprise to see that the military has placed its utmost priority on sweeping out leftist activists and labor leaders. Chile’s Pinochet removed those elements in his junta aspiring to a speedy return to constitutional procedures under the excuse of "extirpating the cancer of Marxism" (Sigmund, 1982, p.104). In Chile, the officers’ hostility against the Left had been aggravated by the fact that radical maximalists had tried to self-arm and by the belief among the military that the Left had been "preparing to slaughter the top leadership of the armed forces" (Sigmund, 1982, p.105). Pinochet’s anti-communism further expanded to a mistrust of Centrists like the PDC, who he believed had allowed the Left to come to power in 1970 (Sigmund, 1982, p.105).

In the face of Pinochet’s "full-court press" strategy aimed at totally eliminating not only leftist activists but also their secondary sympathizers like labor leaders, lower-class workers, and even shanty town dwellers, Chile’s leftists had to accept a destiny of brutal death, arrest, "internal exile" to the concentration camps, escape across the border, or going underground. Under unprecedented repression, Chile’s Left has undergone significant ideological change and their internal rivalry has also deepened. As described in Chapter 3, Chile’s Socialists in the Allende period had surpassed their Communist counterparts in terms of ideological dogmatism and violent tendencies. But
now many Socialists have adopted a European social democratic model encompassing bourgeois democracy and a mixed economy.\textsuperscript{12}

On the other hand, the Communists, long the partisans of a peaceful route to socialism, now represent extreme radicals. While the Socialists espouse peaceful means of struggle, the communists endorse the use of “all forms of struggle”. According to the latter, “nonviolence alone is insufficient to pressure the armed forces into jettisoning Pinochet”. Thus their primary goal is to organize “popular rebellion” so as to “increase tension in ways that will make the country ungovernable” (Sanders, 1983, p.4).

Though the Communists had not imposed any real threats to pre-coup Brazilian society, the military considered the Partido Communista Brasileiro as their declared enemy (Skidmore, 1973, pp.16-17). In reaction to harsh repression, Brazil’s radicals, during the 1967–69 period, had staged urban guerrilla warfare against the regime. But the radicals’ hopes of destabilizing society and thus weakening support for the military from the middle and urban sectors ended in frustration (Roett, 1978, p.146). Enjoying the “economic miracle” from the late 1960s to early 1970s, the authoritarian Médici government successfully eradicated the terrorist groups. In a sense, radical actions by the Left added justification for strong (i.e., repressive) government (Roett, 1978, p.147). On the other hand, the elimination of radical elements opposing the regime had encouraged the military toward “abertura” since the

\textsuperscript{12}Oppenheim explains the Socialists’ ideological turn-around from the limits they have recognized in Chile’s situation: First, U.S. power in the region can never be ignored. Second, the Chilean military’s anti-communism has realistically constrained the breathing room of the Left. See, Oppenheim, 1985, p.60.
mid-1970s (See, Pereira, 1984, p.195).

Suharto’s New Order found scapegoats at the cost of as many as a half-million lives of alleged communists and anti-military opponents. For Indonesia’s military regime, “to save the country from the leftist conspirators” was an important source of legitimacy (Liddle, POLITY, pp.17). Suharto even took advantage of an Indonesian version of McCarthyism in order to consolidate his power base. He banned the PKI and did not allow the PSI to revive from Sukarno’s dissolution. Two decades after the massacre, Indonesia takes pride in being one of the most exemplary anti-communist states.

In contrast to Indonesia, Thai military leaders have shown a somewhat “soft” stance toward the Communists. Based on their experiences in the countryside fighting against the Communist rebels, significant sectors of the army (such as the Young Turks) have proposed political and social reform. The Internal Security Operation Command, which was in direct charge of crushing the Communists, persuaded senior officers that democracy, popular participation, and economic improvement were necessary in the fight against communism and in the “people’s war” (FEER, 6-19-1981).

Following such advice, the Kriangsak government promised amnesties for the rebels and, in particular, for those 3,000 student activists and intellectuals who had fled to the jungle in the aftermath of the 1976 coup (FEER, 3-20-1981). The Thai military’s appeasement policy has so far been effective. Many of the 1976 rebels have returned to society. The armed strength of the CPT’s People’s Liberation Army was reduced from 10,000 in 1979 to 6,000 members two years later (FEER, 3-20-1981).
Now the Left in Thailand remains "out of fashion", though still alive in the universities. The CPT has rapidly weakened due to events in Indochina, the China-Vietnam split, threat from Hanoi, and the mass defection of the 1976 activists (FEER, 6-19-1981). Moreover, the CPT's pro-Chinese leadership has suffered from the rise of a new generation favoring pro-Soviet lines and a "Nicaraguan Model" of an urban guerrilla movement. Though the CPT is still controlled by pro-Chinese elements, in facing the increasingly effective techniques of the military's strike forces, its attempt to reverse the trend is not likely to pay off in coming years (FEER, 3-20-1981).

2) Neutralization of Labor Unions

Given that the post-coup military regimes have all pursued an economic model demanding sacrifices of the lower-classes, and in particular, organized labor, it is not difficult to guess what these regimes' labor policies will look like.

In Chile, neutralization of the union movement has occupied the top priority of policies. Pinochet's regime has organized its anti-labor policies on two dimensions: economic squeeze and political repression. As many scholars pinpoint, Chile's new economic model has presumed (or resulted in) (See, section III) a high rate of unemployment. As a result, there has been a "decline in the industrial proletariat and thus a decline in organized labor" (O'Brien, 1984, p.70). Some attempted protests by the workers have been largely peaceful. "With unemployment hovering close to 30%, there is great reluctance on the part of those with jobs to take undue risks" (Valenzuela, 1985, p.79). Owing to the economic threats, Pinochet's deliberate attempts to atomize, weaken and depoliticize the labor movement have generally been
effective (O’Brien, 1984, p.70).

In addition to economic measures, the regime has repressively supervised union activities. In the first few years after the coup, Pinochet banned all meetings and elections. Plant-level leaders were selected among workers with the greatest seniority (Valenzuela, 1982, p.31). In the face of pressure from the U.S. union federation, the AFL-CIO, the junta finally allowed union elections in 1978 and promulgated a new labor law, "Plan Laboral" in 1979. Though the pre-coup union politics had been dominated by the Centrist PDC followers, the first elections since the coup reversed the trend: 60% of new leaders were "linked" to either the communist or socialist parties with about 35% to the PDC (Valenzuela, 1982, p.31). As a result, of the three major union groupings, the largest, National Union Coordination (CSN), is characterized by its left-leaning. On the other hand, the second largest Democratic Union of Workers (UDT) is closer to the centrist position (Sanders, 1983, p.2).

The "Plan Laboral" of 1979 was nothing but legal cosmetics to weaken and atomize the unions under the name of free-market principles. " Strikes were legal in certain sectors, but the workers stood little chance of success in a strike. Collective contracts do not exist in legal terms. Federations, Confederations, and above all anything resembling the old CUT are banned" (O’Brien, 1984, p.70). Recent street protests have been by and large initiated by union leaders. But because of economic and political limits, Chile’s union movement today is a far cry from its insurrectionary nature in the Allende years (Valenzuela, 1979, p.79).

In Brazil, due to a state-sponsored corporatist tradition, workers had relatively little political influence, even in populist regimes (See, Evans, 1974,
p.39 and Schmitter, 1971). Moreover, civilians behind the 1964 coup were those who had most consistently and fiercely opposed "trabalhismo", organized labour's political movement (Flynn, 1978, p.259). As a result, the early part of the military's rule had been characterized by unusual peace in the factories (For example, no single strike reportedly took place in 1971. See, TABLE 4.5).

TABLE 4.5 STRIKES IN BRAZIL

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>1962</td>
<td>154</td>
</tr>
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<td>224</td>
</tr>
<tr>
<td>1980</td>
<td>58</td>
</tr>
<tr>
<td>1981</td>
<td>94</td>
</tr>
</tbody>
</table>


Toward the late 1970s, in the wake of aggravated income distribution and political opening, workers began to stand against the regime. Thus years of

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The "economic miracle" substantially increased the size of the industrial labor force. Between 1960 and 1970 the number of workers employed in industry grew by 52%. Between 1970 and 1974 it again increased by 38%. In the meantime, the minister of labor initiated "union abertura" by relaxing the accounting procedures by which the state monitored union funds. As a result,
1978 and 1979 resembled the strike frequencies of the early 1960s (See, Epstein, 1984, p.49). As a whole, however, the combination of the regime's harsh stance and the union's lack of a militant tradition has lowered the Brazilian workers' political weight.

Because of an economic structure which encompassed a very small number of the factory-employed proletariat (in 1979, about 10% of the total 54.5 million workforce were affiliated with manufacturing and construction sectors. See, 1980 Yearbook of FEER) and large-scale underemployment, Indonesia's unionism has never been strong (Ward, 1973, p.72). Though the PKI-affiliated federation of unions, SOBSI, could raise its voice during the Guided Democracy period, Suharto's New Order has systematically neutralized organized workers.

First, the military regime has accomplished the "de-party-ization" of unions. Under the new circumstances, unions were banned and the MPBI, replacing the SOBSI, was required to "attend only to matters that were directly related to the interests of the workers and not to serve the interests of outside groups" (King, 1979, p.187). Citing the economic necessities of attracting foreign investment, the regime placed industrial peace over the workers' rights (King, 1979, p.187). Furthermore, around the 1971 elections, Suharto forced unions to be incorporated into the GOLKAR. Trade union branches or units in many factories and state enterprises were dissolved and their members enrolled in a GOLKAR union under the rationale that party-tied unions were not independent and were not motivated purely to promote the

the state-approved union officials had access to some discretionary funds for personal and cooptive uses. See, Stepan, 1985, pp.333-34.

In 1973, the regime newly formed the FBSI, which is supposed to implement Pancasila industrial relations, i.e., a concept of labor-management harmony. It rejects a confrontational attitude between management and labour. Rather the philosophy of corporatist labor relations is supposed to harmoniously blend the interests of labor, management, and the government, with the latter as the final arbiter of disputes (Liddle, 1987, p.213).13 Today Indonesia's unionists are not militant defenders of their members' interests, and most of Indonesia's 2.9 million organized workers hardly try to extend their scope of actions beyond their own workplace (FEER, 4-3-1986).

The Thai military regime's attitudes toward organized labor has been relatively less harsh. Though the 1976 coup banned strikes and lock-outs, temporarily upheld the 1975 Labor Relations Act, and issued a series of repressive measures bringing union activities to a near standstill, even the ultra-rightist Thanin administration avoided alienating the labor movement en masse. Thus the labor code preserving collective bargaining rights was not abolished. Thanin even promised an increase in the minimum in early 1977 (FEER, 2-4-1977).

From 1977 on, labor policy became more moderate as Kriangsak and Prem implemented "relaxed" policies. Though the ban on strikes continued, it did not hinder unions from taking actions, even in the form of a strike (Wehmhorner,

13 The increasing role of the government in managing labour conflicts can be read from the following figures: the number of disputes brought to the Department of Manpower's arbitration machinery from 1966 to 1971 had been 108(1966), 95(1967), 550(1968), 348(1969), 765(1970), 965(1971). See, King, 1979, footnote #4.
In January 1981, Prem finally lifted the ban, buying the view that it is “better to allow open actions of unions than forcing them to move underground”. Prem’s drastic decision is said to reflect the fact that trade unions in Thailand have already become an important pressure group.¹⁴

**TABLE 4.6 UNIONS IN THAILAND**

<table>
<thead>
<tr>
<th>Year</th>
<th>Numbers*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>8</td>
</tr>
<tr>
<td>1973</td>
<td>6</td>
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<tr>
<td>1974</td>
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<td>1980</td>
<td>63</td>
</tr>
<tr>
<td>1981</td>
<td>90</td>
</tr>
<tr>
<td>1982</td>
<td>58</td>
</tr>
</tbody>
</table>

* : Numbers of new unions registered each year.


As TABLE 4.6 shows, the Thai labor movement has steadily increased its organizational power (As of October 1985, 433 unions have been

¹⁴It is necessary to note that the 1981 coup leaders requested trade unionists speak in support of their coup on T.V. See, Wehmhorner, 1983, p.484.
formed, FEER, 4-3-1986). But because of the fundamental limitations of the estimated 4.5 million non-agricultural workforce that is eligible for union membership, only 6.6%, fewer than 300,000, is organized and because unions are generally organized at the enterprise level, it is improbable that Thai workers will initiate an important political mobilization. The small Marxist-oriented fringe of the labor movement no longer exists. The mainstream union movement is committed to improving workers' welfare and achieving harmony between management and employees (FEER, 2-4-1977).

3) Ideology of Anti-Politics

The military leaders have heavily criticized the nature of the past regime as they stress their mission of creating a "New Order", a "New State". They have deprecated politicians, ideology, and the political system of the past as a whole. Moreover, the new regimes have shown common tendencies in trying to deny the political role of politics itself. Chile's military leaders identified "divisive and selfish" politicians as the enemy of the nation (Sigmund, 1982, p.105). Pinochet has a notable tendency to compare politicians with soldiers, and finds another reason not to "associate" with the former. According to him, Chile's political parties are bound by their nature to behave corruptly. In contrast to the soldiers' austerity and dedication, Chile's pre-coup politicians are believed not to have hesitated to abuse their power in exchange for votes (LARR-SC, Oct., 1984). Pinochet's bias against "civilian politics" must have shaped his attitude towards not allowing any truly pluralistic political models (Nef, 1983, pp.305-307). His view on "anti-politics" is most succinctly expressed in his following statement:
"I am willing to speak with opposition leaders as individuals, but not as representatives of parties or alliances" (LARR-SC, Sep., 1983).

Suharto’s New Order, rejecting Western Liberal Democracy and its principle of separation of power, has advocated an “Indonesian brand of democracy” (Sundhaussen, 1978, pp.49-50). It does not include any system of checks and balances, but a “distribution of powers” and unity. Indonesian political elites have shown a series of attitudes seemingly reminiscent of the “Bureaucratic Polity” assumptions. Their basic views on the masses, i.e., “The people are still stupid, not yet enlightened” (Ward, 1973, p.74), has led them to ignore any interests of mobilizing mass support (King, 1982, p.24). The masses will “not necessarily spend their valuable time and energy being involved in the political struggles of party and groups, but will be occupied wholly with development efforts” (Sundhaussen, 1978, p.50).

Instead, politics should be left in the hands of elites (Crouch, 1979, pp.576-77). All that is needed is to strengthen national unity under the GOLKAR spirit. Pursuing the “unanimous consent of all”, the New Order regime has intervened in party congresses and manipulated the election of party leaders. Political parties are banned from operating and maintaining branches at the subdistrict and village levels (Sundhaussen, 1978, p.50). In short, the New Order’s ideology is concentrated in minimizing the status of politics as a whole.

Thai military leaders have expressed self-contradicting views on politics. On the one hand, they have relaxed tight controls on their opponents, including leftist activists, recognizing the necessity to win the “people’s war”. On the
other hand, the military’s negative attitudes toward the “pluralistic” political game have not ceased. Thus, Samudavanija says that “they tend to view politics in a narrowly defined way, i.e., being limited to parliamentary activities” (1982, pp.6-7).

The post-1976 regime’s “anti-politics” nature is most symbolically represented by the fact that the military prime ministers have insisted on not standing in general elections. Underscoring the Thai military’s overriding distaste for civilian politics, Prem has rationalized his anti-political ideology by stating that a link with a party would erode the military’s “treasured position of neutrality” (FEER, 11-5-1982). Because “to stay in power, the military is enough”, Thai military leaders will not either directly control a government party or attempt to contest for popular votes.

Though the Brazilian military’s understanding of security has been largely based on “cold war” concepts, the officers’ attitudes toward non-leftist politicians have been rather positive in comparison to those of other militaries in this study. Moreover, as extremist opposition withdrew from its radical line in the mid-1970s, the military leaders’ “pro-political” recognition has steadily grown. In fact, the hardline officers, especially from the military security forces, would not agree with the “Sorbonne group’s” legalist tradition. But they have stayed in the minority, and “so far lacked either the will or the intellectual self-confidence to emerge on their own and drop the pretense of civilian government” (Skidmore, 1973, p.18). In short, the concept of “anti-politics” may have been least applied to Brazil among the countries discussed.

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15 The Thai constitution does not require either the prime minister or cabinet members to be parliamentary men.
in this study.

4) Developmentalism and Authoritarian Pragmatism

While the post-coup military regimes’ ideological prejudices toward politics and populist forces were predominantly colored by “negative antis”, their commitment to economic development has been consistently motivated by “positive” faith --- almost close to a blind-faith. The new rulers have cast their whole destiny to the accomplishment of economic growth. In the face of such a “holy war”, the militaries have been willing to sacrifice almost everything if the economy is at stake. On the other side, the military has relied greatly on bureaucratic-technocrats advocating pragmatic, and seemingly scientific, solutions to the economic crisis. These civilian think-tanks have shown common streams of ideology characterized by anti-leftist and “neo-classical” market-oriented thought. The military has provided political and, of course, physical support to them so that these civilian groups can adhere to their policies regardless of resentment from some segments of the nation. As a result, a combination of political authoritarianism and economic liberalism has dominated the post-coup regimes' political economy.

The fusion of developmentalism and authoritarian technology is most clearly visible in Chile’s Pinochet regime. Since the 1973 coup, Pinochet had given blanket support to a group of economists --- called the Chicago Boys.

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16 A number of Chile’s economists from Catholic University went to the University of Chicago for higher degrees in particular during the period of 1955-63. Intellectually influenced by the American institution’s academics, such as Nobel Prize laureate Milton Friedman, these Chicago Boys have formed an ideologically coherent Neo-liberalism. In 1968 they established a rightwing think tank, called CESEC and were asked by then conservative presidential candidate Alessandri to draw up an economic program for him. But their
--- so that they could manage the economy at their will. Besides the ideological particularities of the groups' economic policies, the political conditions that they presumed also attract unusual interest. They realized that their model could not be implemented under a normal political system. It requires a centralization of power which can overcome any protests rising against the economic hardships which are inherent in the model. In this sense, the godfather of Chile's Chicago Boys, Milton Friedman, admits that "Sooner rather than later economic liberty would succumb to the authoritarian character of the armed forces". And Hayek expresses more directly that "Dictatorships may be a necessary system for a transition period" (O'Brien, 1984, pp.77-79). More than a strange coincidence, the implementation of the Chicago Model had been accompanied by a dramatic strengthening of the secret police, DINA.17

For Pinochet, the Chicago Boys' anti-collectivist, anti-statist ideas were appealing because, above all, they systematically rejected the old order (Valenzuela, 1985, p.79). They were also very attractive for several other visible reasons: they were armed with "scientific" expertise guaranteed by international figures like Friedmen; they had good actual and ideological connections with U.S. economic institutions, the World Bank, and other influential institutions; they offered a long-run political solution to Chile's

17But political links between the two groups weakened toward the end of 1970s. The economists believed that political demobilization, i.e., the application of repressive measures, was a prerequisite to establish free-market. By 1977, however, they began to think that DINA had outlived its purpose and even posed a threat to the liberal and transnational economic model. See, Nef, 1983, p.310.
chronic headache, the union movement; and most of all they promised an "economic miracle" (O'Brien, 1984, pp.75-76).

On the other hand, the Chicago Boys also had "personal" advantages that appealed to Pinochet himself:

"The Chicago Boys, while recommended by anti-communist elements on the Right, did not have a history of political activism and identification with the much-maligned political parties. They were independent technocrats with no strong ties to any particular constituency or interest groups" (Valenzuela, 1985, p.78).

At the same time they took it for granted that Pinochet had concentrated political power in his hands. In return for securing a free reign to run the economy, they helped to insulate Pinochet from the political demands of the large, organized business organizations, and increased his room for maneuver (O'Brien, 1984, pp.75-76 and Valenzuela, 1985, pp.78-79).

Like other countries, the Brazilian military's commitment to economic growth has been more serious than a simple dimension of securing political support. Their eagerness for development was so serious that Wynia even says that,

"The principal aim of the Brazilian military was economic, not political. Politics was primarily a means to the end of economic modernization" (Wynia, 1984, p.218).

The developmentalist officers identified the economic mismanagement of the civilian regimes with public decisional paralysis. Concentration of power,
thus, was perceived as the remedy to reduce popular demands (Lafer, 1984, pp.179-80) and to "cover" the technocrats from the sociopolitical pressures so that the latter were able to carry out stabilization policies that weighed most heavily on certain social sectors --- the working-class and even the entrepreneurs themselves (Skidmore, 1973, pp.19-20). As a result of the establishment of authoritarian rule, the Brazilian military-technocrat alliance could push a series of unpopular policies, such as a hike in the price of public services, an increase in income tax (individual income-tax payers increased from 470,000 in 1967 to over 4 million two years later), and a reduction of subsidies to many domestic enterprises (See, Skidmore, 1973, pp.20-21).

The new regime's tight political control was not only needed to suppress domestic opposition but also to convince foreign investors that it was determined to repudiate the legacies of "romantic nationalism" and provide favorable conditions for foreign economic interests (Flynn, 1978, p.261). No doubt, the military's crusading anti-communist policies and negation of the previous regime's interventionism must have exhilarated Western, in particular, U.S. governments and business elites (Skidmore, 1973, p.23).

The Brazilian military's cooptation of civilian technocrats was not very different from that of Chile in many facets. Authoritarian control of politics increased as the economic integration with the capitalist West deepened. Moreover, as the technocrats such as Roberto Campos and Octavio Gouveia de Bulhoes pushed orthodox economic measures causing "recessionary traumas", they would have succumbed to popular resentment if it were not for the full backing of the hard-line officers (Skidmore, 1973, pp.6-7 and pp.19-27).
The military-technocrat alliance has been stimulated by similar intellectual reasoning. The Brazilian military's educational emphasis on positivism was strongly mixed with the technocrats' pragmatism and scientific methods of thought. The military's bureaucratic orientation was willing to buy its partners' rationality on economic development. Thus, these elite groups have been "welded together around a general interest in keeping redistribution to a minimum and industrial growth at a maximum" (Evans, 1974, p.41).

For Indonesia's military, economic development has top priority for two political reasons: Suharto derives his legitimacy primarily from the realization of the claim that he can manage the economy much better than any previous leadership (Sundhaussen, 1985, p.107); poverty is felt to have jeopardized the nation by spawning communism. Economic development has emerged in the New Order consensus as the key to political goal attainment (Rudner, p.2).

The New Order's developmentalism has been combined by pragmatic and technocratic mentalities comprised of three key elements; a shift away from the previous regime's mass mobilization (Rudner, p.2); negation of ideological thinking, under the leadership of technocrats, such as the "Berkeley Mafia", (the Indonesian version of Chicago Boys, who had studied in the university of California-Berkeley, "pragmatic" social philosophy advocating technocratic

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18 The so-called "end of ideology" thesis was once influentially cited in Indonesia from the late 1960s until the mid-1970s. See, Ward, 1973, pp.74-76. 19 In 1966, Widjojo Nitisastro and his friends (most of them holding ph.Ds in economics from Berkeley) were asked by the military to solve economic problems. See, Budiman, 1979, pp.201-202. In the early 1970s, out of seven economists present in the cabinet, six were forming the "Mafia". As doctrinaire "capitalist-roaders", they are thought to have an "irrational passion" for economic rationalization and for dependence on the market to provide the incentives for development. See, Glassburner, 1978, p.166.
solutions has replaced politically and ideologically "biased" thinking.

The generals and technocrats\textsuperscript{20} share a wider common interest in the increasing rationalization and regularization of the state apparatus. They have also remained in general agreement on the indispensability of political stability as the prerequisite of economic development. In essence, the development model produced by them was not populist but exactly technocratic in that growth overshadowed distribution and the "Mafia" was allowed to neglect resulting social and political questions (Budiman, 1979, pp.202-203 and Rudner, p.9).

Since the Revolution of 1932, the Thai polity has witnessed a consistent alliance between officers and civilian bureaucratic technocrats. In a sense, a kind of structural dualism has ruled the country for over a half-century. Political decisions are left to the top military leadership. On the other hand, their civilian allies have almost monopolistic authority over economic and administrative issues. The Thai ruling elites' respect for civilian technocrats was so high that the former would not listen to advice coming from prestigious organizations like the World Bank if it differed from Thai planners in several aspects.

In Thailand, because of the tradition of factionalism among military

\textsuperscript{20}It is not true that Indonesian "technocrats" sounded in unison with regard to the detailed strategy of development. The regime downplayed rather nationalist-oriented brains such as Dr. Sumitro Djojohadikusomo in favor of the "apolitical" technocrats (Rudner, p.11). In terms of the development goals of the 1980's, the "engineers" would follow a more autarchic and higher technology path while the "technocrats" tend to worry more about employment and macro-consistency. Others put more weight on development of national entrepreneurs and agricultural development (Dapice, 1983, p.16).
leaders and civilian power-holders, development policies have been less effectively formulated than in other countries. It also prevented an influential intellectual group like the Chicago Boys or the Berkeley Mafia from being formed and taking the initiative in development projects. Though the Bank of Thailand has provided the nation with a good brain trust, it has not yet exercised any collective influence, as their Chilean and Indonesian counterparts do. A possible exception may be Boonchu Rajanasthien and his friends; as the former president of Bangkok Bank, he had served both in the Kukrit and Prem governments, playing a significant role as economic lord. He introduced the concept of "Thailand Incorporated", similar to that of other countries' free-market model, and influenced the future direction of the Thai economy to a significant degree (See, Darling, 1980, p.187 and FEER, 6-1-1979).

III. Political Implication of Economic Neo-Liberalsim

1. Economic Change and Performance in the Post-Coup Period

The post-1973 period of Chile has attracted considerable attention because of its characteristic experiences in economic experiments as well as its political digression from the long tradition of democratic rule. Chile's Pinochet regime is one of the few non-Western polities which have experimented with the neo-classical economic model most rigorously. Combining harsh repression with "autocratic" domination of the economic authorities by the Chicago Boys, Chile has witnessed a series of sharp fluctuations in terms of its economic record: severe recession, "Chile's miracle", and economic slow down.
As the previous chapter showed, the Socialist Allende regime suffered one of the highest inflation rates in the world (over 600%) and minus-growth in two consecutive years, 1972 and 1973. Despite the dismal conditions of the economy, Chile’s Chicago Boys adopted an all-out stabilization program --- often called “shock treatment” --- at the risk of further recession. As a consequence, G.D.P. per capita declined by as much as 14.4% in 1975. To the good fortune of the military junta, however, a miracle period soon followed: in the years 1977-1980 there were extraordinarily high rates of GDP growth, averaging 8.5% per year (Edwards, 1985, p.224). But the Chicago Boys’ days of glory did not last long. Chile’s miracle had seeded an unexpected downturn, and from late 1981 onward the economy entered a deep recession. Thus in 1982 and 1983, economic growth plummeted far below the zero point (See, TABLE 4.7).

Characterized by “economic laissez-faire”, Chile’s neo-classical model, in essence, included two distinct policy-orientations ; from 1973 to December 1977, orthodoxy was accompanied by real devaluation of the exchange rate ; from then until June 1982, when the Chicago Boys were forced to retire, the necessity of silencing inflationary tendencies required underdepreciation policies combined with a fixed exchange rate (Richards, 1986, p.471).

With regard to the causes of “Chile’s miracle”, Sigmund notes following facts ; (1) The Chicago Model’s effective implementation eliminated price distortion and encouraged efficiency in the allocation of resources (2) promotion of nontraditional exports ---dependence on copper decreased from 75-80% to 45% of total exports (3) rationalization of the bureaucracy (4) an increase of oil exploration and production (5) major foreign investments in
TABLE 4.7  CHILE'S ECONOMY AT A GLANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate(%)</th>
<th>Inflation Rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973</td>
<td>-3.6</td>
<td>508.1</td>
</tr>
<tr>
<td>1974</td>
<td>5.7</td>
<td>375.9</td>
</tr>
<tr>
<td>1975</td>
<td>-12.9</td>
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<td>174.3</td>
</tr>
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<td>1977</td>
<td>9.9</td>
<td>63.5</td>
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<tr>
<td>1978</td>
<td>8.2</td>
<td>30.3</td>
</tr>
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<td>1979</td>
<td>8.3</td>
<td>38.9</td>
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<td>31.2</td>
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<td>1981</td>
<td>5.3</td>
<td>9.5</td>
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<td>-0.7</td>
<td>27.3</td>
</tr>
<tr>
<td>1984</td>
<td>6.3</td>
<td>19.8</td>
</tr>
<tr>
<td>1985</td>
<td>2.4</td>
<td>30.7</td>
</tr>
</tbody>
</table>


the mineral sector ($6.5 billion were approved in the period of 1974-81, though only one-fifth of them were actually invested) (See, Sigmund, 1983, p.56).

Since mid-1981, however, the rosy color of Chile's economy began to turn into a crisis resulting in minus-growth, inflation (57.6% in 1982), and a high rate of unemployment (22.3% in 1982). As a result, the gains of the "miracle" period were quickly wiped out (Fleet, 1985, p.198). Though the regime economists gave as excuses low copper prices, world recession, and high
energy costs (Fleet, 1985, p.198 and Sigmund, 1983, p.49), neutral observers attribute the economic downturn to the failures of the Chicago Model.

First, the Chicago Boys attempted "too much too quickly", and therefore made mistakes due to their dogmatism and arrogance. Their negligence of the private foreign debt resulted in a service burden actually beyond government control (O'Brien, 1984, p.78). Second, the free-market ideology keeping tariffs at zero or very low rates left the economy extremely vulnerable to international circumstances. Because Chile's door was wide open to imports while the rest of the world was not so "co-operative", since 1979, the trade deficit has become acute (Angel, 1982, pp.20-21).

Third, the Chicago Boys' doctrinaire adherence to a fixed exchange rate from 1979 to 1982, combined with the indexing of wages, priced Chilean goods out of the export market (Sigmund, 1983, pp.56-57). Fourth, the ideological commitment to the "automatic adjustment" of the free-market exceedingly undermined the state's economic role, and thus neglected the necessities of public welfare, government support for domestic saving and investment. It also overlooked negative byproducts such as sky-rocketing interest rates, bankruptcies, and high unemployment (See, Sigmund, 1983, pp.56-57 and Angel, 1982, pp.20-21). Fifth, ironically enough, economic development was accompanied by a "deindustrialization" process. Most of the growth since 1975 has been concentrated in the service sector.\(^{21}\) By the same token, most of the imports were consumption goods for the upper-classes to the degree that very little of new machinery or equipment was purchased.

\(^{21}\) Since 1974 the service sector expanded by an average of 5%, industrial production by 1.3% per annum. See, Angel, 1981, p.21.
Chile's economy under the Chicago Model has drifted into deep recession since 1981. In early 1984, Carlos Caceres resigned from his economic post and new appointments were made to the Finance and Economic Ministries. After 10 years of "autocratic" reign, the end of the Chicago Boys' dominance\(^22\) finally arrived in 1984 (LARR-SC, Feb., 1985).

Inheriting the problems of the populist economy --- pressures of foreign debt and the emergence of hyperinflation, Brazil's military regime opted for remedies very similar to those used by Chile's Chicago Boys: willingness to accept the recessionary costs through fiscal and monetary restraint so as to reduce inflation: incorporation into the international economy and attraction of foreign capital. At the same time, however, Brazil's economists devised several key guidelines which seriously contrasted with the Chicago Model: the state's economic role rather increased; the stabilization program was more or less gradualistic and did not include the "shock treatment" long preached by the monetarists; after the initial disinflationary phase in the late 1960s, the policy orientation shifted to an accommodative stance aimed at maintaining high growth rates (See, Skidmore, 1973, pp.6-7 and Richards, 1986, p.462).

Though slackened for a while around the 1965 elections, the first military government of Castello Branco pursued orthodox economic measures to slow the inflation tendencies. Money supply and public spending were abruptly cut while the federally decreed minimum wage was frozen. After the 1965

\(^{22}\)Stepan claimed that their key day ended in 1978. After 1979, according to Stepan, the "Virginia School" of political economy had the most impact. See, Stepan, 1985, pp.322-23.
elections orthodox monetary constraints were again applied. As a result, a severe industrial recession occurred in 1966; real wages declined, imports slumped, and business failures multiplied. In return, however, the rate of inflation was significantly reduced from 65.9% of 1965 to 41.3% in 1966 (Skidmore, 1973, p.9).

From 1967, following the relative success of the stabilization program, newly appointed Finance Minister Delfim Neto was able to focus on the resumption of growth. For Delfim Neto, several positive factors as follows were believed to turn on "green lights" in terms of growth potential; relative success in price control, sharp reduction of the government deficit, extensive rationalization of the public sector, efficiency in the private sector, renegotiation of the large short-term foreign debt, and the increase of capital inflow and export (Skidmore, 1973, pp.12-13). His optimism surely paid off. As the following data indicate (See, TABLE 4.8), the "Brazilian Miracle" began to show up from 1968 to 1974. Surprisingly enough, during this period the economy grew by an average of 10% each year while inflation increased by a "moderate" 20% from the Brazilian standpoint.  

The economic boom, however, began to rapidly disappear in the wake of the 1973-74 oil crisis.  Brazil's own economic nature also deepened the crisis. According to Hurtienne, an insufficiently differentiated capital goods sector  

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23 Both the Costa e Silva and Medici governments chose to tolerate a "residual" inflation rate of 20%, reasoning that any attempt to push inflation much lower in the short run would hurt much needed economic growth. See, Skidmore, 1973, p.13.
24 In 1974, because of the hike of the energy costs, payments for imports increased by 125.5% while the volume increased only 14.7%. In that year the price of international raw-materials rose by 225%. Hurtienne, 1983, p.123.
<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate(%)</th>
<th>Inflation Rate(%)</th>
</tr>
</thead>
<tbody>
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<td>1964</td>
<td>2.9</td>
<td>91.4</td>
</tr>
<tr>
<td>1965</td>
<td>2.7</td>
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<td>1968</td>
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<tr>
<td>1972</td>
<td>11.1</td>
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<td>1973</td>
<td>13.6</td>
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<td>1981</td>
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<td>1982</td>
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<tr>
<td>1984</td>
<td>4.5&lt;sup&gt;a&lt;/sup&gt;</td>
<td>197.2&lt;sup&gt;b&lt;/sup&gt;</td>
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<td>1985</td>
<td>8.3&lt;sup&gt;a&lt;/sup&gt;</td>
<td>226.8&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

and delays in exports resulted in a shortage of semifinished products (Hurtienne, 1983, p.123). Facing the 1973-74 crisis and the second oil shock of 1979-80, however, Brazil did not risk pushing the economy into recession, i.e., sacrificing growth, in order to save another "rabbit" --- to lower the inflation rate. Instead a restrictive measure was taken: economic growth through continued reflation was pursued while restraint policies were also applied to curb the inflation and offset the trade deficit (Richards, 1986, pp.463-65). By late 1980, however, concerns over inflation necessitated a policy of greater orthodoxy; monetary policy became more restrictive and large devaluations were taken. Serious recession has recurred since 1981 when, for the first time under the military rule, the economy showed minus 1.6% growth.

Richards argues that Brazil should have returned to disinflationary and restrictive policies when the first oil shock struck the economy. But "once it had established a precedent for high growth, the regime was in a situation in which a return to restriction with the accompanying recessionary costs" was not acceptable on the grounds of political calculation (Richards, 1986, p.482). Besides the political problems of worsening income distribution and relative decline of the private sector due to increase in public and foreign investment (See, Lafer, 1984, p.182), a more serious weakness was found in the very fact that enabled Brazil's success in the past decade: its opening to world capitalism. Evans related the burgeoning strength of international corporations to the Brazilian economy's vulnerability to shifts in its international
Suharto’s Indonesia also began to “restructure” its economy by resorting to a stabilization program in spite of the visible risks of furthering recession. After taking state power around October 1966, the New Order devised a stabilization policy with the principal ingredients being 1) substantial reduction in the rate of money supply increase and and in the deficit of the government’s budget, 2) increase in tax revenues, and 3) increase in government revenues (Glassburner, 1978, p.141). Not very different from the other three countries in this study, the post-coup economic course in Indonesia was chartered by three elements; price stabilization, integration within the international economic order, and a steady widening of market determination or economic liberalization (King, 1984, p.1). Within such a policy context, Indonesia’s stabilization program included a two-pronged tactic; First, increasing the supply of consumer goods by imports made on foreign credit; Second, raising exports via foreign exchange incentives (Palmer, 1975, p.140).

As expected, the late 1960s were characterized by deep recession. In 1967 and 1968, the Indonesian economy expanded by only 2.2% and 3.0% respectively (See, TABLE 4.9). And despite the austerity programs, inflation rates hovered far over 100% in those years. But things soon began to change. As the table shows, the New Order’s economy recorded an average 7.4% growth rate from 1973 to 1981, while the increase of living costs remained

Evans characterized the risks of the Brazilian model as follows: 1) It must keep turning over massive external debt 2) It must continue to attract new investment and persuade subsidiaries to reinvest 3) Exports must rise so as to counterbalance sharply rising demands for imports. See, Evans, 1974, pp.42-43.
<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate(%)</th>
<th>Inflation Rate(%)</th>
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<td>1967</td>
<td>2.3</td>
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<td>1968</td>
<td>11.1</td>
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<td>1970</td>
<td>6.5</td>
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<tr>
<td>1985</td>
<td>1.6</td>
<td>4.3</td>
</tr>
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</table>

1985/FEER, 1-1-87.

Inflation Rate---1967-1974/UN Statistical Yearbook for Asia
and the Pacific, 1976.


1976-1983/UN Statistical Yearbook for Asia
and the Pacific, 1983.


remarkably low within the Indonesian context. In this regard, McCawley
examined the boom in the modern sector from 1967 to 1975. According to his
explanation, Indonesia's domestic producers in the late sixties faced few
difficulties in selling their products because of the shortage of many industrial
products and a large potential demand. Second, because of the underutilization
of capacity, there were few capacity constraints to hold back supply increases.
Third, accompanied by an overall change in the economic climate, an
investment boom stimulated industrial growth (McCawley, 1981, pp.64-67).

It must be said, however, that Indonesia's economy has not been led by
the industrial sector. The latter still accounts for only about 10% of the total
GDP (9% in 1970, 12% in 1977. See, McCawley, 1981, p.64). Moreover, since
1975, industrial growth in some parts of the modern sector slowed. On the
other hand, the Suharto regime was able to regain economic vitality owing to
the oil bonanzas from the first oil-shock onward. As shown in the table (See,

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26 For example, the textile industry fell from a 20% annual growth rate until
early 1970's to 10% per annum in the 1977-78 period. For the causes of such a
downturn, McCawley introduced five points: the Pertamina crisis and abrupt
cessation of huge investment program; increasing competition from imports
because of the overvaluation until 1978; Slow growth of the non-oil tradable
goods industries; exhaustion of easy import-substitution in some industries;
TABLE 4.10  INDONESIA'S OIL INCOME

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil-LNG/Total Export(%)</th>
<th>Oil-LNG/Government Revenues(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>30.1(^a)</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>31.7(^a)</td>
<td>10.5(^f)</td>
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<tr>
<td>1968</td>
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<tr>
<td>1971</td>
<td>40.9(^b)</td>
<td>25(^g)</td>
</tr>
<tr>
<td>1972</td>
<td>45.1(^c)</td>
<td></td>
</tr>
<tr>
<td>1973</td>
<td>50.8(^c)</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>71.7(^c)</td>
<td></td>
</tr>
<tr>
<td>1974-75</td>
<td></td>
<td>65.8(^i)</td>
</tr>
<tr>
<td>1975</td>
<td>72.8(^c)</td>
<td></td>
</tr>
<tr>
<td>1976</td>
<td>70.2(^b)</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>67.2(^b)</td>
<td></td>
</tr>
<tr>
<td>1974-78</td>
<td></td>
<td>50.4(^g)</td>
</tr>
<tr>
<td>1978</td>
<td>56.3(^d)</td>
<td></td>
</tr>
<tr>
<td>1978-79</td>
<td></td>
<td>65-70(^g)</td>
</tr>
<tr>
<td>1979</td>
<td>56.9(^b)</td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>59.6(^g)</td>
<td></td>
</tr>
<tr>
<td>1984</td>
<td>54.3(^g)</td>
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<tr>
<td>1985</td>
<td>41.3(^g)</td>
<td></td>
</tr>
<tr>
<td>1986-87</td>
<td></td>
<td>55(^h)</td>
</tr>
</tbody>
</table>

(SOURCE) \(^a\)------Yearbook of FEER, 1970.

\(^b\)------IMF, 1981 Yearbook (oil + petroleum product).

\(^c\)------Yearbook of FEER, 1977.

\(^d\)------Yearbook of FEER, 1980.
TABLE 4.10, Indonesia's oil did not occupy more than 35% of total exports in the late 1960s. After 1974, however, its share jumped to over 70%. Before the 1973 oil crisis, again, the contribution of oil to total government revenues was hardly impressive (10.5% in 1967, 25% in 1971). After the second oil shock in 1978-79, however, it accounted for 65-70% (Dapice, 1983, p.2).

In light of the nature of the Indonesian economy, two points have been persuasively made. First, a shift from the inward-looking, import-substitution policy to a more outward-looking export-oriented policy was advocated. The imperative of attaining external payment balance (and expanding employment) requires industrialization which can boost exports (FEER, 8-18-1983).

Second, the intrusion of foreign capital has deepened dependent development in Indonesia. A large proportion of foreign investment has concentrated in extractive industries such as oil, mining and timber. Because foreign-promoted economic activity is overwhelmingly capital-intensive, it has failed to improve unemployment problems (Mortimer, 1973, pp.53-55). The dependent nature of Indonesian development is also clearly seen in the structure of joint investment. The Indonesian shares in business activities were

27 The oil bonanza also presents some unexpected results, such as the government's decreasing dependence on income tax because it can secure budget revenues from the oil tax. It also increasingly dwarfs the growth of the traditional goods industry for exports. See, Palmer, 1975, pp.153-55.
only political shares while the capital and the skill come either from the Chinese or foreign investors. Thus Indonesian partners are essentially “sleeping partners” whose main function is to negotiate between the foreign investors and the regime (Budiman, 1979, p.218).

The first government of the post-coup Thai regime vigorously set out to display its “veto” nature by reversing the economic nature of the “democratic” period. Thanin put an end to reformist policies --- pro-labour and agrarian policies. The emphasis turned squarely towards business and manufacturing. Investment became a top priority. Nothing was heard of land reform, scheduled to begin in January 1977. To the agony of poverty-stricken farmers, the regime restored cheap rice supplies in the cities (FEER, 2-4-1977). In early 1980, new Prime Minister Prem vowed to “eliminate any monopolistic practice so as to defend the interests of the public and consumers”. His promise soon became void. Within six weeks the minimum wage was frozen, yet prices continued to increase. At the same time both local and foreign investors kept receiving privileges (Hewison, 1981, pp.395-96).

In the meantime, the Prem government since 1981 has placed heavy emphasis on austerity. It has decided to sacrifice growth for stability so as not to repeat the catastrophic experiences of debt-ridden28 countries in Latin America and of the Philippines. Thus, in 1986, Prem introduced, without hesitation, a zero-growth budget.29 Though economic growth during the past

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29 He also announced cutbacks in expenditures of 4,000 million baht in fiscal year 1985. As a result, curtailment or delay in government projects, which had traditionally provided a growth impetus for the private sector, particularly the
five years has remained below the 7% annual average of the past two decades inflation has been held to manageable levels.

On the other hand, top priority has been to preserve Thailand's favorable credit rating and to lower the current-account deficit. The government's cautions and serious belt-tightening approach was so impressive that Thailand has received full endorsement from the international financial community (FEER, 8-23-1984).

Despite these successes, the severity and quick succession of the various restrictive measures promoted widespread criticism from virtually all sectors of business. Some believed that the shock treatment was too severe and implemented in too short a time. Others called for a realignment of national priorities by accoring economic development a higher profile (1986 Yearbook of FEER). With regard to the latter criticism emphasizing more growth-oriented policies, the World Bank has most strongly urged the Thai government to accept its "Structural Adjustment Programme". Citing the relative advantages of the Thai wage structure, the World Bank persuaded Thailand to jettison the lingering vestiges of Import-Substitution Industrialization and to push export-oriented economies (FEER, 5-23-1980). However, such hopes of becoming a member of the "Asian gang of four" have been regarded as unrealistic by a segment of economists such as Sentell.  

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housing and construction industry, was inevitable (Vichit-Vadakan, 1986, p.181).  

30 Thailand's cautious rein on foreign debt attracted such extensive overseas praise that the World Bank's 1985 World Development Report cited Thailand as a model of success. See, 1986 Yearbook of FEER.  

31 He believes that those export "advocates" fail to understand the reality of Thai economy. According to him, the lack of social, economic, and managerial
### TABLE 4.11 THAILAND'S ECONOMY AT A GLANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth Rate(%)</th>
<th>Inflation Rate(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>8.4</td>
<td>4.2</td>
</tr>
<tr>
<td>1977</td>
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<tr>
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<tr>
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<td>4.1</td>
<td>2.7</td>
</tr>
<tr>
<td>1986</td>
<td>3.8</td>
<td>2.1</td>
</tr>
</tbody>
</table>


1984/1986 Yearbook of FEER.

1985/1-1-1987, FEER.


Inflation Rate-----1976/1978 Yearbook of FEER


1984-1985/1986 Yearbook of FEER.

2. Philosophy of the Neo-Liberal Economy

If the populist economies had been characterized by politically-directed reformism, more emphasis on distribution than production and economic as well as political nationalism, the post-coup military regimes in this study have reversed almost all the important economic policies of the populist period toward a more or less orthodox mode of capitalist development. The new regimes have attempted to "restructure" --- as the previous regimes had tried to "reform" --- their post-coup economies by implementing a series of policies aimed at the introduction of a prototype "neo-liberal" capitalist system. As will be discussed in the next section, however, as far as the state's role is concerned, the military regimes have significantly deviated from the model. In this section, an attempt will be made to characterize the philosophical thoughts directing the post-coup economies.

1) Two Faces of Liberalism

In general, all four military regimes, in varying degree, adopted "neo-liberal" economic ideas. They enhanced the autonomy of the market, reduced the state's political control over economic items, and allowed the domestic economy to be incorporated into world capitalism. This model is different from "classical liberalism" which assumed no economic role for the state. "Neo-liberalism" does not take a laissez-faire position per se. Instead it needs discipline remains the most serious obstacles to Thailand's industrialization. 

a "strong" state that can actively ensure the workings of competition. The model expects the state to interfere in the activities of what it calls monopolies, especially trade unions, which are argued to threaten the process of natural competition.

At the same time, neo-liberalism does not presume that democracy is a necessary condition for economic liberty. The former may help the latter, but it is also possible for economic liberty to exist within an authoritarian regime (O’Brien, 1984, pp.48-49). As previous sections have discussed, the "neo-liberal" model has been generally accompanied by "non-liberal" political systems in non-Western societies.

Neo-liberalism's free-competition logic also takes it for granted that "each individual's pursuit of his or her own selfish gain within a market leads to the benefit of all". Moreover, the belief in the automatic rationality of the market rationalizes the formation of dominant classes. If someone suffers, it is his own fault --- i.e., a failure to adapt to the market. Thus neo-liberalism's market individualism naturally rejects any historical or structural explanations of underdevelopment --- not only dependency theory but also semi-reformist ECLA advice. Understanding even the latter's view as a prelude to Marxism, this model simply repeats the necessity of removing obstacles to the efficient operation of international and national markets (O'Brien, 1984, p.46).

2) Autonomy of the Economy

To repeat, the pre-coup populist economies had not been able to firmly
accomplish stabilization programmes mainly due to their fear of losing political support and their weak political leadership. In other cases, political necessity forced the economy to sacrifice its own logic. To the contrary, the post-coup military leaders are willing to give full discretion to economic planners. With political support from the ruling military, the technocrats have been able to neglect the political cost of their policies and pursue a consistently market-oriented approach to economic development, following the established principles of economic rationality (Liddle, 1987, p.206). The isolation of the economy from political interference is believed to be one of the key characteristics of the post-coup economies (See, Skidmore, 1973 and Rudner, p.9).

As mentioned above, all four regimes have aggressively pushed stabilization programmes. Because of a political nature which insulates the regime managers from direct popular pressures, the economic planners have been allowed to pursue austerity according to their own faith. Brazil may be the possible exception in that it did not stick to the restrictive policies but also had to pay significant attention to the need for growth (See, Richards, 1986).

3) Export-Driven Industrialization

One of the main assumptions of structuralist approaches, especially those of the B-A model, is that military regimes have been born at the junction of the exhaustion of Import-Substitution Industrialization. This analysis has been

proven true in Brazil and Chile, and, to a lesser degree, in Thailand. A swing from ISI to industrial production for exports has taken place. However, the adoption of an identical industrialization strategy does not exclude different stories at all. In Chile, the new regime favored primary export sectors at the expense of domestic industry during the late 1970s. Thus, ironically, a process of secular deindustrialization has deepened. During the 1973-82 period, industry’s the share of GDP fell from 26.0% to 19.1%. As a result, within industry, a whole range of products for the domestic market were below their 1968 level (See, Richards, 1986, p.470 and O’Brien, 1984, pp.69-70).

In Brazil, the post-coup regime did not reject the ISI strategy favored by previous civilian governments. Though manufactured exports have been greatly emphasized, ISI was also extended into consumer durables and capital equipment sectors (Richards, 1986, pp.461-62). Overall, however, extroversion of industrial production to foreign markets has been sought, and for that, incentives have been given to foreign as well as domestic firms engaged in export trade (Skidmore, 1973, pp.24-25).

In Thailand, in the wake of the exhaustion of the easy stage of ISI for consumer nondurables, suggestions have been made of moving to the next stage of ISI, involving the replacement of imports of intermediate products and durable consumer goods by domestic production. But since the early 1980s the World Bank has repeatedly advised Thailand to develop an export-oriented economy, reasoning that it has faster growth potential (FEER, 5-23-1980).

The situation in Indonesia is somewhat different. Reflecting the relatively low level of industrialization, Indonesian economists believe that ISI is still applicable to Indonesia. Because industry does not surpass 10% of the GDP,
ISI is said to be not yet malfunctioning (McCawley, 1981, p.94).

4) Opening to Foreign Capital

In contrast with the anti-Western nationalism of the populist economy, incorporation into world capitalism and the resulting increase of foreign capital’s influence on the domestic economy comprise one of the most important changes in the post-coup period.

Following the prescriptions of the neo-liberal model, Pinochet’s Chile has reduced tariffs extraordinarily. In the face of protectionist barriers in other countries, the Chicago Boys’ faith in “comparative advantage” did nothing but aggravate Chile’s vulnerability to developments abroad. Foreign investment in Chile’s manufacturing sector still occupies a fairly small percentage of total investment. Because foreign capital achieved important control in key industrial sectors, however, economic dominance largely lies in the hands of foreigners (Henderson, 1977, pp.124-25).

The new regime’s dogmatic adherence to internationalization and free-competition has aroused nationalist caution even among rightist conservatives. They blamed the fixed exchange rate and excessively low tariffs as causes of the 1980s economic crisis (Sigmund, 1983, pp.49-50). Among the state-managers, the so-called “duros” also criticized the model’s lack of concern for national interests (Angel, 1982, pp.22-23 and Sanders, 1983, c.6).

When the Goulart government was overthrown in 1964, the most urgent task awaiting the new regime was to lessen the short-term debt burden and to strengthen the balance of payments. The implementation of austerity required external help to take up the slack resulting from the deflationary squeeze on
domestic businessmen. For Brazilian technocrats, rapprochement with foreign private investors seemed to be the only viable option. Thus the Castelo Branco government attempted to repudiate economic nationalism.

For him and his idea man, Roberto Campos, "continuity" in economic policy — i.e., the continuing collaboration with foreign capital — became the hottest issue around the time when Costa e Silva was going to take over the government. To the relief of the Brazilian regime's "Founding Fathers", nationalist military officers proved to be in the minority. An outspoken hard-line officer, Gen. Albuquerque Lima, who was also an outspoken economic nationalist, was forced to resign from the Ministry of the Interior and soon retired from military service (Skidmore, 1973, p.11 and p.23). In addition, from late 1968 onward, exclusion of the conservative political class and more nationalist elements of the bourgeoisie had been continued (Flynn, 1978, p.262).

The military regime's aggressive attitude toward foreign capital was symbolically reflected in the repeal of 1962 profit-remittance law. Foreign capital represents only 15% of total investment (Faucher, 1980, pp.7-8). Nonetheless this percentage is generally sufficient for foreign investors to secure domination over the sectors of durable consumer goods, nondurable consumer goods, as well as the production of intermediate and capital goods. In short, Brazil's opening to international finance has largely helped to promote domestic industrialization. In return, Brazil's indebtedness has also resulted in increasing vulnerability to the situation abroad (Evans, 1974,

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33 The bill had been vigorously opposed by foreign investors and the U.S. embassy. Although it had been adopted in 1962, did not go into effect until Goulart issued the enabling decree in January 1964. See, Skidmore, 1973, p.22.
After the coup, Indonesia seemed to have no choice but to develop itself by opening to the international economy. First, Indonesia had to rearrange foreign debt repayment obligations. Second, it had to seek foreign assistance to support its balance of payments. Third, foreign investment was also required to help exploit its natural resources (Budiman, 1979, pp.201-202). Sukarno’s inward-looking economy and, in particular, his politically-motivated nationalization policies had resulted in the decline of export industries. Thus, since 1966, “outward-looking” and transnationalization strategies have been pursued (Booth, 1981, p.11).

In 1967, the Foreign Investment Law was promulgated, and it was designed to “allow foreign investment where national enterprise could not supply the capital and skills” (Palmer, 1975, p.145). Initially foreign investors concentrated in the extractive sectors, but more recently a substantial proportion of the approvals have been for manufacturing projects (McCawley, 1981, pp.66-67). In Indonesia, unlike Chile and Brazil, foreign debt has been treated with much care\(^\text{34}\) because of the bitter memory of difficulties in the middle 1960s with its national debt and in the 1970s with Pertamina (Indonesia’s state-run oil company) crisis. Indonesia has managed its outstanding public sector debt (it had increased from $9.5 billion at the start of 1978 to only $14.9 billion by early 1981) and the ratio of debt service to gross exports in 1981 was only

\(^{34}\) The dependence of development expenditure on aid and export credit has dropped since 1969-70 from almost 80% to about 35%. Such a reduction in reliance on foreign capital inflow to finance development expenditures can be attributed to the oil bonanza and the substantial increase in government revenues. See, Booth, 1981, p.13
7.5% (Dapice, 1983, pp.11-12).

As the next section will discuss, the New Order’s adherence to foreign capital has aroused resentment among indigenous entrepreneurs. At the same time, because foreign-promoted economic activity is overwhelmingly capital-intensive, some people like Kuntjojo-Jakti do not hide their skeptical views of transnationalization;

"Industrialization is beginning to exist, but it is followed by the death of old industries and the problem of unemployment is still there" (See, Budiman, 1979, p.216)

In an extreme case, Mortimer, a neo-Marxist scholar who was well-known for his antagonism of Suharto, declared that "Indonesia is now in the stage of such a phase of neocolonial growth”. According to him, the spectacular increase in Indonesian GNP and exports has been strongly influenced by foreign economic intrusion. The foreigners’ "coca-cola investments” have catered to the luxury tastes of a small foreign and indigenous elite while foreign investment has spread in small, low-risk, quick-yielding industries and thus competed with and replaced products previously created by local capital and labour (Mortimer, 1973, pp.53-55 and Budiman, 1979, p.216).

As Boonchu’s development paradigm of “Thailand Incorporated” well demonstrates, the Thai military regime since 1976 has placed unusual stress on the attraction of foreign capital. One of the new military government's first acts after taking over was to ban strikes and issue a decree making it a crime to even advocate nationalizing a foreign business without paying
compensation.\(^{35}\) During Thanin’s period, a strong political commitment to foreign investment had resulted in the restructuring of the Board of Investment, with the Prime Minister himself heading it (FEER, 2-4-1977).

Although basic caution toward the debt has not decreased, because of the resurging emphasis on export-oriented industrialization, Kriangsak and Prem have made efforts to provide a good environment for foreign investors as the first step to establish “Thailand Incorporated”. They allowed MNCs to operate in erstwhile “sensitive” areas such as telecommunication utilities and other infrastructure. Thus the new change in its essence aims at a repudiation of the economic nationalism which had dominated Thailand (Darling, 1980, p.187).

5) Negation of State Interventionism

The nature of the aforementioned post-coup economies --- from neo-liberal principles to the internationalization of the domestic economy --- presuppose one important philosophical trend: the state’s economic intervention must be taken over by the market function. Not only because of pure economic logic but also because of political reaction to the previous regimes’ leftist inclination emphasizing statist economy (See, Sigmund, 1982, pp.105-106), the four military regimes moved to reduce the state’s role to a minimal level. However, in some cases, the state’s economic function has been strengthened. In this section, the state’s position vis-a-vis the private sectors will be briefly discussed. The next section will, then, examine the state’s class relationship with domestic entrepreneurs.

\(^{35}\) In addition, Thanin proposed a major revision of the law that forbade some foreign companies to increase sales more than 30% over the preceding year (See, Business Week, 11-8-1976).
The Chilean junta’s reactions\textsuperscript{36} against the statism of the populist economy have caused a significant reduction of the state’s role. Based upon the neo-liberal model’s “subsidiarity” concept, the state is to undertake only those activities which the private sector cannot. In order to reduce state activity, a rapid process of “reprivatization” took place. In 1973, there had been 464 firms under state control. Within four years, 394 were sold (O’Brien, 1984, p.66). By 1981, the number of state enterprises further decreased to fewer than 20 (Stepan, 1985, pp.323). Twenty nine per cent of the expropriated farmland was returned to former owners and 30% was sold in competitive bidding, while the remaining 30% was distributed in small individual plots (Sigmund, 1983, p.43 footnote #2).

The Pinochet regime’s “laissez-faire” policies also overlooked the snowballing accumulation of private foreign debt (which is now believed to be the main cause of the economic crisis). Of the total external debt of $17.262 billion in 1982, 61% was privately owned.\textsuperscript{37} In 1970, the public share of gross domestic investment reached 74.7%. In 1981, however, private investment outdistanced public by 70% to 30% (O’Brien, 1984, p.72).

With regard to privatization, Chile’s “duros” have consistently advocated active state intervention in defense of “national” interests, arguing against the “blandos” standing behind the free-market experiment (See, Angel, 1982; Fleet, 1985; Sanders, 1983). Though the “neo-liberals” have been powerful enough to calm down the “national-statists”, some strategic state enterprises such as

\textsuperscript{36} Shortly after the coup, Admiral Merino declared that “there is no worse businessman than the state”. See, O’Brien, 1984, p.66

\textsuperscript{37} In Latin America as a whole, 83% of long-term debt was public. But Chile’s public debt occupied only 52%. See, O’Brien, 1984, pp.64-65
Codelco (copper company) have not been denationalized in the face of the duros' firm opposition (LARR-SC, April, 1981).

Post-1964 Brazil's economy cannot be categorized by a simple dichotomy: it is characterized by neither a neo-classical nor a nationalist-populist line (Needler, 1982, p.203). Analysis of the state's role is no easy job. The role of the private sector has been stressed. On the other hand, the Brazilian military did not carry out extensive economic liberalization with the exception of a brief experiment in the late 1960s. Instead, having inherited substantial state intervention from its civilian predecessors, it consolidated and extended governmental control. Though the post-coup regime has presided over a mixed economy (Richards, 1986, p.461), the state's economic role was so important that one of the regime's technocrats, Campos, did not hesitate to characterize the economy as follows:

"Great Britain is a crypto-capitalist country with a socialist rhetoric, and Brazil crypto-socialist country with a capitalist rhetoric" (See, Munck, 1979, p.16).

During the time when the private sector's initiatives were emphasized, however, none of the major state corporations were dismantled. Instead, they have been reorganized so as to increase both their production and productivity. Of the 731 largest industrial enterprises in 1974, 115 state firms (those connected in the minerals and public utilities sectors) accounted for 25% of gross sales, 30% of the labor force, and 54% of net assets. In 1973, public

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38 The proportion of state enterprises in terms of net assets of largest 300 corporations has increased from 17% (1966) to 30% (1972), and to 32% (1974). See, Munck, 1979, p.24 and Faucher, 1980, p.15.
enterprises occupied 40% of gross capital formation (See, Hurtienne, p.119).

The state sector's role in the post-1964 period differs from that of civilian regimes, which indirectly supported the private sector by concentrating on public utilities like railways and energy. Now it not only compensates for the deficiency of private investment, but also induces the public sector's own growth. As an agent of industrialization, the state also controls financing (in particular, long-term financing) as well as production (Faucher, 1980, pp.16-17).

Despite such statist appearances, Brazil's military had not engendered anxiety in the private sector (at least until the late 1970s). The regime had kept "friendly attitudes" toward foreign and local business and showed a willingness to divest some state enterprises. However, the "hyper-expansion" of the state sector finally stimulated bitter opposition from private entrepreneurs towards the late seventies (See, the next section for a detailed discussion).

In Indonesia, in reaction to the interventionist Guided Economy, the New Order technocrats' faith in the "open" market forced prominent statistis like Sumitro to keep his hands off economic policy formulation (See, Rudner, p.11). However, to characterize New Order economic policy as "laissez-faire" policy is to "exaggerate greatly" (Glassburner, 1978, p.142). Though the New Order policy has been to encourage the revival and growth of the private enterprise sector, the government has not yet made any serious attempt to "desocialize"

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39 For example, state equity like Fabrica Nacional de Motores was sold in 1968. And Petrobra's control over petroleum derivatives was also limited so as to allow foreign firms to go into petrochemicals. See, Evans, 1974, pp.26-27
the state enterprises or many of the agencies of economic domination created during the Sukarno years. There is no important area of the Indonesian economy that does not remain subject to government intervention (Glassburner, 1978, pp.142-43). Rather, the tendency towards excessive government regulation has been strengthened (Booth, 1981, p.17).

Under the slogan of "to make the development cake bigger", the role of the state has been strong, not only in regulating economic participation, but in saving and investing as well (Budiman, 1979, p.212). According to the 1974-75 Industrial Census data, state enterprises accounted for 20% of employees in the large and medium sectors, and for 25% of the value added (McCawley, 1981, p.74). Though state enterprises have so far failed to contribute to improving the efficiency of the industrial sector, the Indonesian state is in a good position to monitor and influence developments in the manufacturing sector (McCawley, 1981, p.74).

Boonchu's influence in economic policy-making, his developmental paradigm symbolized by "Thailand Inc.", and the World Bank's advice to follow an export-oriented growth path all include a new tendency developing in Thailand: expansion of the private sector and the reduction of the state's role. As chapter 3 noted, the Seni government had already reversed Kukrit's statist ideology in 1976. Reflecting a different political and economic circumstances, Boonch, Kukrit's "economic lord", now presented a "neo-liberalist" prescription.

When Boonchu was called by Prem to take charge of the economy in 1980, Thai entrepreneurs expected him to relax price controls covering 36 commodities. Boonchu responded to their pleas by removing controls on 9
products (However he put new price ceilings on 6 items and set profit margins for 4 others). Though being a small victory for total liberalization, they regarded the trend as promising (See, FEER, 10-17-1980).

Around the 1986 elections Prem emphasized the importance of growth led by the private sector. Instead of regulating and controlling economic activity, he announced that the public sector’s role would be transformed to promoting and supporting it, especially in the field of exports (FEER, 9-11-1986). In addition, the nation’s Sixth Five-Year Plan, launched in late 1986, emphasized the decline of the public sector and the expanded role of the private sector as the “locomotive” of Thailand’s economic development (Nehr, 1987, p.228).

However, this emphasis on the private sector is not new. It was also written in the framework of the Fifth Plan, but never seriously carried out. Even though it has been said that Thailand has little choice but to rely on private business as the main engine of growth (FEER, 9-11-1986), and, so far, significant privatization has taken place, no dramatic achievement is likely to be made in reforming and reducing the public sector in the near future. The military and bureaucratic elites who have sizable interests in state-owned enterprises will oppose rapid privatization. The condition of bad management makes many state enterprises barely attractive to private investors who have recently suffered from the slowdown of the economy Darling, 1980, p.187 and 1986 Yearbook of FEER).

IV. The State and the Post-Coup Transformations
To review, each of the four military regimes has consolidated a strong, authoritarian rule. Though they differ from one another in terms of regime management strategy and their willingness to “associate” with civilian politicians, all four countries in this study share a couple of common facts: they strengthened state power not by mobilizing political support, but by eliminating and neutralizing opposition forces; they swept away not only radical leftists, but also popular forces in the midst of maintaining conservative anti-left ideology.

Economically, they totally rejected the legacies of the populist economy, and, instead, replaced it with neo-liberal philosophy. Stabilization programs were implemented by all of them. Doors were left wide open to the international economy and private sector initiatives were encouraged.

As Cardoso pinpointed, the “reactionary” nature of these post-coup changes are fairly well anticipated by structuralists, in particular by B-A modelists. In a word, the B-A model is exclusively applied to situations in which “military intervention occurred in reaction against leftist movements” and in which political and economic policies served to “guarantee the continued advance of capitalist industrial development” (Cardoso, 1979, p.38).

However, neither the B-A model nor the veto-coup hypothesis pay serious attention to the conflicts between the post-coup state and dominant economic powers. Though O’Donnell presumed that the B-A state, in its incipient period, would ignore domestic capitalists’ interest in order to win foreign capital’s favor, he believed in an ultimate alliance between the former two (O’Donnell, 1978, p.15).
In this section, the structuralist understanding of post-coup transformations will be to some degree confirmed with reference to the four regimes' pro-business policy and antagonistic stance toward popular forces. But it will also be revealed that the state, potentially and inherently, tends to confront not only the domestic business class but also foreign capital. The mutual conflict between the state and dominant economic powers also challenge the "revisionist" state-autonomy school which admits the visible confrontation between the state and "capitalists", but stresses the state's eventual subordination to "capital".

Chapter 5 will discuss this question in detail. At the moment, the post-coup state's pro-business policy and the mutual confrontation between the state and dominant economic power will be analyzed.

1. The State's Pro-Business Policy

In Chile, early developments in the post-1973 period had greatly favored large business groups. First, previously nationalized banks and industrial companies were sold back to private hands at a very undervalued sum, and, thus, big conglomerates had been given opportunities to easily enlarge their business power. Second, the new regime's tight squeeze on liquidity had forced many companies into liquidation. Survivors of such measures, however, were able to enrich themselves by securing access to quotas of foreign credit (See, LARR-SC, May 1980). As a result, the post-1973 regime has helped capital to concentrate into big conglomerates. In 1979, for example, five economic groups owned 53% of the assets of the top 250 private firms (O'Brien, 1984, p.69).
Chile's entrepreneurs also benefited from the Chicago Model's underemployment policy which has greatly helped Pinochet to neutralize the labor movement. Owing to the high unemployment rate,\(^{40}\) they could maintain a low wage (which accounted for just about 65 in 1984 compared to an index of 1970=100. See, O'Brien, 1984, p.73).

In return for Pinochet’s favor, Chile’s business elite did not save their support for the regime. For example, in 1980, virtually all of the more than 20 major producer groups issued a manifesto urging an affirmation vote for the constitutional plebiscite (Stepan, 1985, p.320).

Because of its significance as a “veto regime” and of its experiment of typical state capitalism, the Brazilian state has stimulated a series of hot debates. With regard to the dominant weight of foreign capital, a “two-way” division of power between the state and transnational capital has been stressed. On the other hand, scholars like Fitzgerald, Cardoso, and Evans believe in the political and economic power of local capital and, thus, introduced the “triple alliance” concept encompassing the state, foreign, and domestic capital (Fox, 1980, pp.80-81).

Counterarguing a thesis which highlights the weak and dependent nature of the Brazilian local entrepreneurs (See, Fox, 1980, pp.67-68, p.81 and Faucher, 1980, p.8), Evans does not see that the internationalized-domestic economy

\(^{40}\) Even during the “miracle” period, it surged over 17% (17.7% in 1977, 18.3% in 1978, 17.5% in 1979 : see, Fleet, 1985, p.193). Overall employment in the industrial sector dropped from a 1974 index of 110.4 to 92 in 1978. Employment in the economically and politically important metallic products, machinery, and equipment subsector fell from 117.8 in 1974 to 84.3 in 1978. See, Stepan, 1985, p.322.
results in total disappearance of the national bourgeoisie or economic catastrophe on the part of local capital. Evans believes that the symbiosis of the state and foreign capital leaves plenty of room for national capital such as retail trade and the service sector (Evans, 1974, pp.31-32). In this context, Pereira observes that the post-1964 state has moved its alliance from the traditional petty bourgeois middle-classes, agrarian-mercantile bourgeoisie to industrial and banking capital (See, Pereira, 1984, pp.188-89).

According to Stepan, the Brazilian state in the early 1970s could expand its economic role without damaging its relationship with the private sector for several reasons: 1) the state gave generous subsidies to the private sector, 2) the private sector experienced high rates of absolute growth due to extraordinary economic growth, 3) the state's armed struggle against urban guerrillas mobilized propertied classes' support (See, Stepan, 1985, pp.331-32).

Focusing on the patrimonial relationship and military's business involvement, Robinson presumes an intimate alliance between Indonesia's New Order state and Chinese and other foreign capital (Robinson, 1978). At the same time, in addition to low entrepreneurship and the political weakness of the indigenous business class (Booth, 1981, p.15 and Robinson, 1982, p.53), Indonesia's characteristic economic structure --- the state derives the bulk of its revenues either directly from its oil business or foreign aid --- has strengthened the state's power vis-a-vis the domestic bourgeoisie.

As a result, the Suharto regime has implemented economic policies which primarily benefited Chinese and foreign capitalists. Overall, however, the New Order's devotion to economic development has provided a favorable environment for indigenous entrepreneurs, too.
Because of the Thai economy's "bureaucratic capitalism" nature which is characterized by the leading military elite's solid business connection, the post-1976 regime sensitive to business sentiment (*Business Week*, 11-8-1976). Boonchu's neo-liberalist stance also greatly helped Thai state-managers to formulate a pro-business policy. More importantly, Prime Minister Prem's recognition of the private sector's importance as the "locomotive of development" led him to study a series of policies in favor of entrepreneurs. In 1986, for example, despite its unusual commitment to austerity, the government introduced a new tax package that reduced corporate taxes and cut interest rates to encourage more business borrowing and investment (Ramsay, 1987, p.177).

2. Confrontation between the State and Bourgeoisie

In contrast to Brazil, Pinochet has dramatically reduced the state's economic role. But his economic program of a "small-state" was accompanied by a political project of a "strong-state". Because of the Chilean state's domination of civil society, Pinochet was able to "turn a deaf ear" not only to leftist and opposition groups but also to the national bourgeoisie. The latter's persistent fears of the Left forced them to accept the state's dominant rule.

In a sense, Chile's state-bourgeoisie relationship seems to resemble an "Eighteenth Brumaire"-like abdication to the authoritarian state. In fact, however, the Chilean state represents a step beyond Bonapartism. "The Chilean bourgeoisie abdicated the right to rule and severely jeopardized their right to make money in the short run in the hope of preserving class privilege in the
long run" (Stepan, 1985, p.324).

Thus, they endured economic difficulty for almost a decade. The first economic crisis of the Chicago model in which the state had to rescue three banks on the brink of bankruptcy, however, made the bourgeoisie clearly recognize that the "natural" operation of the market may adversely affect not just the working-class but also important segments of the bourgeoisie (Stepan, 1985, p.324).

As a result, though Chile's conglomerates, who had been the major beneficiaries of economic policy, began to openly oppose the "recessive adjustment" of 1981-82. They mounted a strong campaign against the fixed exchange rate and anti-nationalist economic policies. The national business groups argued that under the flat 10% tariff rate, foreign-produced luxury goods could be imported cheaply, while investment inputs such as tractors, which had been duty-free, were now taxed. They demanded the state encourage long-term investment instead of financial speculation (Sigmund, 1983, p.50).

After 1964, the Brazilian state had taken some steps which contradicted the interests of many domestic businessmen in order to "force the private sector to slough off the inflation-induced habits of concentrating on inventories and credit policy, rather than quality and productivity". The state reduced the level of protection and subsidized credit to local capital (Skidmore, 1973, pp.20-21). In the 1970-73 period, the state's relative power vis-a-vis civil society grew further in the atmosphere of armed struggle against urban guerrillas.

The growth of the Brazilian state's economic role, however, did not
damage its relationship with the private sector. This can be explained by two facts: First, the state had a "defensive project" (anti-Left campaign) which strongly appealed to the propertied classes; Second, the regime accomplished extraordinary economic growth and, throughout the early 1970s, gave generous subsidies to the private sector (Stepan, 1985, p.332).

In reaction to the 1973 oil crisis, the Geisel government attempted to further strengthen the state's economic role. However, from 1974 onward, the Brazilian bourgeoisie began to publicize their anti-statism.41

Protesting the ever-expanding state sector and over-privileged status of the MNCs (See, Black, 1980, p.630), the bourgeois mass media and their employers' associations had staged a massive campaign denouncing the growing role of the state (estatizacão).42 They accused the state of having caused difficulties in the financing and realization of private capital (Hurtienne, 1983, pp.124-25). In November 1977 some 2,000 businessmen gathered in Rio de Janeiro and called for democratic liberties. Eight months later, a document, the Manifesto of Eight, signed by eight wealthy industrialists, advocated a more just socio-economic system by reasoning that "full democracy is the only way to insure economic development" (Burns, 1980, p.525). Thus Pereira believed that the alliance between the industrial bourgeoisie and the state had

41By that time, the state could no longer rely on its "offensive" and "defensive" projects. It had few disposable surpluses to pass on as political and economic subsidies to its domestic allies. Second, with the defeat of the guerrillas, the state had to give up its most credible anti-Left defensive project (Stepan, 1985, p.335).
42The MNCs have also begun to feel that their interests are now threatened by the arbitrary powers and the statist pretensions of the military government. Thus an opinion has strongly prevailed among foreign capital: They might be less vulnerable to surprises operating under a civilian government with limited powers. See, Black, 1980, pp.629-30
collapsed by the mid-1970s (Pereira, 1984, p.193).

Though Indonesia's "bureaucratic capitalism" has traditionally favored Chinese and foreign capital over the asli business class, it is not accurate to say that the New Order has not tried to support indigenous businessmen. Yet for the military and its technocratic allies, who are primarily interested in maximizing economic growth and believe that Indonesia's entrepreneurs are too weak in terms of skills and scale of operations to displace large-scale Chinese and foreign capital, the revival of the Benteng-like program pro-asli policies is beyond their option (Mortimer, 1973, p.59). Moreover, the cries of the asli businessmen had to be ignored by the very fact that powerful factions and families within the politico-bureaucratic elite vitally benefit from the economic alliance with foreign capital (See, Robinson, 1978, pp.22-23).

In short, structural weakness of domestic entrepreneurship (For Islamic tenet's negative impacts on the development of Indonesian entrepreneurship, see, von der Mehden, 1980), the Indonesian elite's patrimonial relationship, oil bonanza, and massive inflow of foreign capital have resulted in the state's domination of the local asli-bourgeois class.

Despite the Thai regime's amicable policy toward the business elite, the Prem government's cautious approach to foreign debt and tenacity for stabilization have significantly disappointed domestic entrepreneurs. Prem's adhesion to budget cuts and reduction of government expenditure in the 1985-86 period resulted in a 50% increase in business tax for the construction industry and an 18% growth limit (of, especially, construction and housing industry) on commercial bank credits (See, Vichit-Vadakan, 1986, p.181).
Though Thailand's political economy has been also directed by Indonesian-style bureaucratic capitalism, some sectors of the ruling army (i.e., the Young Turks and Democratic Soldiers) demand socioeconomic reform --- however vague it may be --- and do not hide their antagonism toward the monopolies of Sino-Thai capital (FEER, 6-19-1981). Nonetheless, the basic nature of Thai politics --- patrimonial hegemony of bureaucratic elite --- does not allow local capital to pose a formidable challenge to the regime (See, Samudavanija, 1982, p.6).

3. Political Dimension of State Autonomy

Overall, the post-coup states in this study have greatly strengthened their power vis-a-vis domestic political groups. Politically, the new regimes either eliminated or neutralized "non-loyal" opposition. In the process, their "ideological war" campaign against anti-system leftist elements has helped military leaders to expand their political support among the economic powers and conservative social strata.

The general success of economic development under military rule has also provided the new regimes with a most important basis of legitimacy. In fact, the military leaders' ability to maintain sociopolitical stability and their basic ideology seemingly favoring capital over the lower-classes have stimulated private entrepreneurs --- local and foreign --- to invest in rather long-term projects.

It is evident that the general orientation of the military regime's economic policy has been based on a capitalist ideology: "capital accumulation leads
economic growth”. At the same time it is also clear that the state has not been in a subordinate position to the business elite. In other words, the alliance between the state and capital has been initiated by the former’s leadership. As emphatically explained above, the state’s adherence to economic development outweighs anything else in terms of priority. The military officers’ faith in “making the cake bigger” naturally leads them to ally with the expansion-inclined entrepreneurs against popular forces.

The fact that the rapprochement between the two was enabled by the state’s initiatives inevitably results in structural tensions in accordance with their different goals. Following technocratic think-tanks’ advice, the new state pushed austerity programs and provided unusual privileges to foreign capital. Moreover, the expansion of the state sector increasingly threatens the interests of private business. These and other confrontations between the two falsify the structuralists’ well-known hypothesis that the state is a committee to represent the interests of the dominant classes.

In the meantime political actions taken by the military regimes can hardly be explained by exclusively referring to economic motivation. The state’s suppression of the popular classes may have benefited capital. But such action also satisfied the new state’s ideological tendencies and the political necessity of regime consolidation. On the other hand, the military regimes’ will to support stabilization policies has frequently been subject to political calculations.

In conclusion, the relationship between the state and private capital has undergone significant fluctuations. The so-called “state autonomy” thesis focusing on the weakness of the indigenous bourgeois class as the cause of
state autonomy --- fails to properly explain such tensive interactions. The state's --- i.e., those key members comprising the state apparatus --- political will and "private" interests have to be examined. As a result, the structuralists' economic determinism cannot provide good explanations for developments in the post-coup period.
CHAPTER 5
THE MILITARY AS A POLITICAL ACTOR:
COUP-MAKER AND STATE-MANAGER

I. Introduction

This study has been aimed at explaining two interrelated political phenomena: what impact does ideological polarization, resulting from the rise of the Left in a capitalist economy-based society, have on the occurrence of a military coup? How can the post-coup state's (generally favorable, but sometimes unfriendly) stance toward dominant economic power be explained?

In an effort to find plausible answers to these questions, Chapters 3 and 4 of this study have been devoted to the analysis of crisis situations prior to the four military coups and the political, ideological, and economic transformations initiated by each of the four military regimes in the post-coup period. Based on the preceding descriptive analysis, this chapter attempts to identify the causes of military takeover and the factors which lead state-managers toward particular directions in post-coup transformation.

To repeat, the analytical framework of this study, the Interactive Model, doesn't follow either economic logic- or class interest-based structuralist approaches to these questions. Though structural strains—expressed in political disorder, deterioration of class conflict, and an inclination toward economic rationality—significantly affect political actors, they can not directly result in either military coup or regime transformations unless they are being transfused into military officers' political will, ideology, and concern
for corporate interests. Therefore, this chapter will show how the Interactive Model explains the relationship between the upsurge of radical leftist forces and the military's motivation for coup action and, then, reason why the state-managers in uniform tend to side with capitalists against popular forces and why tensions sometimes develop between the state and dominant economic powers.

In the following sections, before focusing on the main themes of this chapter, a brief introduction of each of the four military institutions will be made. Their institutional characteristics, political and economic views, and traditions of political involvement, which are believed to decisively influence the officers' political behavior, will be closely observed.

II. The Military's Institutional Characteristics and Political Engagement

1. The Four Militarys' Characteristics at a Glance

In this section a brief discussion will be made with regard to several topics which are useful for an understanding of each military's institutional and ideological characteristics.

In Brazil, the officer corps' promotion criteria is very closely related to their educational standards. Because Brazil’s contemporary history has yielded very little combat experience, academic achievement is extremely important for subsequent promotion. According to Stepan, 40 of the 102 army line generals on active duty in 1964 had graduated first in their class in one of the three major army service schools (Stepan, 1974, p.51).
All army officers who have command responsibility must attend the four-year military academy and all who are to be promoted to captain are obliged to finish a one-year course at the junior officer school. To be eligible for promotion to general, officers must pass the entrance examination to the General Staff School (normally less than 25% of the applicants pass the exam) and then attend a course of three years duration. In addition, a year of study at the Superior War College (ESG) is becoming the norm for senior colonels and junior generals (Stepan, 1974, pp.50-51). One remarkable thing is that the ESG emphasizes joint military-civilian participation in courses and activities. For example, 646 of the 1276 ESG graduates between 1950-67 were civilians (See, Ames, 1976, p.264 and Stepan, 1974, p.177).

As institutional development accelerated, upper-class representation among the officer corps greatly decreased while the overwhelming majority came from the middle-class origins. In the 1941-43 period, a survey of fathers’ occupations for cadets entering the army academy reveals that the upper socioeconomic strata occupied 19.8%. But in the 1962-66 period it dropped to 6.0%. In the same period, the middle class-backgrounded cadets slightly increased from 76.4% to 78.2%. In 1966, 82% of cadets assessed their families’ economic status as "average" (See, Stepan, 1974, pp.31-34). At the same time, the sons of military families accounted for an important proportion of officers. In the 1962-66 period, the number reached 34.9%, as opposed to 21.2% in the 1941-43 period (Stepan, 1974, p.40).

Compared with other institutions in Latin America, Chile’s military is distinguished by its century-long professional development (In Chile, the Military School, the oldest national institution in the region, was founded in
1817, while the government-run official War Academy was created in 1886. See, Nunn, 1978(B), p.73). As the following section will explain, this tradition has contributed not only to the military’s political inactivism in the past, but also to the Pinochet regime’s long survival since 1973.

Ever since the war of 1879, Chile’s officer corps have been penetrated by the sons of middle-class families, though the fifties and sixties witnessed that cadets beginning to be recruited more and more from the lower-middle class (Nun, 1967, pp.72-73 and Hansen, 1967, p.210). The interesting thing is that the Air Force and Navy recruit relatively more officers from the upper-middle class. The Navy, in particular, has an aristocratic tradition, and even today recruits quite a few of its officers from the upper-class.¹

In Indonesia, officers have been generally drawn from the privileged strata of society, in particular from the lower reaches of the semi-aristocratic group (Britton, 1973, pp.89-90). Of the listed officeholders, about 75% are Javanese (See, Indonesia, no.26, 1978, p.161). As of 1970, one third of the officer cadets were the sons of military men (Britton, 1973, p.98).

Since the mid-1960s, due to the absence of serious fighting experience, the rationalization of promotion according to academic or para-academic criteria has been pushed. Thus successful careers have been made more in staff rather than in line positions. The officers of the specialized services,

¹These two services are usually regarded as enjoying more prestige, probably because of their advanced technology, the possible transferability to attractive civilian occupations, and perhaps greater possibilities for travel. Thus, progressive tendencies were significant in the army and the Carabineros(police), but they were weak in the Air Force and almost absent in the Navy. The fact that Allende found the least support among Navy and Air Force officers is probably not pure coincidence. See, North, 1976, pp.172-73.
typically better educated ones, have taken advantage of the situation (Indonesia, no.26, 1978, p.162).

Suharto’s New Order has been noted for its quite “unmilitary” habit of drastically reducing the size of the Indonesian military establishment (Jackson, 1978, p.12). Its manpower dropped from 600,000 in 1967 to 420,000 in 1974 and to 350,000 by late 1979 (Jackson, 1978, p.13). In the case of the Siliwangi division of West Java, its 55,000 soldiers in 1968 decreased to a mere 22,000 in six years (Sundhaussen, 1978, p.65). As a proportion of central government expenditure, Indonesian military funding declined from 25% in 1971 to 10% in 1980(Emmerson, 1983, p.5). Even after significant changes in the military after 1985, it only rose to 12%.

Thai people have traditionally looked up to the military professions as a prestigious and most promising occupation. Reflecting the aristocratic pattern of civil-military relations, during the absolute monarchy era, Thai officers from the royal family and nobility of high rank made up 87% of the military elite. There was not a single commoner in the officer corps. Following the 1932

\[2\] The “savage” cut of the defence budget has been rationalized by the New Order’s primary objective of economic rehabilitation and development (Sundhaussen, 1978, p.65). But as will be discussed later, because of a system of “unconventional financing”, only a “third to a half” of actual spending for defense and security is publicly revealed in the government budget (King, 1982, p.6). Second, Suharto’s adhesion to the organizational superiority of the armed forces, influenced by the ruinously divisive consequences of regional warlordism (as in the late-1950s) and the 1965 political conspiracy, has forced him to reduce and solidify the military into a reliable instrument of effective control (Emmerson, 1983, p.9). Finally, owing to the international security alliance and the lack of credible external military threat, Indonesia has not needed a large military establishment (King, 1982, p.7).

\[3\] Thus Badgley described as follows: most of the Thai educated elites encourage at least one son to enter the military while others enter the civil service and private business. See, Badgley, 1969, p.112.
coup, however, commoners accounted for more than 50% (Lissak, 1976, p.91). Nowadays, paralleling developments in other nations, the Thai military is predominantly represented by socioeconomically established families. In terms of the recruitment bases, military families became the most important single source for military officers. According to 1965 data, 30% of Naval cadets, 42% of Air Force cadets, and 27% of the students at the military preparatory schools were sons of military officers (Lissak, 1976, p.91).

Traditionally, Thai army-rulers such as Sarit, Thanom, Praphat, Krit, and to a lesser degree, Boonchai Bamrungphong, followed the "classical route" of becoming commander of the First Infantry Regiment, the First Army Division, the First Army Region which control strategically important combat troops in and around Bangkok. But since 1976, top officers like Serm Na Nakorn, Kriangsak, and Prem became either commander-in-chief of the Army or prime minister without following such a path. As a result, a leadership crisis in the Army developed when the era of the "strong-man" came to an end. In the October 1977 coup, Admiral Sanghad Chaloryoo was chosen as the leader of the Revolutionary Council, reflecting the inability of an army general to emerge as a unifying figure to lead the coup. Kriangsak and Prem were the only two army prime ministers in 50 years to rise to power without having been in the positions of the First Army Commander (Samudavanija, 1981, pp.39-40).

2. Short History of Military's Political Engagement

Since the 1889 action against Dom Pedro II, the Brazilian military had frequently intervened in politics in order to press the incumbent president to step down or to prevent a new civilian leader from assuming power. In 1945
and 1954, officers played a decisive role in ousting President Vargas although they had backed him in 1930. In 1961, Vice-President Goulart faced the military’s attempt to block his effort to fill the vacant presidency, and three years later he was finally overthrown by them. The Brazilian military also tried to prevent President-elect Juscelino Kubitschek from assuming office in 1955 because of the latter’s populist inclinations (See, Roett, 1978, pp.89-91 and Wesson, 1983, pp.128-29).

As Stepan noted, the Brazilian military’s political actions prior to the 1964 coup did not result in direct and total takeover by officers. Instead, the military generally retreated to the barracks after solving political crises. Nor did their “preventive” movements, like those of 1955 and 1961, proceed to the extent that they could actually block the rise of a persona non-grata. In this sense, Stepan’s characterization of the pre-1964 military as a “moderator” makes sense (See, next section).

To the contrary, the post-1964 period opened a new era in which the military ruled the country as a “director”. The military, under the leadership of retired-army general presidents, was in full charge of state affairs. For over 20 years, five military presidents alternated in ruling Brazil while civilians could exert only cosmetic influence in selecting the president.

In the meantime, though ultimate power remained in the hands of the military, civilians could predominate in nonmilitary ministries and administrative organizations. For example, as of July 1971, only 4 out of a total of 13 civilian portfolios were occupied by military men. Of 2,366 total key posts in the administration, officers were in charge of just 50 (See, Ronning and Keith, 1976, pp.239-40).
After more than three decades of professional development guided by the Prussian and French militaries, the Chilean army began to directly involve itself in politics after 1919. In addition to the deadlock of civilian politics with regard to populist "reform" legislation, officers' "professional complaints", such as the violation of institutional autonomy by civilians and insufficient budget allocations, pushed young army officers into the political arena. They urged Congress to pass a controversial bill but soon became entangled with the civilian president. In 1927 General Carlos Ibanez was elected president. Prior to late 1932, when the military was completely discredited, military coups were frequent, especially in the 1931-32 period when 10 different governments were inaugurated (See, North, 1976, pp.167-69 and Sigmund, 1982, pp.99-100).

Although a number of military movements (in 1939, 1946, 1948, 1951, 1955,1969) gave the Chilean people cause for concern, most observers of Chilean politics between 1932 and 1973 neglected the political weight of the military establishment. In comparison with neighboring Latin American countries, a relatively low degree of overt military intervention took place (Nef, 1974, p.58).

In the civilian administrations prior to the 1973 takeover, the military's political involvement in terms of cabinet occupation was close to nil. For example, no officers held ministerial posts in the Alessandri(1958-64) administration and only one in the Frei(1964-70) administration. This number, however, greatly increased during the Socialist government. During the period of 1970-73, a total 10 out of 55 ministers were military men (Stallings, 1978, p.61). Pinochet's 1973 coup dramatically expanded the military's political
penetration. The junta's first cabinet included all but three military ministers. Military officers also took over mid-level bureaucratic positions and directions of various provinces (Sanders, 1978, p.270 and Nef, 1974, pp.72-73). As recently as 1982, in reaction to the economic crisis, Pinochet filled 15 out of the 21 posts with officers (Sanders, 1983, p.6).

Overall, however, except for the military regime's initial period and the time of political crisis, nearly the entire Chilean military establishment was excluded from political decision-making. In 1980, only 4 members of the cabinet were military men (Sigmund, 1982, p.109). While many military officers have occupied government positions, with the exception of Pinochet and the Junta members, few have been allowed to stay in positions of public prominence at the national level for any extended period of time. For this reason, Valenzuela said that "the Chilean regime is not purely a military government". It is because, in Chile, there is a strict separation between military institutions and the government. Thus, "the dictatorship is of the armed forces but not by the armed forces" (Valenzuela, 1985, p.78).

After the country's independence declaration, more than 20 years passed before the Indonesian armed forces finally took power. During the 1965-67 period, the Indonesian political scene offered "the kind of setting that tempts a reasonably politically minded army to take over"(Sundhaussen, 1978, pp.45-46). Although officers were deeply involved in the political vortex, they largely remained in a "moderator" status until 1965.

The Indonesian military's first political engagement occurred in 1952 when a military unit of the Army Command took to the streets of Jakarta for a few hours and requested the dismissal of the appointed parliament and the cabinet.
This incident marked the beginning of the army's entry into politics as an institution (Kennedy, 1974, pp.97-98). Four years later, regional armies in Sumatra and Sulawesi rebelled against the cabinet's corruption and pro-communist line. In response to the rebellions, Sukarno declared martial law in March 1957 and endowed army leaders with immense authority. Later in 1957, after leftist and nationalist demonstrators took over Dutch enterprises, the Martial Law Commander Nasution placed all Dutch companies under military supervision (Jenkins, 1983, pp.18-19). In June 1959 when the Constituent Assembly rejected the readoption of the 1945 constitution, the army imposed a ban on all political activities and took the initiative to open the way to Guided Democracy (Jenkins, 1983, p.20).

Its increasing political engagement is recorded in its predominant role in the cabinet. In the cabinet of July 1959, nearly one-third of the ministers were drawn from the armed forces (Jenkins, 1983, p.20). In 1966, the number increased to 11 out of 20 departments concerned with civilian affairs. Of 64 director-generals, 23 seats went to military men, and half of the 24 province governors were army officers (Girling, 1981, p.28). The military's political role was also extended to the legislature. In 1972, the military bloc occupied 712 of the 920 seats, or, 77.4% of the seats in the Peoples Congress (Utrecht, 1975, p.55).

As of the early 1980s, active and retired military officers occupied 50% of the 145 positions in the Indonesian higher central bureaucracy (MacDougall, 1982, pp.96-97). Overall, the military karyawan (officeholder) now numbers 16,000. Though it has greatly decreased from the mid-1970s' 21,000 positions (FEER, 10-24-1985), such a high proportion strongly supports the diagnosis that
"there is as yet no practical evidence of any effort to re-civilianize in Indonesian politics (MacDougall, 1982, pp.98-99).

In 1985, the fifteenth coup-attempt since 1932 was made in Thailand. The incident increased the number of aborted coups to 7, while the number of successful coups remained at 9 (cf. Samudavanija, 1982, p.4). Since the beginning of military rule in 1932, the Thai people have in fact encountered as many military maneuvers as parliamentary elections (Samudavanija, 1982, p.4). As a result, from 1932 to present, Thailand has been under direct military rule except for 1932-33, 1944-47, and the Democratic Experiment(1973-76) period. Even after 1976, four coups have been attempted, in 1977(March and October), 1981, and 1985. Though the civilian norm of parliamentary politics has gradually expanded, many still regard the coup as "Thailand's way of making change"(NYT, 9-15-1985).

In reviewing past coup actions, three distinguishing facts merit comment. First, as a reporter characterized the 1981 coup attempt, Thai officers have confined their actions to "a war of words but not of bullets"(FEER, 4-10-1981). Second, only a handful of soldiers (for example, 313 men in the April 1977 coup, and 500 soldiers in the 1985 coup attempts respectively) have actually been deployed (FEER, 4-7-1977 and Yearbook of 1986). Third, except for the cases of April 1977 and 1985, rebel leaders have not been severely punished, under the excuse of "institutional unity"(FEER, 4-24-1981).

The recent uprisings, however, have set a new record from several perspectives and are thus differentiated from past ones. In the April 1977 revolt, coup soldiers murdered the First Division Commander, and as a result, the coup leader Lt.Gen. Chalat Hiranyakasiri was executed (Marks, 1980, p.6). In
1981, the Young Turks' rebellion raised about 8,000 men, probably the biggest force yet used in a Thai coup attempt. In addition, the young officers for the first time mobilized the provincial forces, not the Bangkok-based First Army (FEER, 4-10-1981). Finally the September 1985 coup attempt was one of the most serious in terms of violence in recent Thai history. The rebel tanks were unleashed, and there was an unusual amount of shooting by Thai coup standards. A "savage barrage of gunfire" outside the First Division headquarters left at least five dead, including an NBC reporter. The event was also very unusual in that it took the loyal forces 10 hours to thwart the attempt (FEER, 10-10-1985).

For more than a half-century, as "the" ruler of the country, the Thai military has maintained ultimate control over government policies and programs. In fact, officers have acted as "politicians skilled in bargaining, negotiation, compromise, and patronage" (Samudavanija, 1982, pp.8-9). On the other hand they have displayed what Perlmutter called the "Reluctant ruler army syndrome". Except for Sarit, coup leaders have been reluctant to assume direct political roles, preferring to keep power without assuming full responsibility for political leadership. They have neither formed political parties nor tried to contest popular votes (Samudavanija, 1982, p.3). While abhorring politicking, military prime ministers have coopted their followers and potential adversaries and distributed to them various patronages such as cabinet posts, the control over income generating government enterprise, and membership in the parliament.

In the period of 1932-1977, 39% of cabinet positions were given to military officers (Morell, 1981, p.60). Though only 22% and 17.7% of the
parliamentary seats were distributed to military men in 1932 and 1973 respectively, these figures more than tripled in the period when the military directly assumed power (Wilson, 1962, p.258 and Samudavanija, 1982, p.30). Thus in the 1958-63 period, appointments of military officers to the National Assembly reached 64.6% (Samudavanija, 1982, p.11). In 1979, of 225 senate members, only 31(13.8%) were not military men (Girling, 1981, p.223).

3. The Military's Commercial Activity: The Cases of Indonesia and Thailand

1) "Commercial Soldiers"

The military's penetration of the political arena has been accompanied by the officers' increasing activity in the economic field. The military's economic activity in Indonesia and Thailand is structurally related to officers' political domination. Accordingly, their involvement in the economy is spread to the extent that one may say that "doing business at all in Indonesia means doing business with the military"(FEER, 4-11-1980) or "the [Indonesian] military are involved in 80% of all the country's economic activities"(Utrecht, 1975, p.46) or "[the Thai military] compete with and even replace civilian enterprise"(Hoadley, 1975, p.156).

As will be mentioned later, the Brazilian military's commitment to institutional development forced officers, in the early 1900s, to help civilian businessmen take the initiative in the industrialization process. But, to reward the military's political support, Vargas in the 1930s mobilized the armed forces as an agency of national reconstruction and associated them with industrialization by placing officers in high administrative posts. The state-run
oil company, Petrobras, was created to provide fuel to the armed forces (Wesson, 1983, p.130). The post-1964 period, however, largely discouraged the direct engagement of officers in economic activity despite the deepening of the state’s penetration into the private economy.

Because of its stake in the copper industry, the Chilean military blocked the Chicago Boys’ application of reprivatization policies to the state-run Copper Company (Codelco) in the 1970s. Because a part of copper export revenues has been reserved to finance military purchases, the military as a corporate entity has shown sensitive responses to any moves which might deprive officers of these financial resources (LARR-SC, April 1981 and Sigmund, 1982, p.109).

With respect to the all three components of the Interactive Model, this study believes that the officers’ economic stake and their commercial activity importantly influence the military’s political behaviour. Accordingly, this section will examine the economic activity of the Thai and Indonesian militaries because their commercial engagement overshadows that of the Brazil and Chile’s militaries in terms of content and political role. The following pages will first discuss the political meaning of the military’s economic involvement and then investigate the pattern of commercial activity.

2) Political Structure of Commercial Activity

In April 1986, an Australian newspaper (The Sydney Morning Herald) enraged the Indonesian president by reporting that Suharto and his relatives had amassed some $3 billion in personal wealth during his 20 years in power (NYT, 4-24-1986). Though Suharto publicly denied such an accusation,
Indonesian people have been well aware of the Suharto family's business activity controlling at least 30 companies loosely gathered as the Bimantara group and handling various fields such as shipping, oil trading, and telecommunications (FEER, 5-22-1986).

In Thailand, an investigation discovered that about 12% of the total national income of 1954 flowed into the "pockets" of Phibun, Phao, Sarit and their favorites (Lissak, 1976, p.101). The Bangkok Post (8-22-1976) surprised the Thai people by revealing that former military strong-man Praphat had personally accumulated nearly 245 million baht (more than $12 million), while the ousted prime minister Thanom acquired just over 9 million baht (Girling, 1981, footnote #14).

Based upon these figures, opponents of the two military regimes have accused the military leaders of corruption (See, Crouch, 1978, pp.55-54), of moving towards "plutodemocracy", and of being concerned "with political-economic power and status more than the corporate interests or professionalism of the armed forces" (See, Samudavanija, 1982, p.6 and pp.19-20).

The nature of the economic engagement of the military, however, requires us to take a look at more structured aspects beyond the simple dimension of personal corruption. First, officers in Indonesia and Thailand have been forced to finance their own institutions' expenditure. Dating from the 1950s, when regional commands did not have adequate resources "to feed and clothe, let

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Sarit's officially estimated value of known property amounted to $150 million. Of this total, about $30 million was defined as money taken from the state treasury. See, Lissak, 1976, p.101.
alone arm, their men” (FEER, 10-24-1985), the Indonesian armed forces have been financed through unconventional means that do not show up in annual budget allocations. In fact, the Indonesian military may be one of the most poorly funded in the world as far as defence budget is concerned (Emmerson, 1983, p.9 and FEER, 10-24-1985). In the 1980-81 fiscal year, military spending accounted for only 12.5% of the total national budget, while the defence proportion of the total budget slightly increased to 14% in 1984-84 fiscal year (FEER, 9-15-1983). Therefore, it is estimated that officers’ economic activity generates “support-funds” equivalent to 20-35% of the official defence budget (See, FEER, 10-24-1985).

For most members of the military elite, accusations of corrupt involvement in the economy is not acceptable. They regard, instead, the use of their official power to provide “amenities” for colleagues, relatives, and friends as normal practice (Crouch, 1979, p.577-78). Nor are they willing to admit their economic activity as a part of the armed forces’ “social role” as defined in the dwi fungsi (FEER, 10-24-1985).

Thai officers express similar opinions in regard to their commercial activities. For them, because of low salaries and the necessity to meet the expenses of their office, the military’s involvement in business and, in particular, their collusion with Chinese entrepreneurs, seems to be essential.

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6 In 1985, the highest salary for a major-general was $255 a month. Even though housing, transport, children’s education and some food are paid by the government, the amount of salary itself must be considered to be a “modest sum”. See, FEER, 10-24-1985.
The military elite's dependence on "extra-budgetary" funds had been widely established as an "institutionalized custom" (Badgley, 1969) until the mid-1970s.

Another important aspect of the military's commercial activity is that it has decisively contributed to the maintenance of a kind of "neo-patrimonial relationship" in these countries. Contrary to the traditional patron-client relationship, both Thai and Indonesian military elites have relied on direct financial support and appointments to lucrative civilian posts as primary mechanisms to reward their followers and to neutralize potential opponents (See, Morell, 1981, p.63 and Crouch, 1979, pp.577-78). Thus the military's factional feuding has often been based on the struggle for hegemony over economic resources.⁷

On the other hand, Suharto's successful control of the military is frequently attributed to the vast patronage available to him in the forms of jobs and money. First, the massive purge of the communists and the nationalist Left from state organs in the late 1960s left thousands of positions open for filling with both his followers and opponents within the army. Second, the purge within the army itself decreased the number of "job seekers" in the military. Third, massive foreign aid and an unexpected oil bonanza after 1973 have provided Suharto with affluent financial resources (See, *Indonesia*, no.36, 1983, p.107).

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⁷The factional animosity between the Thanom-Praphat clique and the Krit group prior to the 1973 incident seriously deteriorated after Thanom's son, Narong, tried to investigate Krit's "illegal" economic activity. The BIFGO (Board of Inspection and Follow-up of Government Operations) under Narong's control became an instrument for the systematic destruction of rival military factions. While the Thanom-Praphat-Narong clique was left alone by the investigators to continue their lucrative pursuits, Krit's and Prasert's patronage networks began to face charges of corruption and tax evasion. See, Girling, 1981, pp.191-92.
Because of these reasons, the military's economic involvement and, accordingly, "publicized" corruption are not a simple matter of morality. Rather the issue is directly connected to the military's political engagement itself. Though young officers of both countries have recently demonstrated their will to fight corruption (See, next chapter), no radical change is likely to occur in the near future.

3) Pattern of Commercial Activity

From a comparative perspective, the pattern of both militaries' economic activity is quite different. Simply speaking, the Indonesian military is close to the image of "military manager", while Thai officers are generally shy of direct management of economic activity. In other words, though a number of individuals such as Suharto's entourages and retired officers run their own private business, the Indonesian military's patronage resources generally come from state- or military-run enterprises. On the other hand, the Thai military's main financial pipeline is secured by the officers' cooperation with civilian, especially, Chinese businessmen.

In Indonesia, officers created their own economic agency, the State Secretariat(SEKNEG) which operates independently of the Department of Trade. They also manage the BULOG, a logistics agency, which exerts enormous influence by buying and distributing rice to the soldiers. Characteristically each military service runs a number of joint-venture companies which supply natural resources such as timber, fishing, mining, and various other concessions to foreign partners. For instance, the Air Force has stakes in companies involved in air cargo, construction, logging and trade while the Navy operates mostly warehousing and shipping companies, along with a bank (See, FEER, 4-11-1980).
The reality of the Indonesian military's economic activity, however, can never be fully understood without knowing Pertamina --- the state-run oil company. After its creation from the merger of Permina, Pertamin and Permigan in 1968, the enterprise has played a key role in the Indonesian economy by providing two-thirds of government revenues until the recent recession (FEER, 4-1-1980. Also see, Chapter 4). Prior to 1975, when Pertamina collapsed due to excessive borrowing and business expansion, the enterprise had been involved with 28 subsidiaries which were totally unrelated to oil production, such as airline and construction firms (Utrecht, 1975, pp.47-49). Part of Pertamina's earnings were not registered with the government tax collector, but reserved as "tactical funds for military operations". These funds have frequently subsidized senior officers working on post-retirement projects (Utrecht, 1975, p.52).

The Thai military also directs various kinds of manufacturing enterprises, including batteries, leather goods, glass, woven cloth, canned goods and retail facilities such as fuel-distribution organizations. In addition, military units operate commercial radio broadcast stations. Finally, the Thai military was a major shareholder in the Military Bank, a private commercial venture which the Prem government has been selling as part of his "privatization" policy.

Nevertheless, the major source for the Thai military's patronage lies in the officers' political "activity", not in their business involvement, as with their Indonesian counterparts. Influential military elites obtain membership on the boards of directors of private enterprises. For the Sino-Thai businessmen, hiring military strong-men means that they will be politically protected and have a better chance for economic privileges. Thus, a kind of symbiosis has
developed since the 1950s between military leaders and business elites (See, Zimmerman, 1978, pp.54-55).

According to Rigg's study, 61 of the 237 men who held cabinet positions (from 1932 to 1962) served as directors on boards of business and industrial corporations during the 1952-57 period. In the same time-span(1952-57) a total of 107 firms hired at least one cabinet member (42 companies had three or more cabinet politicians. See Riggs, 1966, p.255).

The activity of Thai "commercial soldiers" was most remarkable during the period of 1947-73. The beginning of Sarit’s era in 1947 led the leaderships of powerful military units to subsequent command of economic resources. During this period there were two prominent politico-military factions. One was the Soi Rajakru group whose members were involved in 24 companies while the other --- composed of Sarit, Thanom, Praphat, and Krit --- Sisao Deves clique extended its influence over 29 firms, including banks, financial institutions, industrial and commercial enterprises (Samudavanija, 1982, pp.14-19).

After the death of Sarit in 1963, Praphat emerged as the new "don" of the latter clique. His chief civilian assistant, Khun Thayan Ranron, maintained 31 board memberships while his son-in-law Narong was involved in as many as 41 firms (Samudavanija, 1982, pp.18-19). Overall, however, Praphat’s commercial activity largely rivaled Krit. As of 1969, Krit and Praphat were on the boards of 50 and 44 firms respectively (Samudavanija, 1982, p.18). After the overthrow of the Thanom-Praphat regime, Krit’s commercial activity expanded further. Thus, of 21 leading Sino-Thai businessmen he had strong links to 12, including two major business blocs, the Mahakun Distillery group and the Bank of Ayuthaya group (See, Zimmerman, 1978, p.55).
Both the Indonesian and Thai military’s involvement in the economic arena has resulted in the rise of so-called “bureaucratic capitalism”. The collusion of officers’ political and bureaucratic power and businessmen’s finance and managerial skills has produced a specific form of politicoeconomic relationship which is not properly explained by traditional class-based structuralism. For this reason alone, rejection of the view of the military as a mere protege of economic powers can be justified.

III. Military’s Ideology: Professionalism and Political Intervention

In this section, a two-pronged approach will be utilized. First, the officers’ commitment to their institution’s professional development and their subjective perception of the military’s non-military role will be examined. Second, using this base, the officers’ views of political and economic phenomena will be discussed.

1. Ideology of Political Intervention

Alfred Stepan, in his 1974 book discussing the Brazilian military’s political engagement, developed the concept of “new professionalism” (1974, p.172). According to Stepan, Brazilian officers prior to 1964 played a “moderator” role which inhibited the military, in spite of their frequent intervention in politics, from taking over total power from the civilians. This stemmed from the military officers’ belief that they had relatively low legitimacy and a low level of political capacity to rule in comparison with civilians.

From 1964 on, however, Brazil’s military began to play a new role as “director” of the political system. Two facts enabled officers to directly assume political power. First, the civilian political system collapsed. Second,
owing to the development of military educational systems such as ESG, officers felt confident of their ability to handle economic as well as political matters.⁸

Though Stepan emphasized an ideological shift within the armed forces toward a sense of total responsibility for "internal security" and "national development" and officers' expanded self-confidence in terms of both legitimacy and capability, the roots of "directorship" had in fact existed since the early 1900s, and especially in the 1920s. When the military maintained its role as "defender of national honor", officers tended to feel compulsion to assume total responsibility for national affairs. Thus no overt distinction between the army as a national defence force and the army as a national development force was made. As far as officers equated their professional well-being with that of the society, the military's political engagement was not a matter of deviation from professionalism (See, Nunn, 1972, p.54). Officers regarded it as the duty of the military to come to the defence of civilians if called (Stepan, 1974, p.43).

On the other hand, contrary to those military leaders who hardly recognize a practicable alternative to themselves, there has existed a group of "legalist" officers who have loudly spoken of their adherence to democratic principles and of their intention of ultimate returning to civilian rule (Wesson, 1983, p.176 and Black, 1980, p.635). It is important to note that the pressures for

⁸Markoff recently made a detailed criticism against Stepan's thesis. Among others, he doubted whether there has been a real shift in the ideological formation of the officer corps to the extent that the military was induced to assume total power. He also criticized Stepan's belief of shifts in the military's sense of its own mission as an autonomous force shaping the nature of its political behaviour. See, Markoff, 1985, p.178.
military disengagement from direct political responsibility came not only from civilians but also from within the military establishment itself throughout two decades of military rule up to 1985. Significant segments of Brazilian officers realized that their country could no longer be ruled by the armed forces (Schneider, 1982, p.74). In addition, officers concerned for their institution’s professional development also felt a growing fatigue and frustration at the responsibility of government (Gall, 1981, p.175).

The fact that these moderate officers outnumbered their hard-line fellows most importantly explain the Brazilian military’s 1985 extrication from power. As Chapter 4 analyzed, Brazil’s legalists could successfully dissuade the "duros" of the interventionist tendency when civilians united and maintained a moderate approach to political crisis.

The Chilean military’s relative inactivity compared with other intervention-prone Latin American countries has been generally attributed to its high level of professionalism (and the well-established civilian political system). Thus North (1976, p.169) noted its heritage of being an aristocratic army which had traditionally refrained from interfering, the existence of resistance within the institution against intervention, and a strong political culture⁹ which was apolitical to the extent that officers subordinated their own political views to the professional norms of the military institutions.¹⁰

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⁹Sanders contrasted Chilean officers with those in Brazil, Argentina, and Peru in that they were "so highly professionalized that none had advanced training in economics" around 1973. See, Sanders, 1983, p.3.
¹⁰Contrary to such a general view, Nunn argued that the influences of German and French militaries aggravated hostility towards civilian politics and resulted in strong politicization of Chilean army(See, Nunn, 1975, pp.1-3). For Nef, professionalism does not necessarily mean apoliticism but a high degree of "institutional loyalty". Thus he finds sources of constraint against the Chilean
In this respect, Arriagada noted the Janus of professionalism. The Chilean army was, Arriagada believed, without question, the most professional one in Latin America. But since the "Tacanzo" military insurrection of 1969, this tradition started to change. As a result, the decomposition of the Chilean military tradition (which comprises nondeliberation, professionalism, and subordination to civilian and democratic government), especially under the UP government, was a decisive factor in the 1973 coup. After the military takeover, Pinochet began to deliberately recompose the old tradition. The military regime has, in fact, introduced a great deal of arbitrariness in decisions over promotions and the retirement of officers. Arriagada, for this reason, argued that Pinochet has created a "tarnished professionalism" which aims at progressive removal of the institutional participation of the armed forces in policy-making decisions and serves the end of a military dictatorship (Arriagada, 1986, pp.122-23).

The Indonesian military differs from others which have seized political power in that it never previously regarded itself as an apolitical organization (Crouch, 1978, p.344). Indonesian officers think that their institution was never created as an instrument of the state, but was itself involved in the creation of the state (Britton, 1973, pp.83-84). Thus they believe that "psychologically the army had been there prior to the Republic" (Jenkins, 1983, p.16). Referring to the army's decisive role in gaining independence a general expressed a view of "a freedom fighter first and a (professional) soldier second" which envisages a function of freedom fighter broadening into the function of a military's intervention from the officer corps' fear or uncertainty with regard to their action's result, the role of leadership, low degree of cohesiveness of the different military branches etc. See, Nef, 1974, pp.64-67.
social-political force (See, Jenkins, 1983, p.26).

But the Indonesian military's self-perception of its political role has for a long time shifted in the direction of more engagement. In 1958, after the introduction of martial law in 1957, Gen. Nasution formulated the concept of the "Middle Way", according to which army officers participated actively in affairs of government but did not seek to achieve a dominant position. In a speech given to the Military Academy graduates, Nasution asserted that Indonesian armed forces differed from those of a Western country which were solely an "instrument of the government" and those of Latin America which monopolized political power. Thus the Indonesian army itself, he continued, would not be politically active yet neither would it be simply a spectator. Rather it must have a place in all the institutions of the state (Crouch, 1978, pp.344-45 and Jenkins, 1983, p.20).

Nasution's doctrine of the Middle Way of "participation without domination" was practically abandoned with the beginning of the New Order. At the First Army Seminar, held in April 1965, the Indonesian military formally adopted the concept of the dual function (dwi fungsi), affirming that the armed forces had a dual role both as a "military force" and as a "social-political force". As a social-political force, the army's activities were believed to cover "the ideological, political, social, economic, cultural, and religious fields"(Jenkins, 1983, p.22). Suharto, accordingly, said that it was essential for the armed forces, because Indonesian society was still in transition, to play a major or dominant role in everyday life (FEER, 10-24-1985). Suharto's view of dwi fungsi, which effectively rationalizes the military's domination of civil
society, has been repeatedly confirmed by a series of army seminars.  

Since 1932, the Thai military has dominated the country. Though the military rulers have relied on the technocratic assistance of bureaucrats, their assumption of ultimate political power has not been challenged. The military sees itself as the symbol of national honor, defender of national integrity, and executor of national interest. Thus, what is good for the military is also regarded as good for the country (Wilson, 1962, p.271). For the military as a whole, the concept of military subordination to civil authority is unacceptable (Lissak, 1976, p.102).

The Thai military's self-perception as an ultimate power-holder, however, has begun to erode since the mid-1970s. A group of young officers forming the "Young Turks" and the "Democratic Soldiers" have raised their voices with regard to the institution's professional development. Thus the Young Turks pronounced that:

"By professions we are soldiers not politicians. We must not be crazy with politics to the extent that we forget our military mission".

The group's leader, Col. Manoon added that "everyone in the group must take a political role without affecting his military role which is the group's direct

\[\text{The notion of the "non-military function" was formally endorsed by the MPRS in 1966. In the same year, the Second Army Seminar declared that the army had been "forced" into expanding its non-military activities and had no choice but to live up to the expectations of the people. Six years later the Third Army Seminar emphasized the transfer of values from members of the 1945 generation to members of younger Magelang Generation. See, Jenkins, 1983, pp.24-25. In addition to the concept of dwi fungsi, in order to justify their interference in the affairs of villages, officers have developed the second theory, that of "territorial warfare" (perang wilayah). See, Utrecht, 1975.}\]
duty” (See, Samudavanija, 1982, p.36).

These "reformist" officers criticized the old-timers for not being genuinely interested in the development of the army and for turning the institution into a family clique. They defined their mission in terms of transforming the faction-ridden army into a professional national army and refused to be involved in the patron-client network (See, Samudavanija, 1982, pp.41-47). As far as the pattern of political action is concerned, however, these professionalism-inspired officers are not really a far cry from their "corrupt political-officers". Since 1976, they have accelerated their political involvement. In the early 1980s, all the key members of the Young Turks occupied senate seats. Ultimately, they conspired in two failed-coups in 1981 and 1985. For the sake of "professionalist reform", they prepared coup plots as their seniors had done.

2. The Military's View of Political Economy

In addition to Chapter Four's description of the four post-coup regimes' ideology, this section will discuss some basic perceptions of officers in regard to political and economic phenomena.

First, it is important to note that, though most Brazilian officers have been of middle-class origin, they see themselves as a "nonclass group", with no special class interests. As a national institution, the Brazilian armed forces

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\(^{12}\text{Officers see that the traditional elites have narrow and personal interests which are not in harmony with the broader national concerns. On the other hand, the lower-class, especially the urban trade union workers, are believed to champion narrow sectarian goals which are often opposed to the national well-being. See, Stepan, 1974, pp.42-43.}\]
view themselves as acting independently of any one class for the benefit of all classes. They rationalized their expansion of political power through reference to the fact that the military was the sole institution which could act for the interests of the national good (Roett, 1978, pp.98-99 and Stepan, 1974, p.43).

Though the Brazilian military had been subject to the U.S. military's anti-communist ideology, the communists prior to 1964 did not pose a real threat to officers. The officers maintained a much more negative attitude toward populist leaders like Kubitschek and Goulart. They viewed populist politicians as corrupt demagogues, armed with "rhetorical" nationalism, who tried to win elections by making extravagant, unrealistic promises. The military leaders were particularly disgusted by the effects of the economic crisis, which they attributed to the populists' irresponsible policies (Sanders, 1975, pp.1-2 and Nunn, 1972, p.51).

As previously mentioned, the Brazilian military after World War II had been greatly influenced by the ESG's two ideological pillars, national security and national development. These ideas, which in fact originated from the positivists' (such as Auguste Comte) slogan of "order and progress", especially stimulated the officers' concern for economic development (Wesson, 1983, p.130). To repeat, under conditions of political and economic crisis in the international society throughout the 1930s and 1940s, Vargas and other military leaders began to recognize the critical importance of national defence. Naturally, they were keenly aware that effective military strength required an industrial base that was as independent as possible. In this period, military officers reached a consensus that industrial mobilization could best be
achieved under the leadership of private industry. As a result, military authorities throughout the first half of this century were firmly opposed, both as a matter of principle and on practical grounds, to extensive state industrial activity (Hilton, 1982, p.673).

Since the military’s takeover of 1964, Brazilian officers’ economic views became divisive and complicated, in parallel with their political philosophy. To simplify, Brazil’s military regime had been generally led by a group of “liberal” moderates. They were politically “moderate” in that they did not totally break with the “legalist” tradition, and economically “liberal” because they welcomed foreign investment and favored private enterprise under the state’s guidance. On the other hand, there existed a faction of hard-line nationalists. These officers rejected the idea of the military’s limited engagement and insisted on more fundamental “revolution”. Economically they favored state-directed development. They wished to place more emphasis on the role of state enterprises and to restrict the penetration of foreign capital (See, Burns, 1980, p.514).

Reflecting the decades-long political inactivity of the armed forces, Chilean officers had not formulated any coherent political or economic views as of 1973. In contrast with their Brazilian counterparts, Chilean institutions had paid relatively little attention to systematically articulating ideologies on national problems. As a matter of fact, very few Chilean officers had studied in universities (Sanders, 1978, p.270). As a result, a former junta member, Gen. Leigh, who argued that the military was “forced” to intervene in politics, publicly confessed that he and his colleagues had “neither plans nor a program, nor ideas” for the management of the post-coup period (See, LARR-

In retrospect, however, Chilean officers have remained skeptical of the civilian political system as a whole. First of all, they have been strongly biased against the civilian "way of life". Chile's military academies (such as the Escuela Militar) have indoctrinated their cadets with the idea of "looking down on civilians who would betray for immediate gain the critical values of the fatherland". Their adhesion to the "soldiery way of life" has also tended to develop a negative view of politics, which is often regarded as disruptive of "order". Thus it is understandable that the post-1973 junta has directed "anti-politicos" (in particular, anti-parliamentary politics) policies (Nef, 1974, p.71).

Except for these two elements, the most important ideological factor influencing the current military regime's political behaviour has been, no doubt, its strong anti-Marxism. In 1974, the junta announced the Declaration of Principles of the Government of Chile which stated that no timetables for its management of the government would be set. It is because, the principles explained, the "task of rebuilding the country morally, institutionally, and economically requires prolonged and profound action" (See, Arriagada, 1986, p.119).

Emphasizing the importance of creating an "eminently nationalist" ideology, the junta said that "Chile is not neutral toward Marxism, and the

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13 In this regard, Nef characterized "the institution itself is essentially reflective of an overall ultra-conservative view of a pyramid and static social order". According to him, because it was modeled upon the aristocratic German and to a lesser extent British traditions, there is little room for debate and collective decision-making inside the Chilean military. See, Nef, 1974, p.72.
present government does not fear or hesitate to declare itself anti-Marxist". The duration of the military regime was therefore subordinated to the problem of anti-communist war. Since the military is the only actor with the organization and means to confront Marxism, in the presence of a Marxist threat based on permanent aggression, the Declaration stressed that "it is imperative to give power to the armed forces" (See, Sanders, 1978, p.274 and Arriagada, 1986, pp.120-21).

Similar to Brazil's case, there has also existed an ideological confrontation inside the Chilean military in terms of political and economic policies. Politically, the "duros" prefer a much longer period of transition to civilian rule and emphasize the inevitability of an authoritarian rule, while the "blandos" favor an early return to civilian rule, a more open political process, and more restraints on presidential power. As far as the economy is concerned, the former bloc is closer to the pre-1973 populist line because they worry about the excessive power of economic groups and because they favor nationalist policies and substantial state presence in the economy. On the other hand, the blandos strongly support radical free-market economic policies (Fleet, 1985, pp.191-92 and Angel, 1982, pp.22-23).

Interestingly enough, Pinochet seems to have appeased both ideological lines as a way of maintaining his power. From the political perspective, he has surely followed the direction espoused by the hardliners. But economically, he has predominantly relied on the "liberal" officers' prescriptions.14

14 Overall, however, Pinochet has eliminated any potential challengers whose "nationalist-populist" nature seemed to appeal to a large segment of officers. For example, he in 1978 forced Gen. Leigh to resign from the junta membership with the popuhe list-colored general publicly criticized the delay in
If the Indonesian military in the Sukarno era was primarily directed by the ideology of “continuing the revolution”, it has since 1966 been reoriented around the theme of “development” --- the ideological hallmark of the New Order (Britton, 1973, p.84). On the part of the army ideologues, both experiments of the liberal For he Guided Democracy under the the civilianwithship failed to develop Indoneand to give it stability. Because development can only be achieved on a base of stability and stability, in turn, depends on development, they ha,ve insisted that only the military can act as a “motor of development” by playing both the roles of “stabiliser” and “dynamiser”(See, Britton, 1973, p.84).

In this respect, Sundhaussen (1982, p.260) claimed that the Indonesian military’s concern for economic development, which dated back to the 1957-58 period, has been reinforced by three factors: armament becomes more sophisticated and expensive; for Nasution and the more idealistic officers committed to the Pancasila element of “just and prosperous society”, economic recovery was also an ideological issue; the maintenance of national security depends to a large extent on a healthy economy.\(^{15}\)

A “legendary” army commander of the revolutionary period, Gen. Sudirman once declared that “The army is the property of the whole people of

\(^{15}\)In this regard, Sundhaussen especially mentioned two facts which significantly affected the military. First, regional dissent in the Outer Island and the PKI’s advance among the poor in Java in the pre-1965 period. Second, the strategic necessity to secure the support of the population, particularly in the anti-insurgency operations. See, Sundhaussen, 1982, p.260.
Indonesia. Therefore it could not take sides in the internal power struggles among politicians" (See, Sundhaussen, 1978, p.68). In terms of the military's general ideological nature, however, the general's "idealism" has largely been contradicted by actual development. As Robinson's "bureaucratic capitalism" thesis argues, the elite officers' establishment of business (and marriage) ties with civilian entrepreneurs has militated against any revolutionary elan remaining within the military. The bigger the military's stake in the economic status quo grows, the more increasingly it has functioned in a socially conservative manner. As long as military leaders continue to be the major beneficiary of the current political and economic structure, their alarm against the reformist cry can hardly be slackened (See, Britton, 1973, pp.87-89).

Suharto's tight control over the officer corps and campaign for "ideological cohesiveness" in the armed forces have also to a significant degree contributed to the status quo-oriented "de-ideology-ization". The Indonesian military when Suharto seized power in 1965 was bitterly divided and factionalism flourished within the institution in accordance with military career (guerrilla troops, Dutch-trained or Japanese-trained officers), religion, ideology, regionalism (separatist, federalist), and so forth (See, Kennedy, 1974, p.96).

But through purges and the natural selection process of promotion and retirement, Suharto has eliminated those ideologically committed officers. Suharto's purge was so widespread that not only the leftist and Sukarnoist, but even some dedicated anti-Sukarnoist officers were forced to leave the military or deprived of their influence. As a result, army radicals from various lines had to give way to Suharto-led "centrists" (Jenkins, 1983, p.25). By the
late 1960s, the Indonesian military became more orderly and homogeneous and less factionalised. Sundhaussen(1978, p.68) sees no ideological center stronger than the army’s Panchsila ideology around which dissatisfied officers could rally.

Most observers of Thai politics have said that the military leadership has no desire to revolutionize the nation’s social and economic system and the Thai armed forces have been “conservative and in some respects reactionary”(Wilson, 1962, p.275 and Poonprasit, 1981, p.90). They at the same time admit that “ideology has not been a major interest of the [post-war] Thai military”(von der Mehden, 1970, p.326). Despite political competition and factional confrontation, conflicts among military elite “generally lack an ideological dimension”(Lissak, 1976, p.102). They have been more interested in simply “keeping out ‘subversive’ ideologies than in promoting an organized program of their own”(von der Mehden, 1970, p.326).

Since the mid-1970s, however, a number of younger officers have made some important efforts to develop more democratic and populist ideologies. While an assumption that “unregulated democracy is too dangerous, because it allows communists to seize power by manipulating democrats” is widely shared by almost all the leaders of the armed forces (See, Girling, 1981, p.215), there has emerged a group of “Democratic Soldiers” who advocate liberalism and a more democratic political system on the grounds that once “full democracy” is established, the communist armed struggle will wither away. The army should promote democracy but otherwise stay out of politics (See, FEER, 6-19-1981).
A more important change has taken place among a significant number of young officers with regard to their views of economic phenomena. Without question, most coups in Thailand had been launched in the name of national security. But the last two coup attempts of 1981 and 1985 have claimed an economic justification (FEER, 11-28-1985). Compared with the “Democratic Soldiers”, these “Young Turks” seem to be more oriented to economic issues than political democratization itself.  

The Young Turks’ economic ideology was expressed in detail in the platform of their 1981 coup attempt which contained some quasi-socialist ideas that were radical by Thai standards. Because of their hostility toward big business and monopoly capitalism and concern for the poor peasants, these officers are often compared with the Egyptian Nasserists (FEER, 6-19-1981). One of the Young Turks leaders, Col. Prajark Sawangjit, straightforwardly blamed big capital by attributing the existing state of poverty among rural masses to the selfishness of the rich. The capitalists, he thought, took too much advantage without consideration of the existing conditions. After the 1981 coup, the colonel made a blacklist of 500 people to be “dealt with”. The list included a number of big capitalists and merchants who allegedly exploited people (Samudavaniya, 1982, p.62).

The reformist ideas of these young officers were also revealed in their nationalization program. It pledged to partially nationalize commercial banks,

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16 The Young Turks’ ideologue, Major Sanchai Buntrigswat once noted that it was impossible for Thailand to have socio-economic and political justice simultaneously. Thus he suggested a slogan placing priority on economic matters: “To minimize social and economic injustice first and then increase the degree of political justice later”. See, Samudavaniya, 1982, pp.57-59.
with the government buying up as much as 30% of bank shares. Decentralization of capital from big private enterprises and more direct government participation in the management of private business were promised. They also gave land reform top priority and promised to eliminate exploitation by middlemen (FEER, 4-17-1981). Overall, however, the platform favored free enterprise. At the same time, the officers seemed to be totally dependent upon the government for solving economic problems including the poor farmers’ plight. In short, “they had a heart for the poor people but failed to understand the structural aspect of the free enterprise economic system” (Samudavanija, 1982, p.61).

IV. Explanation of Four Coups: Interactive Model in Function

1. Structural Strains Prior to the Coups

Chapter 3 of this study has characterized the pre-coup situations of four regimes as political disorder, ideological polarization, and the politically- and ideologically-directed populist economy. From these developments, this study can elicit three structural strains which reinforced each military’s potential inclination to political intervention.

First, civilian political systems resulted in disorder and “systemic failures”. The civilian regimes could not rapidly transform their politicoeconomic systems to the extent that they were able to mobilize enough political support. Nor could civilian leaderships control their reform-demanding supporters so that they could calm down conservative rightists’ reaction. The leadership vacuum facilitated the armed forces’ political engagement. In the
meantime, radical elements of both the left and right attempted to use the military as a means of achieving their political goals.

Second, the rise of leftist forces and the populist leadership's reliance on them threatened the status quo-oriented rightist elements. Ideological confrontation between the two camps became so aggravated that, toward the end of each populist regime, in response to the upsurge of the left, the rightist groups began to counter-mobilize their supporters. Thus, around the time when some segments of populist leadership tried to moderate their radical policies in the hope of preventing a catastrophic end, the polarization process had already crossed the point where a peaceful compromise could be reached.

Third, the economy rushed to a crisis situation. For the populist power-holders, the logic of economy had to be sacrificed for political needs and ideological commitment. However, the populist economy, contained in the parliamentary system and pursuing an evolutionary approach, could not satisfy popular forces as well as the enraged members of the established class.

These three structural strains significantly influenced officers who had been deeply involved in the process of regime crisis. Of the three elements of the Interactive Model, both the military's ideology and their concern for corporate interests had been particularly affected by developments outside the institution's barracks. The remaining factor, the officers' political will, seems to have played a relatively less important role than the others in the process leading to a military takeover. The following sections will analyze how these three variables were affected by the pressures emerging from the structure.
2. Officers' Political Will to Intervention

It can be reasonably assumed that the aggravation of politicoeconomic situations on the eve of military takeovers increased the officers' assurance of the success of their political action. This fact, in turn, could have stimulated those politically-oriented officers in conspiring a coup. On the other hand, it is practically impossible to effectively investigate how those officers were motivated by a desire for power. Thus, this section will address the question by analyzing how big the military's political stake had been and how seriously it was threatened by developments in the pre-coup period.

For the militaries of Brazil and Chile, their political presence in the civilian regimes before the coups was not significant in comparison to that of Indonesia and Thailand. Though a total of ten military officers served as cabinet members in the Allende administration, and pro-Goulart generals increased their political influence in proportion to the populist president's reliance on the armed forces, the two institutions' political stake as a whole was not impressive. Nor was their political influence to decrease as the increasing crisis in the political system developed.

However the situation was different in Indonesia and Thailand. As previously mentioned, the former had increasingly been under the armed forces' influence especially after the enforcement of martial law in 1957. At the same time, the Indonesian officers' stake in the economy became enormous after Dutch enterprises had been taken over by the military. But after Sukarno's adoption of the Guided Democracy he and the PKI cooperated to politically alienate the armed forces. Therefore the Indonesian military's political influence vis-a-vis the civil society was to shrink. Given this, although
it is difficult to trace how individual officers were affected by their political will, we can assume that the Indonesian military's institutional portion of political power must have been eroded in the years preceding the coup.

In Thailand, the 1973-76 period had deprived the military of its upper hand in domestic politics. Even the strongest man in the officer corps, something of an heir-apparent, Gen. Krit, had waited more than two years until he became Minister of Defence after the overthrow of the Thanom-Praphat regime. For the followers of the dethroned clique who were in competition with the Krit's faction, the weakening of political position was especially remarkable.

The decreasing power of the Thai military as an institutional base was clearly reflected in the 1974 Constitution. It limited the number of Senate seats (that used to be occupied by officers) to only 100 and gave them much less power than the elected House members. It also required the prime minister to be a member of the House and prohibited civil servants (including military officers) from holding positions in private firms.

Those politically and spiritually deactivated officers had to overlook even the widespread leftist movement. They could at best manipulate rightist mobilization behind the scenes. Worst of all, the Thai military was not able to prevent civilian governments from yielding to radical students' demands for the immediate departure of the U.S. armed forces from the country. In short,

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17 Sundhaussen suggested a cautious approach to the "personalistic analysis" which attributes the 1965 coup to officers' personal interest. He emphasized the peculiar cultural trait in the greater part of Indonesian society which rejects --- even abhors --- motivation by personal ambitions, leading to the suppression or explicit denial of any personal interest motives. See, Sundhaussen, 1982, pp.258-59.
of the four cases, the Thai military in the pre-1976 period had most severely lost its political influences and this fact without question strengthened the officers’ will to reengage in politics.

3. Ideological Motivation of Coup

In 1964 Brazil’s coup forces ousted Goulart and fulfilled a “traditional” role by preventing civil disorder and societal disintegration. The 1964 movement was, however, qualitatively different from the previous ones. The military was determined to exercise public power themselves for the first time since 1990. Officers no longer felt a sense of inferiority vis-a-vis civilian leaders in terms of task capability and legitimacy to rule the country. Rather they were in 1964 “totally disillusioned with the national experience of civilian government” (Roett, 1978, pp.82-83). Societal disorder and economic difficulties began to rush beyond control, strengthening the belief of the officer corps that no civilian political groups had the competence to rule.

Making matters worse, Goulart was in the lead in attacking the Constitution and the legal framework. His radical rhetoric forced many of his opponents to guess that he might postpone national elections and campaign for sharp change in the electoral rules in an attempt to reshape political balance in his favor (Stepan, 1978, pp.127-29). As a result the rebel forces did not feel as much of a psychological burden in breaking the law, since the incumbent president continued to ignore the Constitution.

In short, Brazilian officers’ distrust of civilian politicians and their self-confidence in their capability to bring about “order and progress” provided an important ideological justification for the 1964 movement.
The case of Chile, too, was effectively explained by the fact that the armed forces could break the tradition of non-intervention without much difficulty and, thus, the norm of civilian supremacy when civilian leaders' ability to govern the country and their sincerity of legalism were doubted by officers. What changed was not the basic orientation of the Chilean military or the nature of outside influences, Sigmund (1982, p.101) analyzed, but the military's perception of the ability of the civilians to rule the nation in an orderly fashion. When the civilian politicians were believed to be incapable of running the economy and maintaining social order, the officer corps' perception that they had been driven to play an arbiter's role in an extremely polarized and unstable society helped strip the principle of civilian supremacy of its substance (Nef, 1974, p.67).

In 1970 when a plot (allegedly initiated by U.S.) to prevent Allende from being elected was under way, the majority of the military leaders were reluctant to take action violating the constitutional legitimacy. Toward the end of the UP's days, however, they began to recognize that constitutionalism and legality no longer existed. As the following section will describe, officers came to the conclusion that Allende would not respect the Constitutional process especially after August 1973 when the Left was beginning to arm itself and the UP government made no effort to block such extra-legal developments (See, Sigmund, 1982, pp.101-102).

The Chilean officers' apprehension of hyper-mobilization of their society and, in particular, the accelerated radicalization of the left might well have stimulated their ideological adhesion to social stability and national security. As next section discusses, the rise of the revolutionary left was regarded by
many officers as a threat to both the established social order as well as the military’s raison d’etre itself.

Despite his popularity and charisma among Indonesian people, Sukarno was regarded by the military leaders as lacking administrative skills and overly dependent on ideological appeals (Sundhaussen, 1982, pp.264-65). For officers, Sukarno’s adventurous foreign policies, such as “Confrontation” with Malaysia symbolized his misperceived understanding of task management. The Guided Economy and the effects of repeated foreign adventures seriously undermined the economic situation (In the midst of the Confrontation, Sukarno had to pour as much as 75% of the total government budget into the military expenditures. See, Kennedy, 1974, p.100).

Thus the military did not intervene in politics when the government was seen to be functioning fairly well (Sundhaussen, 1982, p.266). Sukarno’s mismanagement of the economy and his reliance on international crises as a way of strengthening his power base, however, convinced them of the rationality in taking over total power. As will soon be explained, Sukarno enraged the officer corps by pushing them to engage in international confrontations in which they had little interest.

Thus toward the end of the G.D., all the three elements of the military’s ideology — stability, security, development — had been seriously eroded by Sukarno’s mismanagement of the state affairs. Officers were disillusioned by the Guided Economy’s poor performance. They were annoyed by the rise of the PKI owing to Sukarno’s explicit support. Finally, the Indonesian Army felt “relative deprivation” vis-a-vis other services (See, following section) and suspected that the populist leader’s radical foreign policies deliberately put the
armed forces in jeopardy.

The period of Democratic Experiment above all imprinted "extraordinary disorder" in the minds of Thai officers. The Experiment, for them, was symbolized by the daily demonstrations and strikes. According to an investigation, a total of 1,333 strikes took place and as many as 30 politicians and farm leaders were assassinated in the three years between the 1973-76 period (See, Samudavani, 1982, p.23).

The Thai officers' fear of societal disorder was further aggravated by the spread of leftist movements. Especially for the younger officers who had fought in Vietnam and had also been fighting communist insurgents at home, the penetration of the Left into Thai society as a whole was a source of frustration. Thus army commanders and military intelligence could only conclude that their country had fallen prey to mass movements, guided by a "third hand" and, in their eyes, the feeble institutions of the civilian system were not only unable to control such developments but even seemed to encourage them (Girling, 1981, p.207).

For the Thai military who had just been deprived of their earlier supremacy in politics, both domestic and external situations (particularly, the rise of Communist Indochina) were directly equated with a pessimistic future. For them, the concern for national security was especially perceived as an immediate issue because civilian governments would comply with the radical forces' demand for U.S. troop withdrawal. In this sense, Thai officers must have been most seriously apprehensive of the process of societal disorder and weakening security postures.
4. Corporate Interests Under Assault

In the previous sections, following the analytic framework of the Interactive Model, the interactions between structural strains and officers’ political will and ideological motivation were explained. In reviewing the process of each of the four coups, this study found that the military elites of those countries were significantly irritated by the pre-coup developments which had deprived the officer corps of political stake and hurt their ideological commitments such as stability, security and development. Overall, however, the histories of all the four cases disclose that there had existed several important factors, just before the military’s takeover, which most seriously threatened each institution’s basic corporate interests and, thus, most directly pushed the officers in the direction of coup action.

During the period immediately preceding the 1964 coup, the Brazilian military had been increasingly politicized in parallel with both the Left and Right, and both the government and civilian opposition’s accelerating efforts to penetrate into the officer corps. President Goulart, whose presidential succession had owed considerable support to the militant nationalist segment of the officer corps, appointed generals Oswino Alves and Jair Dantas Ribeiro to crucial field commands, the First (Rio de Janeiro) and the Third (Rio Grande do Sul) Armies respectively (Roett, 1978, pp.95-97). He was willing to rely upon and utilize the military as his major policy instrument. Thus in 1962 when Goulart campaigned for an earlier plebiscite, the military ministers appointed by him issued a statement urging politicians to support him. In addition, Goulart’s brother-in-law, the leftist governor of Rio Grande do Sul, threatened to use force against Congress if it had not complied with the campaign
As was evidently demonstrated by the General Labour Command's (CGT) threat to launch a general strike in support of the sergeants' revolt, the Brazil's armed forces, especially those enlisted men in the early 1960s had been increasingly subject to the rising militant trade unions' influence (Stepan, 1974, p.163). Meanwhile, various rightist groups strengthened their efforts to penetrate the military. Of them, anti-communist business groups such as CONCLAP (Supreme Council of the Productive Classes) and IBAD (Institution of Brazil's Democratic Action), and the more intellectual IPES intensively campaigned to create a climate favorable to the eventual military coup. They hired ex-military officers in an attempt to influence active duty officers.\(^\text{18}\)

Increasing penetration by civilian political groups inevitably resulted in practices which encroached upon the military's institutional autonomy. Criteria for promotions began to be a function of political consideration. Thus many officers came to feel that such practices endangered not only the hierarchical structure of the military but also tended to destroy the non-partisan role of the institution itself.\(^\text{19}\) Most seriously, Goulart took ambiguous positions in dealing with two military incidents (the revolt which was made by sergeants

\(^\text{18}\) From 1962 to 1964, IPES paid ex-officers to establish an intelligence system to monitor "communist" influence on the government and to distribute their findings clandestinely on a regular basis to key military officers. For that, by their own estimate, it spent between $200,000 and $300,000 a year. See, Stepan, 1974, p.154 and Alimonda, 1984, p.139.

\(^\text{19}\) Stepan introduced interesting data with regard to the growing use of political criteria for promotions. Of the line officers promoted to general grade during Goulart's tenure, only 5 out of 29 (17.2%) had graduated first in their class in any of the three major service schools. It contrasted to the figure that 34 out of 73 (46.5%) of those promoted before he came to the presidency. See, Stepan, 1974, p.165 and pp.154-55.
and corporals of the Air Force and Marines in Brasilia in 1963 and the Naval mutiny of 1964) which military leaders considered with the highest alarm in that they essentially broke the institution's principle of hierarchy. Goulart angered the military ranks by maintaining a neutral stance while his entourages strongly defended the justice of those revolts (Stepan, 1974, pp.158-62 and 1978, pp.130-32).

Finally, and most importantly, the Brazilian military as an institution felt, in the years prior to 1964, itself threatened, or more accurately, perceived the process of mobilization and polarization as threatening to their own institutional integrity. The rise of Castro in Cuba forced the military to fear the spread of the leftist insurgency. Moreover the Cuban revolution encouraged the belief of the civilian left in the efficacy of the tactics of violence. In this context, efforts by radical groups to arm themselves finally pressed military leaders, who had been already astonished by the disloyal uprise of the sergeants, to make up their mind for a basic change. 20

The first thing Allende did, on assuming power in 1970, was to promise not to attempt to make political appointments in the services (a promise that he religiously kept and that proved fatal in the long run in that he could not secure his "loyalists" in the armed forces. See, Nef, 1974, p.68). At the same time the socialist president tried to keep purchases of military material growing to unprecedented levels and to increase salary and fringe benefits of

20 Leftist leader, Gov. Brizola urged the formation of revolutionary cells of eleven armed men. These groups used the language and symbols of a Castro-style attack on the existing power structure. Brizola also made the military hierarchy nervous by mentioning that he could immobilize the generals if he could win the sergeants. See, Stepan, 1974, pp.156-57 and pp.160-61.
the military men.\textsuperscript{21} By satisfying these and other institutional demands, Allende no doubt wished to reduce pressures for military intervention (North, 1976, p.179).

Allende's opponents, however, also engaged in a competition to gain the favor of the armed forces. Rightist groups openly pleaded with the military to intervene, and some contacted certain military officers directly and sought to bargain with the commanders.\textsuperscript{22} Extremist elements even turned to acts of terrorism intended to force (and perhaps justify) military intervention. These activities culminated in the assassination of the Commander-in-Chief of the Army, Gen. Schneider who had taken a firm non-interventionist position (Hausen, 1971, p.134).

In this context, one may say that the military's de facto autonomy was enhanced (Nef, 1974, p.70). The institution in fact became a sort of arbiter between the confronting camps. Such a strengthened political position of the armed forces, however, was soon transformed into that of a dominator rather than a mediator when their raison d'etre itself became to be threatened in the face of the radical "maximalists" who tried to self-arm. Surprised by the attempted coup of June 1973, extreme leftists called not only for the formation of armed groups but also for the open resistance of enlisted men to their hierarchies (A.Valenzuela, 1978, p.102). Facing this development, military officers either blamed of Allende's inability or suspected his

\textsuperscript{21} He almost doubled the portion of national budget devoted to military affairs. In his preceding Frei administration, average 5.3% of government spending was for the institution. During the period of the UP government, the figure jumped to 9.12%. See, A.Valenzuela, 1978, p.127.
\textsuperscript{22} Gen. Leigh disclosed that "they sent us message : Act, because this country has no remedy. All of us trust in you". See, Sanders, 1978, p.272.
unwillingness to control the distribution of arms.\textsuperscript{23}

To repeat, the Indonesian military during the Guided Democracy period was increasingly confronted by the Sukarno-PKI alliance. In mid-1962 Sukarno replaced Gen. Nasution as Army Chief of Staff with his loyalist Gen. Achmad Yani and thus broke the former's hold on the army leadership. In addition he tried to foster inter-service and intra-army rivalries so as to consolidate his power (Jenkins, 1983, p.21).

Along with these developments there were several other reasons that the armed forces, especially the Army had to resent Sukarno. First, army officers thought that their adversaries pushed them into wars with the Dutch and Malaysia which they had no chance of winning. They suspected this as part of a strategy aimed at eroding the strength of the Army in the internal power struggle (Sundhaussen, 1982, p.263). Second, the financial situation within the Army was so bad that it was in desperate straights even to pay its troops and in some areas illegally "taxed" local business. Though defense budget sharply rose, it was largely spent on forming a modern Air Force and Navy. As a result, army officers became suspicious that their neglect was deliberate and that alternative forces were being consciously built up which could be used to neutralize the Army in a showdown (Kennedy, 1974, pp.100-101).

\textsuperscript{23} He was believed by the military elites to had personal knowledge by March 1972 that Cuban arms were supplied to MIR and to overlook the initiation of arms training in 1973 by various left groups such as the Communist Party (Sigmund, 1982, pp.103-104). But in fact Allende believed that any attempt to organize armed militias would give the upper hand to the reactionaries in the officer corps (North, 1976, pp.181-82). Nevertheless, toward the end of his days, Allende could not effectively control the radicals on his side.
In addition to the deliberate promotion of factionalism within the military and insensitive personnel policy, Sukarno eventually invaded military's "sacred" monopoly function of defence and internal security by revealing his intention to create civilian militias. He tried to establish a "Fifth Force", a militia of workers and peasants outside the army's control, obviously to be under the communist influence. In cooperation with him, some PKI members visited the Communist China to get arms for the militia. Sukarno also annoyed the regular armed forces by threatening to arm the veterans organization of the PKI (Hoadley, 1975, p.159 and Sundhaussen, pp.262-63).

The Indonesian army officers' increasing concern for their institution's existence itself finally exploded into military action when the pro-communist coup attempt of 30 September, 1965 cost Gen. Yani and five other senior officers' lives. Though the PKI as a party is not believed to have plotted the coup, some of its members were deeply involved in the conspiracy. Thus Kennedy characterized the 1965 coup as a defensive counter-coup against a political insurrection led by the PKI and Sukarno. The military did not conspire to intervene but reacted to a situation in which the Army was threatened with extinction (Kennedy, 1974, pp.94-95).

Because of their weakened position in the political society, the Thai military in the 1973-76 period had to accept the interference of civilian politicians in its internal affairs especially in the promotion exercises, national security policy formulation, and communist suppression activities (Samudavanija, 1982,, p.23).

On the part of the Young Turks whose primary objective in the beginning years of their faction formation had been limited to the protection of the
armed forces' corporate interests, the inactivity (or, as some of them blamed, the indifference) of the senior officers for such issues was one of the most important factors intensifying their frustration. Thai officers were particularly sensitive to the radical students' campaign to drive out the U.S. troops from the country. Students urged the hastening of the date of withdrawal of American troops, which the government had already pledged for March 1976. Their campaign was also directed against the total withdrawal, and the closures of two radar stations in the northeast and north provinces.\textsuperscript{24}

Besides the above mentioned development Thai officers also became alarmed by the radicalization of student movements. As early as 1974, extreme activists began to hide in the underground and their preparation for armed insurgency was naturally considered to be an institutional challenge to the armed forces. As a result, even moderate officers came to see their rightist radical mates' action as a necessary counterweight to the leftist radicals (Girling, 1981, p.207).

V. Explanation of Post-Coup Transformation:

The Interactive Model in Function

1. Characteristics of Post-Coup Transformation

Based upon the description of chapter 4, this section simplifies the characteristics of political and economic changes in military regimes as

\textsuperscript{24} Those younger officers opposed the total withdrawal and, instead, hoped to keep the U.S. communication facilities and to reserve a large amount of ammunition for the Thai army. See, Samudavani, 1982, p.32
follows: Politically, the four military regimes have been guided by strong authoritarian rule and have attempted to depoliticize the nation as a whole. These post-coup regimes have clearly demonstrated their "reactive" nature against the pre-coup regimes by arming themselves with anti-leftist and anti-populist ideology.

Economically, all four regimes have been shaped by the philosophy of "neo-liberalism" and, thus, have strengthened the function of the market economy. "Transnationalization" of domestic economy has been commonly pursued and capital has been favored over the economically weak and politically unorganized sectors. At the same time, despite the general orientation of neo-liberalism, the state's economic function has increased to the degree that its autonomy became confronted with the economic powers.

As chapter 2 introduced, the structuralist approaches have particular difficulties in explaining political and economic changes in the post-coup period. They can explain neither radical regime change such as the fall of a military regime nor a tendency toward political "opening" and democratization. More seriously, the military elites' assumption of "state-manager's" role which often undermines vested interests of the economic powers is hardly expected by structuralists. In the following pages such blind-spots will be explained from the perspective of the Interactive Model.

2. Political and Ideological Transformation: The Interactive Perspective

The fact that a military regime tends to be accompanied by authoritarian rule can be first traced to officers' ideological inclination which adheres to
stability and hierarchical order. Second, they consider "harmonic unity" as an absolutely necessary condition for national development. Third, the officer corps maintain a negative bias against civilian political system which they believe rationalizes a "struggle for private interests". Finally, for those military elites who wish to consolidate their political dominance, authoritarian rule seems to be an effective way of governing.

At the same time, all four regimes have evidently showed their anti-left ideology by either getting rid of leftist elements or tightening their control over those legalized popular groups. For structuralists, these post-coup regimes' anti-left attitudes are the result of class confrontation between the dominant economic powers and reform-demanding popular forces. The Interactive Model, however, doubts the assumption that there exists an inherent antagonism between the military and leftist elements. Rather it argues that officers' experiences in the pre-coup period and their resentment of the left's encroachment against their institution's ideology and corporate interests forced them to stand against communists, populist groups, the labour unions, and so forth.

In the eyes of Pinochet, the pre-1973 civilian regime was run by "divisive and selfish" power-seekers and ignored national interests. Accordingly he sought to transplant the soldiers' way of life (which he believed was dedicated to the nation and willing to endure austerity) into Chile's political society (See, Sigmund, 1982, p.105). Pinochet's view of politics was systematically rationalized by the Chicago Boys' prescription of the neo-liberal economic model which emphasized the indispensability of authoritarian rule (O'Brien, 1984, pp.77-79).
His desire to maintain power also no doubt contributed to the "closing" of Chile's political system. As he stepped up his personal grip over the military in particular and the Chilean people in general, even mild challenges to the regime were not allowed. As Gen. Leigh's ousting from life-long tenure of junta membership demonstrates, the level of the authoritarianization of the regime has been proportioned to Pinochet's will-to-power.

A conventional assumption that military officers by their nature cannot harmonize with the left had been significantly falsified by a series of historical events in pre-1973 Chile. The Chilean military in 1920s supported a reformist movement against the traditional oligarchy (See, Nun, 1967). In 1960s when Chile's political scene was increasingly colored by the "red", the armed forces did not disrupt the rise of the centrist PDC and the left's eventual victory. Even in the midst of accelerating class conflict just prior to the 1973 putsch, Allende would not anticipate such an anti-constitutional revolt because he believed that the presence of nationalist and progressive officers could check any coup actions (North, 1976, p.179).

Given that, Pinochet's suppression of the left has been most probably caused by his hatred of the Allende years and bitter memory of the extreme leftists' assault on the military. The military's reaction against to the UP period was transformed into brutal negation of the Marxist ideology itself (See, Valenzuela, 1985, p.80). Pinochet's stern stance against organized labour and shanty town dwellers was also motivated by his political need to prevent those potential anti-regime elements from being recruited to hard-die leftist activists.
In comparison with Chile where military leaders had to completely destroy the political system and devise all possible repressive measures in order to suppress those highly politicized popular forces, the Brazilian military after 1964 created a relatively less authoritarian regime in which the political system was at least allowed to function. This may be explained by two facts. First, it faced less severe opposition. To put it in other words, the coup forces in Brazil enjoyed more legitimacy with regard to their overthrow of civilian government than their counterpart of Chile.

Second, the Brazilian military was led by the legalist Castellistas. This fact is especially important because those moderate legalists worked for the “abertura” in mid-1970s and played a decisive role in eventual transfer of power to civilians in 1985. Thus Brazil’s democratization cannot be exactly understood until these leading officers’ ideological structure is analyzed. In this respect, the Brazilian officers’ concern for their institution’s corporate interests deserve particular attention. As previous section mentioned, a growing number of officers insisted for the military’s political disengagement so that they could promote professional development. 25

Brazilian officers’ anti-left ideology had been stimulated by the ESG’s anti-socialism program and by their ties with U.S. At the same time, their antipathy of populist politicians also reinforced such an ideological bias. Experiences of populist governments ruled by Vargas, Kubitschek, and Goulart convicted officers that populist politicians wearing leftist ideology were not

25In early 1980s when the military’s disengagement was under serious discussion, an army aide said that “We have done our job and it is now time for the army to withdraw from power a little and look after its own internal affairs”. See, LARR-B, 8-6-1982.
genuinely concerned for national interest. For those "development-inspired" officers, the populist era was remembered with nothing but economic dismay. On the other hand, as they most evidently did in late 1960s and early 1970s in the wake of leftist guerrilla movement, Brazilian officers did not fail to take advantage of anti-communist campaign for tightening their political control (Roett, 1978, p.147).

For the Indonesian military which legitimized its political advance by promising to overhaul the ideologically and regionally disintegrated society and to achieve economic normalization, power-sharing with those "not yet enlightened" masses (Ward, 1973, p.74) was not in the reach of imagination. Instead officers dreamed to establish an "Indonesian brand of democracy" which could promote national unity and economic development. In addition, Suharto’s long stay in power increasingly deprived potential dissents of amassing anti-Suharto forces. Due to repeated purge and his firm control over the military, the post-coup Indonesian regime was not equipped with any viable political organs able to check Suharto’s authoritarian rein.

The New Order regime’s anti-communist line cannot be approached by simple class conflict perspectives. First, toward the end of the G.D., the Indonesian military had been under predominant influences from Russia. While American military aids to Indonesia kept decreasing, Russian-made armaments increasingly penetrated into the armed forces (See, Kennedy, 1974, p.102). Second, though some scholars like Robinson would not agree, the Indonesian society was not yet ready to be diagnosed by class conflict assumption (See, Sundhaussen, 1982). Thus Suharto regime’s anti-left policies seem to be motivated by the ruling military’s distrust of the Sukarno period and political
need to eradicate its most dangerous power contender, communists.

The post-1965 regime's anti-labour union policy can also be explained within the same context. When Indonesia's low level of industrialization is taken into consideration, Suharto must be more concerned for the possible mobilization of the workers by the left than their threat on the industrial output itself. In the remembrance of the PKI's penetration into the unions in the G.D. period, though not totally indifferent from some socialist goals like social welfare, the military elites have made enormous efforts to prevent the politicization of the organized labour.

After the year-long "reactionary" rule of the Thanin government, the Thai military in 1977 overthrew a semi-civilian regime and promised to expand liberal reform. Thai officers have begun to recognize their limited capability as politicians and the ultimate need of political and economic reform so that they can win "people's war". In the meantime they have not fully dissolved their skepticism of civilian politics. Neither are they ready to give up their political stake in the current system. As a result, the Thai military has not yet found an alternative to the "half-way democracy".

Right after the 1976 coup Thai officers had good reasons to pursue anti-communist policies: social stability could not be maintained as far as radical mobilization under leftist activists' leadership continued; some extreme radicals began to challenge even the Thai society's most fundamental value --- monarchy itself --- on the ground that king sided with conservative forces; most directly, they had to cope with communist insurgents at a time when their neighboring territories were governed by communists.
But Thai military leaders soon changed their strong anti-left stance. Amnesty was announced for rebelling radicals and more freedom was given to the unions. Moreover they began to discuss the necessity of structural reform toward the direction of giving more benefits to the poor. This change was made possible because leading military officers recognized that a tough response to the armed insurgents was not promising in solving fundamental problems as long as socioeconomic conditions remained unchanged.

3. Economic Transformations: The Interactive Perspective

There exists a possibility that technocrats and military leaders in the post-coup regimes are directed by pure economic logic in choosing economic policies. In this study, by more than coincidence, all the four military regimes resemble one another by adopting a common development strategy of neoliberal economic policies, transnationalization of domestic economy, and pro-capital tendency at the cost of the peasants and labour workers' interests. A group of economists in charge of these regimes' economic policies such as the Chicago Boys and the Berkeley Mafias seems to have convinced their military partners of the economic efficiency of such models.

On the other hand, it must be remembered that military leaders as political actor and "state-manager" are not always passively directed by economic logic or class-ties as structuralists presume. Instead they demand their technocrats to formulate policies in accordance with their own political needs, ideology, and corporate interests. Especially, the state-manager has utmost interest in maximizing his nation's economic development even though dominant private interests may be undermined in the process. Officers also
have "private" motivation in implementing economic policies. They may attempt to buy political benefits at the cost of economic logic. They may also be inclined to sacrifice anything for their corporate interests.

In short, any attempt to explain post-coup economic transformation cannot be complete unless the state-manager's independence of economic logic and structural pressures and his adhesion to private interests are seriously examined.

Pinochet's full confidence in the Chicago Boys can be explained by the fact that they suggested an economic ideology which totally contrasted with Allende's populist economy. Their prescription of anti-collectivist, anti-statist, and pro-internationalization to a great degree satisfied Pinochet because it contained a "new ideology" which systematically rejected the UP's "old order" (Valenzuela, 1985, p.79). The model's presupposition of authoritarian personal rule was pleasant for Pinochet's taste of power. It also presented an invaluable "secret" to "legally and scientifically" neutralize the labour movement (O'Brien, 1984, p.70).

Besides this ideological and political attractiveness, Pinochet was also fascinated by the fame of those international theoreticians such as Friedman and Hayek behind the model and by the Chicago Boys' promises of a "rosy" future. He was so convinced of the model's power that he was not disturbed by nationalist officers' harsh criticism of Chile's extraordinary opening to the international market and the anti-national nature of tariff policies (See, Angel, 1982, pp.20-21).

Though Chile is one of a few case countries which it is argued fit both
the B-A and the middle-class coup models, the post-1973 regime has not always sided with dominant economic powers. From the beginning of 1980s Chile’s conglomerates have openly opposed the “recessive adjustment” and criticized the problems of the tariff policies (Sigmund, 1983, p.50). Thus the collision between the economic powers and the military regime needs to be explained from the perspective that recognizes the independent will of the state-manager.

The experiences of the post-1964 Brazilian regime most vividly contradict the assumption of the structuralist approaches. First, economic transformations have been accompanied by a series of policies (such as stabilization program in late 1960s and cut of subsidies to private enterprises) which frequently eroded the interests of domestic capital. Second, the state’s extensive economic role and its conversion into “private capital” competing with indigenous and foreign entrepreneurs rule out the possibility that the state always functions for the ultimate interests of dominant capital.

In the meantime Brazilian officers were willing to sacrifice economic logic on behalf of their political interests. Just before the 1965 elections the Branco government slackened the orthodox monetary constraints so as not to lose popular votes (Skidmore, 1973, p.9). Though the side effects of the 1973 and 1979 oil crises demanded Brazil’s policy-makers to place top priority in lowering the inflation rate, the state-manager’s political consideration had them not slow the growth rate (Richards, 1986, pp.463-65).

As Sundhaussen (1985, p.107) has said, Indonesia’s New Order regime has regarded economic development as its most important task. Keeping abreast with other countries in this study, on seizing power in the wake of coup,
Suharto concentrated in attracting foreign capital and stimulating domestic industry. In order to heal the Guided Economy's perverted structure and spread of the economic irrationality, he had undergone belt-tightening austerity policies. His commitment to development, however, did not automatically presuppose any intimate relationship between the state and entrepreneurs. To the contrary, Suharto in late 1980s did not hesitate to buy the risks of furthering recession in accordance with the Berkeley Mafias' prescription of stabilization program. The Indonesian state-manager was firmly determined in restructuring economy in spite of growing complaints among the economic powers.

At the same time, the military elite's concern for their "private" interests has often forced them to ignore the economic rationality. For example, the World Bank in 1985 called for "an early rationalization of industrial and trade policy" by eliminating "implicit subsidies" to inefficient and high-cost domestic industries. The fact that these industries are often politically the best-connected ones, however, made the state-managers turn away the advice (Weatherbee, 1986, p.145).

In Indonesia, domestic entrepreneurs cannot compete with (indigenous)Chinese in terms of skills and financial capability. The fact that industry accounts for just 10% of the nation's GDP furthermore weakens local capital's relative power vis-a-vis the state. Moreover the Indonesian state depends little on domestic resources for its revenues and it cannot at the moment sever its patrimonial relationship with foreign businessmen. Because of these reasons, the Indonesian economy differs from those of Brazil and Chile where "triple alliances" among the state---local capital---foreign capital
exist. Instead the Indonesian state maintains the upper hand over domestic capital (and foreign capital, too). 26

The post-1976 Thai regime has taken politico-economic measures which in their essence reversed many of the Democratic Experiment period's reformist policies. Promises of land reform went into the air and the unions were again placed under tight control. The regime resumed its pre-1973 customs of exploiting countryside in favor of the urban residents by restoring cheap rice supplies (FEER, 2-4-1977). Along with those anti-populist steps a campaign for "Thailand Incorporated" which in many aspects resembles the neo-liberal model has proceeded since early 1980s.

On the other hand, increasing concern has been shown for the poor, especially for the poverty-stricken farmers. Though it soon proved to be void, even the prime minister himself in 1980 vowed to "eliminate any monopolistic practice so as to defend the interests of the public and consumers" (Hewison, 1981, pp.395-96). For the Young Turks economic justice was the key to the "people's war". Moreover their anxiety for professionalism led them to criticize senior officers' collusion with the business elites (See, FEER, 4-17-1981).

26 It should be noted that a group the "engineers" or "nationalists" has continued to argue that it is worth paying the short-term costs of protectionist policies to promote the development of indigenous entrepreneurs who cannot as yet compete in either domestic or world market. They are, however, seriously opposed by the politicians around Suharto who have paid most attention to a steady floor of patronage.

According to Liddle, Suharto seems to be willing to listen to the former's advice when "times are lean", i.e., he has difficulty in maintaining the flow of funds. This means that the New Order's policy toward local capital can vary in accordance with Suharto and his entourages' political and patrimonial interest. See, Liddle, 1987, p.207.
The Prem government since 1981 has stuck to the stabilization program and sacrificed economic growth for austerity. It has also maintained a very cautious approach to foreign debt. Thus the Thai military’s discard of growth-oriented strategy cannot be understood unless state-manager’s autonomy is fully considered.\(^{27}\)

\(^{27}\) In 1984 when the baht was devaluated, Gen. Arthit Kamlang-ek, then the Army Commander, violently opposed the step with regard to the military’s corporate interests. He went on TV in an emotional attack against the government and demanded a reversal of the decision. He was concerned with the inflated baht expenditure for military hardware, especially the F-16 fighters. In the meantime civilians began to complain the government’s unbalanced support for the institution’s spending. A one-time Finance Minister Amnuay Viravan emphasized the need for scaling down military budget by mentioning that “the government cannot demand austerity and sacrifice from some sectors of society while leaving other sectors relatively untouched”. See, 1986 Yearbook of FEER.
CHAPTER 6
CONCLUSION

The previous chapters have attempted to understand why many military officers are strongly urged to stage a coup against the rise of leftist and reform-demanding populist movements, and why the state-managers in the post-coup military regime tend to devise politico-economic policies in which the propertied classes benefit most, and, despite this, why tensions arise between the two seemingly allies—the state and capitalists. For this purpose, this study has rejected a one-sided approach which excessively focuses on either structural factors, such as class interest and economic logic of capitalist development, or highlights the creative and decisive role of political actor.

Rather, this study emphasized the necessity of a balanced-view, i.e., a synthetic framework of analysis which adopts both structural and voluntaristic approaches in the name of the Interactive Model. Based on an interactive perspective, this study assumed that radical political change like military coup and post-coup regime transformation should be explained with most emphasis on the role of the military, which is regarded as a prime political actor in coup politics. In other words, no explanation for the cause of a military coup and post-coup political and economic change can be made successfully unless military officers' political will, ideology, and commitment to corporate interest are fully considered.

Meanwhile, the Interactive Model recognizes the existence of three structural factors which influence the officers' subjective elements. These structural factors include political disorder, deterioration of class conflict
primarily resulting from the strengthening of Left-directed popular forces, and a belief in economic rationality which is said to most efficiently guide capitalist development.

Contrary to the assumption of most structuralists, however, this study has repeatedly emphasized the simple fact that these structural factors *per se* do not and cannot bring about either regime breakdown, such as coup, or radical politico-economic transformation. They play a political role only if they are transfused into the political actor's subjective judgement. Therefore, they exert an important, but indirect and secondary influence on political change in which this study is interested.

As Chapter 2 noted, political disorder stimulates the officers' political will by encouraging their confidence in coup action. It also touches their ideological concern because officers tend to believe that social stability, national security, and economic development—the three components of officers' ideology—are seriously threatened by the deteriorating political condition.

Acceleration of social conflict in the midst of capitalist industrialization is a key issue in both the B-A model and Middle-Class Coup hypothesis. This study also recognizes the crisis caused by a confrontation between capitalists' increasing concern for capital accumulation and popular forces'—such as organized labor and other reformist elements—radical demand for political and economic participation. The rising conflict *vis-a-vis* class interest makes officers seriously concerned with stability, security, and development. Their order-minded perspective generally has them turn their back to the anti-status quo popular forces. Their admiration of rapid development deprives them of
compassion for the larger-pie-demanding cries.

But the advance of the Left faces violent reaction from the military mainly because it poses a grave threat to the institution’s corporate interest. Radical leftists try to arm themselves in preparation for armed struggle against the military. They seek to infiltrate the officer corps. They not only contend with the military for political hegemony, but also compete for resource allocation.

Finally, a belief that there exists an economic logic which guarantees a most efficient way to development can affect the officers’ ideology. It also affects their political will because it will help to consolidate their military rule.

Based on the above framework of analysis, this study found that each of the four militaries prior to their takeover faced a very serious and realistic challenge from the Left and popular forces. In Chile, Brazil, and Indonesia, radical forces attempted to organize militia and hurried to arm themselves. In Thailand, leftist students went underground and joined the communist rebels.

The officers’ concern for their institution’s professional development was also under increasing threat from the Left and populist leadership. In Chile, the military’s non-involvement tradition had been to a great degree eroded by Allende’s increasing reliance on its political dignity. Brazil’s Goulart not only encroached on the military’s personnel autonomy but also, more seriously, enraged ranking officers by not punishing rebel soldiers. Sukarno was deeply suspected by the Indonesian army officers of purposely trying to humiliate their service and manipulate intra-service conflict. The Thai military in the
1973-76 period greatly lost its political influence and had to close their eyes to the radical students' campaign for the removal of U.S. armed forces from their country.

Deteriorating political conditions and ideological polarization without question stimulated officers' political motivation and deepened their ideological concern for social stability, security, and economic development. Particularly, civilian leadership’s poor management of economy----due to their emphasis on consumption and distribution rather than production and accumulation, ignorance of economic rationality in favor of political and ideological considerations----made "legalist" officers, as well as intervention-inspired ones, totally disillusioned with the government.

One important thing in this connection is that, in all four societies, officers had been strongly "urged" by anti-leftist civilian segments to intervene in politics and overthrow the government. Except for Indonesia, counter-mobilization by civilians against the populist government was systematically organized in three countries. Once polarization was in progress, any attempt (for example, by Allende and Kukrit) to slow the confrontation and secure a middle-ground solution could not pay off.

The frightened conservative and propertied classes would not allow any radical reform to be experimented with in their society. On the other hand, radical elements, disappointed by the slow speed of structural change, tended to become a heavy burden of populist leaders. Because of this dilemma, the civilian leaderships under discussion could find few alternative solutions to overcome the leadership crisis.
The post-coup regime's tightening of political control over civilian segments as a whole and brutal repression of leftists and their sympathisers were no doubt required for the new regime's political consolidation. The military state-managers' extraordinary effort to neutralize the unions and root up the leftist parties can be flatly explained by the fact that they were the most formidable power contender with the military in the pre-coup period and possessed a potential to mobilize mass support. At the same time, the new regime's negation of anything reminiscent of the past order and anti-Left campaign were indispensable tools to legitimize its rule.

The military regime's resort to authoritarian rule is also explained by officers' value system of hierarchy and commitment to "orderly" development. On the other hand, its stark anti-leftist ideology is not easily explained. In review of each military's history, few things have reinforced officers' antagonism toward the Left. Indonesian officers in the late G.D. period were under immense influence from the Russian military. In Brazil and Chile, a good number of officers before the coup had shown pro-populist stances. Moreover, in both countries, the ascendancy of Allende and Goulart was not actually blocked by the military. Consequently, any assertion that relates the post-coup regime's anti-leftist ideology to the officers' indoctrination during the training period or class origins is not based on reality.

Again, it should be understood from the perspective of the officers' bitter experiences in the years leading to their takeover. They suffered a real threat from anti-military leftists. Their institution's existence itself was in question. In addition to this bad memory, the state-managers' political necessity further hardened their ideology. Beautifying their mission of fighting the communists
has been one of a few rationales the ruling military likes to refer to as its *raison d'etre* for keeping political power.

From an economic perspective, all four post-coup regimes have pursued greatly identical policies. They adopted the basic principles of so-called "neo-liberalism". Market-economy was commonly emphasized and international capital was enthusiastically welcomed. Business segments were favored at the sacrifice of the economically underprivileged. The initiatives of the private sector were encouraged while the state's economic role was "in principle" underrated.

However, these four regimes have demonstrated their firm adherence to stabilization programs in the wake of their seizure of power. As a result, their allies, especially domestic entrepreneurs, severely suffered from economic loss. Along with the expansion of the state's economic role, and the regime's "indiscriminate" application of market-economy policy, tensions between the state and its original supporters tend to arise.

According to the B-A model and veto-coup theorists, the post-coup state's pro-business orientation results from either its managers' class affiliation with the dominant economic power or/and respect for economic rationality promised by their economists. Considering the officers' ideological commitment to development and necessity to expand their support base through rapid economic growth, an assertion attributing the state's adoption of neo-liberal model to economic logic can be generally accepted. In the meantime, however, the officers' political considerations happen to confront economic rationality. For example, the state-managers are least inclined to the implementation of austerity when they face political difficulty. Thus, uncritical
acceptance of economic logic as for the explanation of the post-coup transformation needs to be critically debated.

On the other hand, adoption of the neo-liberal model can also be explained from a perspective that the military officers tend to reverse anything reminiscent of the past. More than a coincidence, the post-coup regimes’ economic policies rejected almost every populist element. Expansion of the socialist economy was replaced by the reprivatization program and free-market principle. Instead of consumption and distribution, capital accumulation and a "make the cake bigger" spirit was stressed. Transnationalization of the domestic economy took over anti-Western nationalism. As political and ideological transformation was importantly motivated by the state-managers’ "anti-past" sentiment, their adherence to the "neo-liberalism"——which ironically contrasts with their political authoritarianism——also seemed to be influenced by their desire to display something new from the "old order".

The existence of tension between the state and business class may be explained with reference to the revised state autonomy theory which admits the former’s ignorance of the dominant classes’ short-term interest on behalf of the long-term interest of the capitalist system as a whole. However, experiences in the four countries counterargue that claim on several points. The Chilean Chicago Boys’ dogmatic commitment to low tariffs and an open economy left little room for the policy-makers to consider domestic businessmen's interests. The Brazilian state’s expansion of its economic role at large transformed the state sector to the extent that it behaves as "local capital" and competes with the private sector. The state-managers’ systematic
involvement in commercial activities has made the Indonesian and Thai states more or less concerned with their patronage than with serving indigenous business class interests.

Overall, this study has characterized military officers as behaving in accordance with their ideology and political and institutional interest. It rejects a fairly popular analytical framework widely accepted by contemporary political economists: "Structure determines political change". With regard to the occurrence of a military coup in the wake of ideological polarization, this study found that the leftist forces' encroachment of the military's institutional interest as a whole played the most important role in pushing the officer corps into the political action.

For the explanation of the post-coup transformation, it has been suggested that the military's—which takes charge of the state-managers' role—political will and ideology should be primarily focused on. The post-coup state's generally friendly stance toward entrepreneurs is not caused by its subordinated position vis-à-vis the dominant classes. The existence of tension between the two is not effectively explained unless the state-managers' ideology and political interest are properly taken into consideration.

In an attempt to clarify the military's political reaction against ideological conflicts and politico-economic confrontation in civil society, this study narrows its scope to four cases which seem to demonstrate one of the most "rightist" nature. The findings of this study, then, stimulate a final question with regard to a handful of "exceptional" cases in which the armed forces pursued a strong reformist line (for example, Egypt and Peru), or even socialist ideas (Burma and Ethiopia). As briefly discussed in Chapter 2, structuralist
approaches do not effectively explain such progressive militarys. Rather, the military officers' ideology, political will, and, especially key leading generals' personality are believed to have played a decisive role in creating such transformations.

Recent showdowns in the Philippines also largely confirm the Actor Model. In spite of political and economic conditions which structuralists claim to be causal factors of military uprising, Philippine officers have so far not staged a coup.

In conclusion, however, this study once again emphasizes that a balanced-view with a macro-perspective for the research in this field is not likely to be obtained without considering variables from structure. A theoretical effort to build an Interactive Model may be rationalized for this reason.
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