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Book Reviews

***Khaki Capital*: *The Political Economy of the Military in Southeast Asia*. Edited by Paul Chambers and Napisa Waitoolkiat. Copenhagen: NIAS Press, 2017. Softcover: 351pp.**

Khaki Capital is a significant work that touches on a range of issues concerning civil–military relations and the linkage between economic, military and political power in developing states. It catalogues the enduring roles of the military across much of Southeast Asia. Interestingly, however, it does not have chapters on Brunei, Malaysia or Singapore, though perhaps this is not too surprising given that these three states emerged peacefully from British colonial rule and London transferred control to designated or elected successors. That different and less military-dominated experience left their respective militaries with a weaker position from which to exercise what the authors describe as military capital, or "khaki capital".

The book defines khaki capital as "a form of income generation whereby the military, as the state-legitimized and dominant custodian-of-violence, establishes a mode of production that enables it to (a) influence state budgets to extract open or covert financial allocations; (b) to extract, transfer and distribute financial resources; and (c) to create financial or career opportunities" (p. 7). This is a catchy and useful concept that helps explain how the militaries of many Southeast Asian countries have exercised power and influence since independence through to the present — although with application to other parts of the world as well, no doubt.

Khaki capital, they argue, is predatory in nature, possessing formal dimensions (budgetary allocations from government) and informal ones (semi-legal or illegal activities). The informal ones include "slush funds", investments in private enterprises, military-

related commercial opportunities and even military collusion with criminal interests. The authors make a strong case that "the greater control which militaries have over economic resources, then the more insulated they tend to be from civilian political control" (p. 328). This economic dominance, they argue, leads to greater autonomy and to inertia for sustaining or expanding economic holdings. That wealth turns into political power, which "serves as a self-perpetuating mechanism" (p. 3).

The book begins with a chapter explaining the theoretical framework utilized by the authors, followed by country specific ones on Indonesia, the Philippines, Myanmar, Thailand, Laos, Cambodia and Vietnam.

The first two chapters are written by the book's editors, Paul Chambers and Napisa Waitoolkiat. Chapter One, "Theorizing Khaki Capital: The Political Economy of Security", explains the concept of khaki capital and its utility for helping us understand military, political and economic power at work in Southeast Asia. Chapter Two, "Arch Royalist Rent: The Political Economy of the Military in Thailand", explains how this unfolds in the only Southeast Asian country that was never colonized by Europeans — Thailand. Yet, as the authors argue, "the dividends on khaki capital are alive and well today. The historical legacy of palace-military authoritarianism and armed forces' unity behind a highly esteemed monarchy has so far prevented any disruption from the path dependence of military prowess" (p. 41). The 2014 coup, they argue, has "seen the resurgence of the armed forces' economic clout" (p. 82), with khaki capital "showing no signs of dissipating under the current military rule" (p. 83).

In the third chapter, "The NLD-Military Coalition in Myanmar: Military Guardianship and Its Economic Foundations", Marco Bünte examines Myanmar's armed forces, the *Tatmadaw*. Bünte makes clear that the *Tatmadaw* has been allowed to "permeate all of the country's main state institutions, the economy and society and that despite the 2011 elections, it remains firmly entrenched, exercising the role of "guardian of the political order", protecting its interests "from a position of strength" (p. 122). In Chapter Four, Carlyle A. Thayer considers "The Political Economy of Military Run Enterprises in Vietnam". Thayer demonstrates how decades after the end of the Second Indochina War (or Vietnam War), the People's Army of Vietnam remains heavily engaged in an array of economic enterprises, with senior military and former military officials holding important political and economic appointments.

Chambers is also the author of Chapter Five, "Khaki Clientelism: The Political Economy of Cambodia's Security Forces". In it he demonstrates how Prime Minister Hun Sen remains dominant, and that the nation's security forces remain critical to the political and economic life of the nation, particularly as a form of military "vassalage to corporations" (p. 184) — effectively guns for hire. In Chapter Six, "Earning Their Keep: The Political Economy of the Military in Laos", Hans Lipp and Chambers describe the Lao security forces as "an institution of security, development and business" (p. 219), and as the most robust instrument of state to handle major national projects.

In Chapter Seven, "Philippine Military Capital After 1986: Norming, Holdouts and New Frontiers", Rosalie Arcala Hall observes that successive post-Marcos governments have made progress in crafting legal mechanisms to subordinate the country's armed forces to civilian rule. However, "persistent elite arrangements" (p. 271) have left the Armed Forces of the Philippines as a key political and economic player and its political capital "remains substantial against the backdrop of civilian government weakness" (p. 271).

In Chapter Eight, "The Politics of Securing Khaki Capitalism in Democratizing Indonesia", Jun Honna argues that while the Indonesia military relinquished its "dual function" in the years immediately after the fall of President Soeharto, it has since "skillfully reinvented its role in internal security and legitimized the territorial command structure in a way that secured the military's economic interests" (p. 324).

In the final chapter, Waitoolkiat and Chambers draw "Comparative Conclusions". They argue that armed forces throughout Southeast Asia have become "increasingly embedded as a sort of 'way of life' for the military as an institution as well as for the soldiers that staff it" (p. 332). They call for more civilian monitoring and a reduction in corruption, but do not offer any ways to achieve these ends. By focusing on the concept of khaki capital, the book also does not delve into its corrosive effects on military professionalism and on the politically corrosive effects of unchecked and concentrated power in the hands of military practitioners.

What struck this reviewer about the book was just how significant the military remains in the economic and political life of the majority of Southeast Asian countries. On one level that was always understood, but cataloguing it in this way provides a stark reminder. The country-specific chapters are very helpful in explaining how the military remain actively involved in the economic and political life

of the seven countries under examination and why these factors are enduring. They also provide some detail on some of the dominant figures involved, explaining their political patronage.

In each case, chapter by chapter, the circumstances and military responses are different. Much of these differences relate to the varying histories, legal frameworks, personalities of leaders, geographic, demographic and socio-political legacies. But what is striking, and which could have been discussed in more detail, is just how significant an understanding of the military is to understanding how these nations work — and by extension how much of Southeast Asia works.

Businesses seeking to understand the economic dynamics in the respective countries in which they operate, and the role the military plays there, would do well to consider these chapters in detail. For outsiders interested in understanding the political and economic dynamics at work in the countries under examination, this book will serve as a handy reference. For those interested in engaging with Southeast Asia more broadly, with ASEAN-led forums and with the leadership of the respective member states, this book offers important pointers. In contrast to most countries in the West, where the role of the military is clearly circumscribed and largely demarcated from business and politics, this book makes clear that, more often than not, the military still plays an important and often leading role. Understanding this phenomenon is important for those interested in advancing relations with ASEAN and its member states. This book makes a significant contribution by helping us to understand those dynamics.

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