

# Chapter III

## Electronic Highways in Southeast Asia: Liberality, Control, and Social Change

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### ABSTRACT

*New information and communication technologies (ICTs), it is argued is transformative, and governments all over the world have sought to incorporate it into their development desideratum. It is clear that ICTs have transformed social, economic, and political practices and this certainly is true for Southeast Asia. In the context of Southeast Asia, it is particularly salient for it provided avenues for new political movements and expressions in the face of predominantly authoritarian regimes. Via the new ICTs, people were able to communicate freely and oppositional forces could be readily mobilized. This assertion of political rights threatened the status quo and the ruling political elites' hold on power. This was compounded by a crisis in public confidence as Southeast Asian economies found themselves caught in the maelstrom of a financial crisis precipitated by the loss of investment confidence and crony capitalism. As the crisis intensified and spread, its political fallout became clear: Governments have to accommodate and make way for social, economic, and political changes. In this chapter, the author seeks to examine*

### INTRODUCTION

Post-independent Southeast Asia has been portrayed as a lawless, corrupt, identity-less area, likely to implode, to “drift to further Balkanisa-

tion ... (and so becomes) the powder keg of Asia” (Fisher, 1964, p. 10). Indeed, as a region, it only gained some recognition since the 1940s, but, since then, the region has gained some growing influence in international diplomacy, for example, over

the Kampuchean conflict and fashioned for itself a form of regional identity, particularly through its regional institution, ASEAN (Association of Southeast Asian Nations). Marked by great diversity, the region has increasingly played a major role in the world economy. It has supplied key raw materials, provided markets for developed world goods, received investment, and has been the site of much multinational economic activities. Far from being an economic backwater, Southeast Asia has emerged as a dynamic economic region, and in recent decades, sought to re-engineer itself as a developed region vigorously pursuing new information and communication technologies.

The Southeast Asia region is characterized by high levels of inequality. The digital divide is real in the region and even in a country like Malaysia, which has been seen as an active promoter of information and communication technologies (ICTs), there is a lot that needs to be done. Singapore is, of course, an example readily recognized as the country with the most developed ICT networks and well-developed policies. On the other hand, the region also comprises Myanmar, Laos, and Cambodia, all of which are marked by extreme poverty and low levels of ICT penetration. This chapter attempts to provide an overview of the economic and political significance, and impact of ICTs in the region. The chapter begins with an account of the evolution of Southeast Asian economies. It then discusses the deliberative intent of ASEAN governments to transform themselves into new technologically driven economies, noting that there is no certainty that any will succeed, although Singapore appears to have significant advantages. The chapter goes on to examine the different ICT visions between Malaysia and Singapore before examining the political impact of ICTs usage and developments in the region. In particular, the chapter examines the key role ICT played in Indonesia and Malaysia during the political reform process of the late 1990s. The chapter then revisits the political economy of ICT ownership and developments suggesting that these are critical factors in affecting socio-political developments. The chapter concludes with an assessment of the problems and challenges the region faces as it seeks to promote both greater

political liberation and its transformation into a knowledge-based economy.

## **The Growth of Southeast Asian Economies**

The origins of Southeast Asia's economic structures can be found in the colonial practices that provided an initial entry into the global commercial system. How patterns emerged was a complex and varied process that depended on the colonial powers and their specific commercial objectives (Reid, 1988; Osborne, 1979). In Dutch East India, production of spices, sugar, and related goods led to the institution of plantation economies across much of what is today Indonesia (Reid, 1980; Tate, 1979). In British Malaya, which began its development later, mostly in the nineteenth century, tin mining was the key raw material. Tin from Southeast Asia fed Europe's booming food-canning industries in the 1800s (Wong, 1965). Later, as automobiles came into use in North America and Europe, the demand for rubber produced the establishment of rubber plantations across Southeast Asia, especially Malaya (Drabble & Drake, 1981; Courtenay, 1981; Voon, 1976; Jackson, 1968). Capital was imported from investors in Britain, and the various colonial authorities were active investors and planners in the development of the colonial economies (Davenport-Hines & Jones, 1989; Falkus, 1989; Lindblad, 1989; Platt, 1986; Murray, 1980). Investment, however, dealt with local primary commodities and was mainly confined to import-export and agency activities. Indeed, this control of external trade gave them a lot of power vis-à-vis local traders and producers.

One effect of the pattern of colonial development was the emergence of dual economies. Basically this refers to a two-sector economy where one depended upon western technology and capital, immigrant labor, and imported inputs and was geared to export markets; whilst the other used local labor and was organized traditionally, and produced mainly for domestic consumption (Fisher, 1971). A second effect of the process of colonial development was the dependency it engendered, particularly that of imported labor, capital, skills,

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