The Political Economy of Power Sector Restructuring in Southeast Asia

Priyambudi Sulistiyanto[1] & Wu Xun[2]

Abstract

During the last two decades, fundamental changes have taken place in power sector around world, and many countries have adopted market-oriented reforms to introduce more competition into the sector. However, while the case for restructuring from economic and technical perspectives might be unambiguously strong, the performance of such reform efforts in developing countries has been mixed so far. In this paper, we argue that the political factors, institutions, actors and their interests are as important, if not more so, as economic and technical considerations, in shaping the process and outcome of power sector restructuring in Indonesia, the Philippines and Thailand.

Paper presented at *Conference on Regulation, Deregulation and Re-regulation in Globalizing Asia*, Public Policy Programme, National University of Singapore, March 22-24, 2004

[1] Assistant Professor, Southeast Asian Studies Programme, National University of Singapore.
[2] Assistant Professor, Public Policy Programme, National University of Singapore.

Introduction

In the 1980s and the1990s a number Southeast Asian countries undertook major policy reforms to attract foreign investors and to reduce the government's role in economic activities. In the electricity sector, this was achieved by inviting independent power producers (IPPs) to participate in the sector and by privatizing state-owned electricity enterprises. This move was encouraged and assisted by multilateral agencies and foreign investors. The common view held at the time was that power sector restructuring was needed because there was high demand for electricity to support the rapid economic growth enjoyed by these countries (Haggard and Noble, 2001; Dubash, 2002; Thiraphong, 1998; and Smith, 2003). However, the Asian financial crisis of 1997/98 saw the collapse of these economies and made it difficult for them honor their obligations under the contracts signed with many IPPs. The crisis also exposed the 'dark sides' of the power sector restructuring as irregularities and corrupt practices in IPP contracting process were revealed.

Despite many problems with IPPs, power sector restructuring continued and deepened following the Asian financial crisis. For instance, as a part of the structural adjustment programs that both Thailand and Indonesia signed with the IMF after the crisis, both countries agreed to expedite the process of power sector restructuring (Motoyama and Widagdo, 1999; Ryder, 1999; Seymour and Sari, 2002; Tuwiwa, 2003). The central themes of the restructuring are to break up the state monopoly into several separate units and to establish competitive market for electricity. It is hoped that, ultimately power sector restructuring would led to, among other things, increased efficiency in the electricity sector.

This paper examines the political economy of power sector restructuring in Indonesia, Philippines and Thailand. It compares the similarities and differences in terms of the origins and of the evolution of power sector restructuring in these three countries. Although there have been a few studies that deal with the economic and technical aspects of power sector restructuring in Southeast Asian countries, there have not been any comparative studies focusing on power sector restructuring in these three countries (Forsyth, 1999; IEA, 1997). Furthermore, a comparative political economy perspective is needed in order to explain the political and economic interactions that shaped the power sector restructuring in these countries. We argue that power sector restructuring is not simply an economic-driven process but it is also a political process and it involves real power struggles and bitter rivalries among political and economic actors. These actors and their interests do not always go hand-in-hand and are often at odds with each other during the reform process, and the balance of power shifts from time to time as actors change their alliances to suit their own interests. The actors instrumental to the decision-making process for the power sector restructuring include, among others, technocrats, politicians, bureaucrats, economists, state-owned enterprises, business groups, foreign investors, think-tanks, the media, non-government organizations (NGOs), consultants, trade unions and students.

A few questions deserve further attention. Has power sector restructuring in these countries gone smoothly? If not, why not? Why has it taken more than five years for the Philippines to pass a new electricity law in the Congress, but only about two years in Indonesia? Why has Thailand still reluctant to introduce a new electricity law? To what extent have political and economic considerations shaped the restructuring process in these countries? How did the economic crisis of

1997/1998 influence the process of power sector restructuring in these countries? Who were the winners and losers from the restructuring process? Our analysis based on the political economy of the power sector restructuring may shed some light in answering these important questions.

This remainder of the paper is structured as follows. First, we examine some contending approaches in the political economy of Southeast Asia and discuss their relevance to the context of the power sector restructuring in Southeast Asia. Here we suggest that factors such as historical setting, political institutions, ideas/ideologies, policy makers and non-state actors have played important role in shaping the power sector restructuring process. Second, we compare the origins and evolution of power sector reforms in Thailand, Indonesia and the Philippines by examining the effects of various factors discussed earlier. The roles of IPPs and the privatization of the state-owned enterprises in power sector restructuring will also be discussed. In the last section, we will summarize our findings and discuss the policy implications derived from this comparative analysis.

The Southeast Asian Political Economy:
Toward a Comparative Political Economy Approach

It is important to place this comparative study in the context of the contending approaches to the Southeast Asian political economy and these approaches are *neo-classical political economy*, *developmentalist political economy*, *post-statist, structuralist/marxist*, and *neo-institutionalist*. The aim of this examination is to assess their relevance in examining power sector restructuring in Indonesia, Thailand and the Philippines.

Neo-classical political economy. This approach suggests the importance of 'market force' in economic development. Accordingly, it is the role of the government to provide necessary conditions for the developing economy, for instance, by getting the right policies and by allocating resources efficiently (Bellasa, 1981 and Chowdhury and Islam, 1993). The government's role is as the provider of 'public goods'—providing public infrastructure, law and order, and political stability to foster economic activities. The private sector is encouraged and is an important actor in economic activities, and both the domestic and foreign investors are given freedom to operate to make the market function well. In this climate, the government only intervenes when the market is not functioning properly when there are market failures. This approach has drawn much criticism, especially with relation to examining the political economy of Southeast Asia (Rodan, Hewison and Robison, 2001). One of the criticisms is that there is no such thing as the 'market force' in reality. Governments and markets in Southeast Asia (and elsewhere) do not operate in a vacuum. Both governments and markets have their own interests to pursue and to protect as well. It is in this respect that the neo-classical political economy falls short in explaining the complex interplay between government and market and other actors in power sector restructuring in Indonesia, Thailand and the Philippines.

Developmentalist political economy. This approach (which is also known as the *statist* approach) argues the importance of the strategic roles played by government in economic development. The government must play a constructive role in stimulating economic activity and it must intervene to overcome "market failures". Accordingly, the government must guide the market and not guided by the market (Johnson, 1987; Amsden, 1989; and Wade, 1990). Government and policy-making institutions must be insulated from pressures from political parties, powerful politicians and non-state actors. Therefore the ability of government and policy-making institutions to pursue autonomy in formulating and implementing economic policies is important. To do this, these institutions must employ capable bureaucrats and technocrats whose skills and expertise match those of the private sector. According to this approach, having a "strong" government is important particularly during the early stages of economic development. The experiences of Japan, South Korea and Taiwan in achieving their economic development are excellent examples of this approach. However, this approach, too, has attracted criticism in terms of understanding the political economy of Southeast Asia (Hawes and Liu, 1993). The state capacities in Indonesia, Thailand and the Philippines in pursuing power sector restructuring are generally weak across the board, and governments and policy-making institutions in Southeast Asia are often vulnerable to political pressures coming from powerful actors from both within and outside the governments.

Post-statist political economy. This approach argues the importance of societal forces or non-state actors in the process of economic development. In contrast to the *developmentalist* approach, which relies heavily on the role of state, this approach recognizes the fact that non-state actors such as business groups, interest groups, professional associations, labor unions, law firms, consultants and lobbyists also can play a part in economic activities. Their roles are aimed to overcome "government failures". This is especially pertinent in Southeast Asian countries where states are generally weak and state intervention in the economy often produces sub-optimal outcomes. It is in this respect that non-state actors are needed and are seen as a complementary to government. In some cases, this kind of relationship can be transformed into a government-private partnership. For instance, Thailand's Prime Minister Prem Tinsulanonda (1980-1988) established a government-business partnership to strengthen Thailand's economic growth and export competitiveness which to a certain extent contributed to the economic boom Thailand achieved in the 1980s and the 1990s (Anek, 1994). This kind of partnership also emerged in Indonesia in the 1980s when the Indonesian Chamber and Commerce (*Kadin*) played an important role in lobbying the Indonesian government for prioritizing the development of small scale business activities in Indonesia (MacIntyre, 1994). However, this approach is being confronted by the fact that some non-state actors have played controversial roles in power sector restructuring in the three Southeast Asian countries. Take the case of IPPs, for example. Has this involvement benefited the development of the power sector in general? Who's getting what? The bottom line is that power sector restructuring is not merely about involving the private sector but also about knowing what interests they are pursuing and defending.

Structuralist/Marxist. This approach argues the importance of taking structural and historical factors into account in examining economic development trajectories. It suggests that the state (which is the product of the specific and unique historical context of the country) plays a crucial role in influencing the development of domestic and international capital in the country (Rodan, Hewison and Robison, 2001). However, the state is subject to power struggles and contestation among political and economic actors and dominant and powerful actors will influence state policies and machineries. By knowing the nature of state and of the dominant and powerful actors within the state, we will better understand the diversity of the Southeast Asian states. This is to suggest that no states are similar. The Indonesian state, the Thai state and the Philippines state are developed through their own historical and structural settings. Consequently, the dominant and powerful actors that influenced the development of the states also differ from each other. However, the criticism about this approach is that it tends to be too deterministic. In reality, the state is not just a reflection of the power struggles among the dominant political and economic actors but the state itself has its own interests to pursue, to defend and to fight for. Accordingly, the state may or may not easily be a subject of the domination of and the exploitation of the dominant and powerful actors within the state. In addition, the relationship between the state and the dominant and powerful actors within the state is evolving and changing all the time as a result of the shifting balance of power among political and economic actors.

Neo-Institutionalist. This approach suggests the importance of institutions and of legal frameworks in economic development. It argues that neither the government nor the market can manage the economy on their owns and therefore the improvement of institutional capacity is important if not crucial. Accordingly, government needs to put in place a set of rules, property rights and regulatory bodies in the country so that the market can function properly. This kind of approach has attracted both domestic and international supporters. It is also transmitted through a network of economists and consultants working for multilateral agencies such as the World Bank and the Asian Development Bank in developing countries including Southeast Asian countries (ADB, 2000). The concrete application of this approach can be found in the 'capacity building' and good governance programs promoted by multilateral institutions. In addition, programs aiming to 'empower' civil society in the recipient donor countries also can be seen as a part of this approach. However, the weakness of this approach is that it sees the economic development process as a technical and a non-political issue. There is no doubt that the improvement of institutions and the adoption of proper rules and regulations are important but that alone cannot solve the phenomenon of state failures and market failures. In addition, new institutions and proper legal frameworks do not operate in a vacuum. They are also subjected to the power struggles among contending political and economic actors. Also, those who introduced and adopted a set of new rules and institutions have their own interests to pursue, to protect and to fight for. Again, this approach alone cannot explain the fact that despite new rules and institutional frameworks being introduced together with the process of power sector restructuring, things do not necessarily improve in terms of gaining more efficiency and of establishing a new market structure. This is primarily caused by the fact that various actors often deliberately derail and even hijack the restructuring process as the process could threaten or jeopardize their interests.

Toward A Comparative Political Economy Approach. As far as our study is concerned, no single political economy approach can be utilized because each is inadequate to explain the similarities and differences of the power sector reforms in these countries. This study uses a comparative political economy approach which brings together the insights of the contending approaches of the political economy mentioned above and applies them as far as they are useful and relevant to this study. We argue that the phenomenon of power sector restructuring is not simply an economic-driven process but it is also a political process and it involves power struggles among actors during the restructuring process. We take various factors such as historical background, regime types, policy-making institutions, ideas and economic policies, technology, regional and global environment, and non-state actors into account in our comparative analysis.[4] It is true that Indonesia, Thailand and the Philippines have something in common but yet differ in terms of history, political structure, economic structure, and external influence. In this context, examining regime types is also important in order to avoid generalizing the similarities and differences in power sector restructuring in these countries. This approach also recognizes the role of technocrats who are attached with economic policy-making institutions (MacIntyre and Jayasuriya, 1992). Through these institutions various ideas, ideologies and policies were initiated, formulated and then implemented including that of ideas and policies for restructuring the power sector. Domestic think tanks and multilateral institutions such as the World Bank, the International Monetary Fund and the Asian Development Bank also played their part in transmitting and disseminating ideas and economic policies in the restructuring process.

This approach also suggests the importance of locating power sector restructuring in the context of the changing regional and international economic environment. Initially, the power sector restructuring was carried out at a slow pace and in a gradual manner as there was strong opposition

---

[4] This study will use the "method of agreement" and the "method of difference" in which generalizations will be made after examining similarities and differences the countries subjected to this study. It uses a comparative political economy which incorporates comparative historical and structural analyses. This method has been used by scholars in the fields of political science and international political economy such as in Haggard (1990), Gourevitch (1986) and Sulistiyanto (2002).

coming from various actors within government itself such as bureaucrats, trade unions and employers of the state-owned electricity enterprises. While the Asian financial crises significantly altered the power balances between the pro-reform groups and anti-reform coalitions as international financial institutions played a decisive role in shaping the reform agenda, the opposition has managed to cover some lost ground as the shock effects of crises have been gradually assimilated.

Power Sector Restructuring in Indonesia, Thailand and the Philippines

The Origins of the Power Sector Restructuring

The basic ideas of power sector restructuring were originated from the various models of power sector restructuring adopted in the United States, England, New Zealand, Australia, and European and Latin American countries (Bacon and Besant-Jones, 2001; Wamukonya, 2003; Heller and McCubbins, 2001; Spoehr, 2003). Basically the models required governments to undertake the strategies of commercialization, privatization, unbundling and competition in the electricity sector. The basic principles of the restructuring are summarized by an ADB report in 2000:

> *Experience has shown that when properly regulated and operating under competitive market conditions, the private sector can generally use resources more efficiently than the public sector. Vertically integrated monopolies in the energy sector are being unbundled to facilitate establishment of a competitive framework for greater private sector participation…there is a need to address issues related to energy pricing and governance to maximize the efficiency gains of energy companies managed by the private sector* (ADB, 2000: 25-26).

In Indonesia, Thailand and Philippines, the origins of power sector restructuring can be traced back as far as the 1980s and early 1990s when these countries experienced an economic boom period. In order to understand the origins of power sector restructuring, we need to examine several factors such as the history of the electricity sector, state capabilities and regime types, policy institutions, the role of technocrats and of economic ideas and policies, the role of domestic and external actors that arguably shaped the restructuring process.

Historically, the governments in Indonesia, Thailand and the Philippines had played a major role in the provision of electricity. In Indonesia, the Dutch colonial government established an electricity company to provide electricity to the population and at the same time also allowed a small number of private electricity companies to operate in the country. After Indonesia gained (her) independence, the Indonesian government established the National Electric Power Company (*Perusahaan Umum Listrik Negara*, PLN) in 1950. The existence of PLN was justified according to the 1945 Constitution which suggests that the Indonesian government has a duty to manage all natural resources (including electricity) available in the country for the benefit of the people (article 33). In this respect PLN had not only economic but also social responsibilities to ensure electricity could reach the people who lived in rural areas. As a result, PLN monopolized the electricity market in the country by controlling transmission, generation and distribution facilities in Java and Bali and in the Outer islands. By the 1990s, PLN had grown into a large electricity company which employed about 50,000 people and had more than 20 million customers in Indonesia (Seymour and Agus Sari, 2001: 75-76).

Thailand, unlike Indonesia and the Philippines, was never colonized. After the 1932 revolution in which the monarchy was replaced by a revolutionary government led by General Phibun Songram, Thailand embarked upon nationalization policies (and populist programs) that left strong legacies in the country in the following decades. There strong acceptance by the Thai public that the government ought to take full responsibility of providing electricity for the general population in Thailand. The Electricity Generating Authority of Thailand (EGAT) which was established in 1969 took up this responsibility became the largest state owned electricity company in Thailand.[6] Similar to PLN in Indonesia, EGAT grew extensively and monopolized the electricity market in Thailand. It controlled transmission and generation networks throughout Thailand and left some areas to both the Metropolitan Electricity Company (MEA) and the Provincial Electricity Company (PEA) for distributing electricity for customers in Bangkok areas and in the provinces respectively (IEA, 1997: 270; Thiraphong, 1998: 301). By the 1990s, EGAT had became a large state-owned electricity company in Thailand which employed thousands of employees and served millions of customers and it also provided electricity to the neighboring countries of Burma (Myanmar), Laos and Cambodia.

Meanwhile, the Philippines was ruled by two colonial masters, the Spanish (for 400 years) and the United States (about 50 years) and this colonization process left strong legacies in its politics and economy. In contrast to the situation in Indonesia and Thailand, the private sector initiated the provision of electricity for the general population in Philippines. During the Spanish colonial period, *La Electricista*, a private electricity company, provided electricity to customers who lived in Manila (Tuano, 2001: 5). In 1903, when the new colonial master, America, ruled the country, a new company known as the Manila Electric Railroad and Light Company (MERALCO) was established in Manila. In the following years, MERALCO took over *La Electricista* and since then MERALCO became the largest private electricity company to provide electricity in Manila and in Central Luzon. In 1935, the Philippines Commonwealth government established the National Power Corporation (NAPOCOR, NPC) with the mission to develop the electricity sector in the Philippines.[7] Over the next several decades both NAPOCOR and MERALCO grew together and became two important players in the electricity sector in the Philippines. However, NAPOCOR got bigger as a result of the nationalization policies introduced during the Marcos period. In 1972 President Marcos announced presidential decree No. 40 which paved the way for NAPOCOR to build transmission and generation facilities throughout the Philippines. This left a strong view accepted by the population that the government should play a bigger role the provision of electricity in the Philippines. By the 1990s, NAPOCOR had transformed itself into a large state-owned electricity enterprise and it employed thousand of employees and served million of customers in the Philippines. Meanwhile, MERALCO also has continued to grow as the largest private electricity company and the two companies have co-existed in the development of the electricity sector in the Philippines for nearly 70 years.

Politically, power sector restructuring has been undertaken under different political regimes and political leaders. Throughout the 1990s Indonesia was ruled by a powerful leader, Suharto, while Thailand and the Philippines experienced political crises in which the two countries were ruled by

[6] Under the EGAT Act, EGAT centralized the electricity structure by merging three independent electricity companies such as the Yanhee Electricity Authority, the Lignite Authority and the North-East Electricity Authority (Forsyth, 1999: 108).
[7] The Philippine Commonwealth government refers to a government established under the supervision of the US government in the Philippines.

the successive civilian and military leaders. Under the 1945 Constitution, Indonesia adopted a presidential system which gave Suharto a very powerful position. During his reign, Suharto, used both the Presidential Office and the State Secretary Office (*Sekretariat Negara*) to scrutinize national policies, laws and development funds. The Indonesian Parliament was almost no existent at that time. The check and balance mechanism did not function. Neither did the media nor civil society. It was in such a non-democratic but relatively "stable" political environment that the power sector restructuring was initiated in Indonesia in the early 1990s. Thailand's route to the restructuring was very different from that of Indonesia. Despite rapid economic growth as the results of economic reforms implemented earlier by the Prem Tinsulanonda government (1980-1988), Thailand experienced political crises one after another during the 1990s. The Chatichai government came to power in 1988, but it was toppled by the military in 1991. The military then appointed Anand Panyarachun, a successful business person, as an interim Prime Minister in 1991 and again briefly in1992. It was under Anand leadership that power sector restructuring was initiated in Thailand. The restructuring was initiated in the midst of Thailand experienced major political crises caused by elite conflicts combined with mass protests starting in early 1991 to mid 1992 which rocked the political and economic institutions of Thailand. In this sense, the Anand interim government was also weakened as it was subjected to political struggles among political contenders for power at that time. However, Anand with strong backing from the military leaders saw a small window of opportunity during his short premiership to push through power sector restructuring such as allowing small IPPs to operate in Thailand and amending the EGAT Act. His reform efforts were welcomed by foreign investors but received a mixed reaction domestically with organized state enterprise unions opposed Anand's privatization programs which included privatization of EGAT.

Similar to Indonesia, the Philippines also adopted a presidential system. During the 1980s and the 1990s the Philippines experienced political and economic crises left by President Marcos who ruled the country from 1965 to1986. When President Corazon Aquino came to power in 1986, she had to deal with the legacies left by Marcos. However, as a president in a transitional period Aquino faced many constraints. Her presidency was overshadowed by the power struggles among the 'old' and 'new' powerful oligarchies who fought over controlling political and economic resources in the Philippines.[8] This power struggles weakened her government and her ability to implement economic and political reform. Against this backdrop President Aquino initiated power sector restructuring by allowing private companies to build and operate new power plants throughout the Philippines.[9] But Aquino's successor, President Fidel Ramos (a former military general) took power sector restructuring further in the Philippines. He used his presidential power to initiate measures to tackle the energy crisis that occurred in the Philippines in early 1990s. Among his initiatives was the move to allow domestic and international private investors to provide electricity in the Philippines. President Ramos also reestablished the Department of Energy (DOE) which was abolished by Aquino and at the same time continued to privatize SOEs including that of NAPOCOR (Forsyth: 1999: 173). During the Ramos period, the Congress was running properly in terms of functioning in its check and balance role in the Philippines. So the media and civil society both played an important role in debating and in scrutinizing Ramos's economic reform policies. Power sector restructuring in the Philippines has taken a long time as different actors have been involved in various stages of the restructuring process.

The role of technocrats who were attached to the economic policy-making institutions in which power sector restructuring ideas and policies were initiated also cannot be ignored. Generally

---

[8] On the roots of oligarchies in the Philippines can be found in Hutchcroft (1991).
[9] In 1987, President Aquino issued the Executive Order (EO) No. 215 to respond to shortages of electricity in the Philippines.

technocrats are known to be the advocates of neoclassical economics and the staunch supporters of economic reforms policies. During the Suharto period, technocrats (mainly economists) played an important role in formulating national economic policies and they occupied strategic positions in the Ministry of Finance (MOF), the National Development Planning Board (*Bappenas*), the Bank of Indonesia (BI) and also in the Ministry for Coordination of Economic and Financial Affairs (*Menko Ekuin*).[10] In this respect, the then Ministry of Mines and Energy (*Departmen Pertambangan dan Energi*)[11] was an important institution dealing with strategic and organizational issues related to the development of the energy sector in Indonesia (IEA, 1997: 178-179). This Ministry also oversaw and monitored the activities of the PLN. Within this Ministry, there is the Directorate General of Electricity and Energy Development (DGEED) who is involved directly in the formulation of a long-term energy plan. The plan was prepared by an inter-ministerial team which compromises technocrats and bureaucrats attached to various ministries mentioned above. This team often invited energy experts and consultants from outside government to give and share their knowledge. However, at the end of the day, the policies had to go through further review processes carried out by the Ministry of Finance and Bappenas, before finally sent to the Presidential Office and the Secretary State Office for final approval. In addition, the DGEED also played an important role in setting up electricity tariff in Indonesia.

Similarly in Thailand, technocrats also dominated several important policy-making institutions such as the Ministry of Finance, the Bank of Thailand, and the National Economic and Social Development Board (NESDB).[12] During the 1980s, the Prime Minister's Office was directly involved in the formulation of energy policies in Thailand. The National Energy Policy Council (NEPC) was established in 1986 under the direct guidance of the Prime Minister (Department of Foreign Affairs and Trade, 2000a). The membership of NEPC is coming from various ministries including from the Ministry of Finance and the NESDB. In order to support the activities of the NEPC, the government established the National Energy Policy Office (NEPO) as a secretariat body to formulate a long-term energy plan in Thailand. Both the NEPC and NEPO also consulted EGAT, MEA, and PEA on various issues including setting up electricity tariffs and privatization programs (Thiraphong, 1998: 302.). It is suggested here that the policies of power sector restructuring in Thailand were basically formulated and initiated by the NEPO.

In the Philippines, technocrats from the Department of Energy (DOE), the Energy Regulatory Board (ERB), and the National Electrification Administration (NEA)—the three important institutions in managing the development of the electricity sector in the Philippines —played an similar role. During the Ramos period, the DEO played a central role in setting up a long-term energy plan and in overseeing the activities of the NAPOCOR and IPPs operated in the Philippines. In addition, the DOE also established the Energy Industry Administration Bureau as a regulatory body (IEA, 1997: 221). The ERB was established directly within the Office of the President with the main task of setting up electricity tariffs and other energy prices.

Furthermore, the role of multilateral organizations such as the Word Bank, the Asian Development Bank, and the International Monetary Fund in terms of transmitting ideas, giving advice and providing loans to these countries is also crucial. The nature of relationship between the three governments with the multilateral organizations were varied but generally had been on good terms. This relationship grew from a long-term involvement of multilateral organizations in these countries.

[10] For further discussion on the role of technocrats and their ideas, see Pangestu (1996) and Mallarangeng (2002).
[11] Now is called the Ministry of Energy and Mineral Resources.
[12] On the role of technocrats in Thailand, see Pasuk (1992).
[14] Interview with a former World Bank official (Jakarta, May 2003).

As far as the power sector restructuring is concerned, the World Bank and the Asian Development Bank had been involved in providing loans, expertise and advice to government officials and technocrats in three countries.[14] Such involvement played the pivotal role in the initiation and formulation of the policies for power sector restructuring in all three countries.

IPPs and Power Sector Restructuring

It must be pointed out here that the position of multilateral institutions has evolved over time. For instance, during the 1980s, multilateral institutions were still keen to give loans for building new power plants. However, by the 1990s, the World Bank was no longer giving those kind of loans because they were costly and the Bank moved towards encouraging governments to privatize state-owned electricity enterprises, to allow more private investors to enter the electricity sector and at the same time to establish a new electricity market structure.[15]

It was against this backdrop that the IPPs were established in three countries in the early 1990s. The IPPs came with financial resources and new technology and that had been used in the developed countries. They also represented the interests of various actors including international investors and local business group who saw big business opportunities in the electricity sector in Indonesia, Thailand and the Philippines (**Table 1**). There were mainly two factors for bringing the IPPs to provide electricity in these countries. One is that there was a shortage of fund on the government side to expand capacity—often extremely costly—to meet the unprecedented growth of demand for electricity. Another is that there was an surge in interests among international investors in investing in electricity sector worldwide, and they saw a golden opportunity offered by Indonesia, Thailand and the Philippines in early 1990s.

Table 1
Politics and Business in IPPs

Country	Leader	Regime Type	Regulation	Investor in IPPs
Indonesia	Suharto	Presidential system	Presidential Decree (No. 37/1992)	Foreign investors and local business groups
Thailand	Anand	Military-backed an Interim Government	Regulations of 1992	Foreign investors and local business groups
Philippines	Aquino and Ramos	Presidential system	Executive Order No. 215/1987 and the Republic Act 6957/1991	Foreign investors and local business groups

While the participation of the private sector in power sector in the three countries was considered as logical and technically justifiable, political and institutional factors played dominant roles in facilitating many IPP deals which became sources of tension, resentment and public outcry later. How did the IPPs make business deals at that time? The easy and quick road that the IPPs took was to bring politically powerful business actors into these countries. In Indonesia, many domestic business partners of the IPPs were members of the Suharto family and cronies. To facilitate, Suharto issued a Presidential Degree No. 37 of 1992 allowing the IPPs to establish in Indonesia.

[15] Interview with a former World Bank official (Jakarta, May 2003).

The first IPP project was the Paiton power plant built jointly by PLN and PT Paiton Energy Company which involved the Mission Energy and General Electric (USA), Mitsui (Japan) and Hitam Perkasa Ltd (Indonesia) (Forsyth, 1999, 153). This was followed by other IPPs. The Indonesian case shows that international and domestic actors colluded in the disguise of promoting the public interests.

The IPPs have several significant impacts on the process of the power sector restructuring in the three countries. First of all, they have weakened the monopoly power of the public utilities in controlling the power sector. For example, the contribution of IPPs in electricity generation in the Philippines moved up to 40 percent, while NAPOCOR and other small electric cooperatives generated about 60 percent (Tuano, 2001: 70). Second, they further weakened the financial positions of the public utilities during and after the crises because of the way the power purchase agreements (PPAs) were designed. Many PPAs, often signed for a long-term period (up to 20-30 years) and denominated in the US dollar or other foreign currencies, put public utilities into financial distress as the currencies of these countries collapsed during the crises. Third, IPPs not only created a bad reputation for the power sector restructuring, it also presented a barrier for creating competitive market by locking in the pre-determined electricity prices for a long period of time.

Privatization of the State-Owned Enterprises (SOEs)

To facilitate the participation of the private sector in the power sector, the governments in the three countries saw no option but to privatize state-owned electricity enterprises which until then still monopolized the power sector in their respective countries (**Table 2**). Two reasons needed to be underlined here. First, the state electricity-owned enterprises had to prepare themselves as the government reduced its financial assistance to these companies. Second, the privatization was seen as necessary to level the playing field for private sector players. However, privatization was politically unpopular in these countries. The opposition against privatization came from various actors such as unions, workers, students and NGOs. There was an ideological issue involved which made the implementation of privatization very difficult. As mentioned earlier, there had been a strong view held in Indonesia that the government should play a major role in managing state-owned enterprises (SOEs) and this view is explicitly stated under the 1945 Constitution (Article 33). Also under the Electricity Law no. 15 of 1985, the existence of PLN as *the* principal institution to provide electricity in Indonesia was recognized. However, the PLN's organizational status changed when the Indonesian government introduced Government Regulation no. 23 of 1994 (*Peraturan Pemerintah*), transforming PLN from a state-owned enterprise to a limited liability enterprise (*Perusahaan Terbatas* or *Persero*). As a result, PLN had to look for new sources of revenue by running its own business enterprises or by entering joint-ventures with other private investors.[16] With this new legal status, PLN no longer received financial assistance from the Ministry of Finance. However, in a real sense, this was not privatization *per* se in which a new private player (investor) took over PLN as a whole, but it was corporatized, instead. PLN then established two subsidiary companies: PLN Power Generation Java-Bali 1 and 2. Both were given rights to manage generation and distribution facilities throughout Java and Bali. Despite all of this, PLN retained a monopoly in the transmission area and had the 'social' responsibilities of maintaining electrification programs in the islands outside Java and Bali and in rural areas in Indonesia.

[16] As we will explain later on, one of these regulations was about allowing the independent power producers (IPPs) to build new electricity plants in Indonesia.

Table 2
State Monopoly in Power Sector in Indonesia, Thailand and the Philippines

Country	Generation (G)	Transmission (T)	Distribution (D)	Ownership
Indonesia	PLN + regional electricity cooperatives	1 (PLN)	PLN + regional cooperatives	State (PLN) Mixed (others)
Thailand	EGAT + EGCO	1 (EGAT)	2 (MEA, PEA)	State
Philippines	1 (NAPOCOR)	1 (NAPOCOR)	146 private companies	State (G+T) Mixed (D)

Source: Adapted from Department of Foreign Affairs and Trade (2000b:141).

In Thailand, privatization of state-owned enterprises (SOEs) started under the Chatichai government in the late 1980s. This was initiated after the National Economic and Social Development Board (NESDB) issued a "White Paper on Enterprises" (IEA, 1997: 271). In this paper, EGAT was named among SOEs that had to be privatized. The same to Indonesia, the general public believed that the government should play major role in managing SOEs in Thailand. As a result, opposition against privatization was very strong especially among from the trade unions operating within state-owned enterprises and also from the civil society. Compared to Indonesia, trade unions in Thailand were relatively more organized and powerful and they had skills and leverage in negotiating their views and demands. However, things changed after the military launched a coup in 1991 which brought a new interim government led by Anand Panyarachun. In 1992, the EGAT Act was amended which paved the way for EGAT to be corporatized like PLN. EGAT also established a subsidiary electricity company named the Electricity Generating Company Limited (EGCO). EGCO was give a big stake in managing generation facilities across the country but still had to sell electricity to EGAT. Later on, in 1994, EGCO went to the Stock Exchange of Thailand (SET) as a public company but the government retained the majority of the shares in the company (Forsyth, 1999: 111). The Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA) took a similar path. In fact, the Anand government established a long-term plan to transform EGAT into a public company by listing it on the SET.

In the Philippines, the monopoly power of the National Power Corporation (NAPOCOR) as the dominant player in the electricity sector ended in 1987 after the then President Aquino issued Executive Order (EO) No. 215. Since then more regulations and laws were introduced to allow private electricity companies to operate in the country. Two important laws were the Built-Operate-Transfer (BOT) Law of 1990 and the Foreign Investment Act of 1991which helped the early stage of power sector reforms proceed as more domestic and international investors coming in to built new power plants throughout the country (Department of Foreign Affairs and Trade, 1999). The pace of privatization increased when President Ramos was in power. He introduced additional laws and regulations to speed up the privatization of NAPOCOR throughout his presidential term. In fact, the legislation processes continued under both the President Estrada and President Arroyo periods.

Evolution of Power Sector Restructuring

The Asian financial crisis served as both a disruption and catalyst for power sector restructuring in Indonesia, Thailand and the Philippines (**Table 3**). It is true that the crisis decreased the electricity demand dramatically but at the same time these countries were placed under pressure initiated by international communities for reform. Indonesia, Thailand and (to a less extent) the Philippines experienced a devastating economic crisis in 1997 which forced them to look for external assistance from the International Monetary Fund (IMF) and the World Bank (Haggard, 2000; Pempel, 1999; and Robison, Beeson, Jayasuriya and Kim., 2000). As a result, Indonesia and Thailand signed structural adjustment agreements committing their governments to implement major economic reforms. One of the reform efforts was to restructure the power sector (**Table 4**). In Indonesia, the economic crisis became a political crisis and this created political uncertainty that complicated the implementation of economic reforms. President Suharto was replaced by President Habibie in May 1998 and then in October 1999, Habibie was replaced by President Abdurrahman Wahid.

Table 3
Power Sector Restructuring and Regime Changes (1998-2003)

Country	Regimes	Actors	Outcome
Indonesia	Suharto, Habibie, A. Wahid and Megawati	Politicians, technocrats, bureaucrats, multilateral institutions, PLN, investors, consultants, NGOs, unions, media	Electricity Law (No.20/2002)
Thailand	Chaovalit, Chuan and Thaksin	Similar (plus EGAT)	Draft Energy of Industry Act
Philippines	Ramos, Estrada and Gloria Macapagal-Arroyo	Similar (plus NAPOCOR and MERALCO)	EPIRA, HB (2000)

The political changes brought by the crises disturbed the balance of power between and pro-reform and anti-reform coalitions. The roles of technocrats and multilateral institutions have been strengthened during the crises at the expense of the state monopoly. It was against this backdrop that then the Minister of Mines and Energy, Kuntoro, came up with his “White Paper” in 1998. According to him, at this stage, the Paper was a remainder to “bureaucrats and politicians” that Indonesia was facing a crisis in power supply and therefore the government needed to do something about it.[17] In fact, the Paper also laid down guidelines for restructuring the power sector in Indonesia with the aim of creating a competitive electricity market and an independent electricity regulatory body in the long-term. Under his leadership, the push for power sector restructuring gained momentum as his ministry, through the Directorate General of Energy and Electricity Utilities (DGEEU) prepared a new electricity bill.

In September 2002, the electricity bill, known as the Law on Electricity No. 20 of 2002 (*Undang-Undang Ketenagalistrikan*), was finally enacted by the Parliament. According to a high-rank officer in DGEEU, various agencies (including ADB, WB, IMF and USAID) were invited and consulted in

[17] Interview with Kuntoro (Jakarta, May 2003).

the drafting process of a new electricity bill.[18] Under this new law, the new electricity market in Indonesia will be divided into two: the Java-Bali area and the Outer Island areas. The competitive electricity market planned for Java-Bali area starting in 2007 and the government will still be involved directly with electrification programs in the Outer Island areas. This Law also proposed the establishment of the Power Market Supervision Agency as an independent regulatory agency with the main job of formulating electricity policies and regulating the competitive electricity market in Indonesia.[19] This left the Ministry of Mines and Natural Resources (including the DGEED) with its supervisory role (Departemen Energi dan Sumber Daya Mineral, 2003).

Public participation was limited during the process of the drafting of the law. Three reasons deserved mention here. First, power sector restructuring is a very specialized subject which contains various technical issues and therefore very few people can understand it. This constrained the ability of the general public to participate in the decision-making process. Second, the general public, especially the consumers, were not particularly concerned with the restructuring because it is unclearly how electricity tariffs would be affected by the restructuring. Third, the main drive for pushing the passage of the law is the government's commitment to introduce the IMF's structural adjustment programs, and there was not a strong sense of public ownership in the whole process.

Table 4
Comparing New Electricity Market Structures

Country	Policy	Regulator	Player	Scope	Time Frame
Indonesia	DGEEU (MoM & NR)	Electricity Market Supervisory Body (2004)	PLN, private and other companies	Batam and Java-Bali	2007
Thailand	EPPO (MoE)	National Energy Regulatory Commission	EGAT, MEA, PEA, private and other companies	Thailand	?
Philippines	DoE	Energy Regulatory Commission (2002)	NEA, TRANSCO, PSLAM, and cooperative companies	Philippines	2004

The process in Thailand has been strikingly similar but the outcome is decisively different. The pressure for power sector restructuring also came from outside. The Chuan government (1997-2001) was the one that signed the implementation of the IMF's structural adjustment in Thailand. The National Energy Policy Office (now renamed EPPO) played an important role in formulating energy policies and also in directing power sector restructuring in Thailand. In 1998, the NEPO

[18] Interview with Yogo Pratomo (Jakarta, May 2003).
[19] The Government Regulation (*Peraturan Pemerintah*) No. 53 of 2003 issued as a legal foundation for the Power Market Supervision Agency.
[22] *Privatization Master Plan,* Energy Sector Report, National Energy Policy, 2 September 1998. It was prepared by a well-known consultancy firm.

came up with a special report on major restructuring plans for Thailand's future power sector.[22] The report outlined the long-term goal to establish a competitive electricity market in the country. This would be achieved in stages and would require more than five years. Including in this report were recommendations to privatize EGAT, and later followed by MEA and PEA. The Chuan government approved the restructuring plan including that of the draft Energy Industry Act in 2000 (Department of Foreign Affairs and Trade, 2000a). Similar to Indonesia, it was expected that the Act would pave the way to the establishment of a National Energy Regulatory Commission (NERC) in Thailand.

However, the future of the Act was in limbo as new Primer Minister Thaksin Shinawatra came into power in early 2001 and decided to review all the economic reform policies adopted by the Chuan government. Consequently, the Energy Industry Act had to go through a new review process done by the Council of State before it could be brought for further deliberation in the House of Representatives and the Senate.[24] Resistance against this restructuring came from both within and outside government. For various reasons, both the management and the union within EGAT had been reluctant to participate in the restructuring process. For example, EGAT's management has been arguing that breaking up EGAT will undermine Thailand's ambition in becoming regional power in the integrated electricity market in the Mainland Southeast Asia. The EGAT Union, one of the most powerful unions in the country, is concerned with the potential unemployment, often seen as inevitable during the privatization.

EGAT's case was strengthened by two factors. The first is that financially EGAT was in a better situation than either PLN in Indonesia and NAPOCOR in Philippines. EGAT had been and remains a profitable company and it did not have serious problems with the IPPs in a scale like of those in Indonesia or Philippines. From government budget perspective, there was no urgency to privatize EGAT because government doesn't provide subsidies to EGAT. The second factor is that non-state actors such as NGOs, public intellectuals and other trade unions also played their part in opposing power sector restructuring in Thailand (Smith, 2003:281). The coalition of anti-power sector restructuring that emerged during the Chuan period, and it continued to put pressure on the Thaksin government to stop power sector restructuring in Thailand. Their main arguments are that the restructuring was imposed by the IMF and it won't benefit to the general public.[25] The opposition has won a major battle as Thaksin government has abandoned the idea of breaking up of EGAT, and the focus has now shifted to the issue of listing EGAT in the Stock Exchange of Thailand.[26]

In the Philippines, the process of power sector restructuring took a long period of time compared that of Indonesia and Thailand. The Philippines Congress set up a special committee known as the Committee on Energy in 1998. From 1998 until 2000 there were eight bills discussed and debated in both the Senate and the House of Representatives. In March 2000, the bill was passed in the Congress and it became known as the Electric Power Industry Act (EPIRA, HB 4579). The EPIRA paved the way to the establishment of a new competitive electricity market in the Philippines and this new structure included generation, transmission, distribution, suppliers and the end-users (customers) (Tuano, 2001: 13). Under the EPIRA, NAPOCOR had to be privatized and gave up its monopoly power in the transmission area. The TRANSCO was established to run transmission

[24] Chavalit Pichalai, *Fuelling Investment Opportunities for Privatisation*, a paper presented for the 6th Annual Asia Power Conference, Singapore, 18 February 2003.
[25] Interview with Terraper (Bangkok, June 2003).
[26] Interview with a high-ranking officer in EGAT (Bangkok, June 2003).
[28] Interview with Philippine Focus on Global South (Manila, mid-June 2003).

facilities left by NAPOCOR. The Electricity Regulatory Commission (ERC) was also established under the EPIRA with its main role being ensure that the new competitive electricity market will function and operate properly in the Philippines. Under this new structure, the Department of Energy (DOE) was given a supervisory role. Similar to Indonesia and Thailand, the legislation process of the EPIRA was marked by the involvement of various political actors involved in debating the merits and demerits of power sector restructuring in the Philippines. Politicians, business groups, interest groups and the media were involved in the deliberation process of the EPIRA. The Freedom from Debt Coalition (a coalition of various NGOs) also emerged to criticize power sector restructuring in the Philippines.[28] Their concerns were the privatization of NAPOCOR and the monopoly practices of private electricity companies (Tuano, 2001: 14). They argued that the loans coming from multilateral institutions and used for the privatization programs would increase the government's foreign debt (Krinks, 2002: 156). Also, that privatization could lead to the establishment of monopolies by private electricity companies. It was publicly known that MERALCO (a large private electricity company) had big stakes in both generation and distribution facilities in Manila and throughout Luzon island. This issue was raised by Stubbs and Macatangay (2002) who argued that the cross-ownership (in generation, transmission and distribution facilities) that had been practiced by the MERALCO should be stopped in the new electricity market structure. The other issue that came up concerned the environment and social justice because, as in Indonesia and Thailand, the development of the electricity sector also affect other sectors and many peoples' lives as well.

Concluding Remarks:
Indonesia, Thailand and the Philippines Compared

The main focus of this paper has been to examine the similarities and differences in power sector restructuring in Indonesia, Thailand and the Philippines. We have proposed a comparative political economy approach which takes into account the insights of relevant approaches to the Southeast Asian political economy and we have taken various factors such as historical background, regime types, policy-making institutions, ideas and economic policies, technology, regional and global environment, and non-state actors into account in our historical and structural comparative analysis. We have argued that the phenomenon of power sector restructuring in Indonesia, Thailand and the Philippines cannot be seen simply as an economic-driven process and in a technical view but instead it should be placed in a political economy perspective which accepts the fact that it involves intense and real power struggles among actors during the restructuring process. As mentioned earlier in this paper, the power struggles among actors are also a reflection of the balance of power within and outside the country. This balance of power shifts from time to time as actors change their alliances to suit their own interests. Let us explain our comparative findings below.

The comparative historical backgrounds of the electricity sectors in these countries must not be overlooked because they tells us a lot about the development and evolution of actors and their interests in this sector. Three important aspects deserve attention here. First, historically the provision of electricity in these countries was mainly in the hands of state-owned electricity enterprises. In the Philippines there was an exception in the case of MERALCO (in the distribution area). MERALCO remains the biggest private electricity company in the Philippines. The restructuring of the power sector in the Philippines actually opened up opportunities for and benefited private-owned electricity of companies like MERALCO. Second, power sector restructuring was initiated against the dominant ideological view adopted within the three countries. This dominant view was a *statist* view, a view that supported the strong role of government in the provision of electricity in these countries. Therefore, to bureaucrats, union leaders and politicians used and manipulated this view to justify their opposition to the privatization of the state-owned electricity enterprises. In some cases, they were also able to form political coalitions with other actors such as NGOs, the media and international NGOs. These actors participated in the coalitions because they shared similar views although they might have different goals.

Comparatively, the capacities of these states to initiate and implement power sector restructuring was varied and generally weak. States, including their economic policy-making institutions, were often vulnerable to political interventions coming from the powerful political and economic actors in these countries. In terms of regime types, there are similarities between Indonesia and the Philippines which have presidential systems, while in Thailand there was an interim-backed military government (under Anand), later on replaced by a parliamentary system. Several points deserve brief discussion here. Having strong leaders who governed in presidential systems helped significantly in initiating power sector restructuring. The cases of Indonesia and the Philippines are worth comparing and contrasting. Suharto governed Indonesia in an authoritarian presidential system in which he had ultimate power in policy making because he controlled the political and economic resources in Indonesia. Parliament did not function a check and balance institution. Meanwhile Ramos governed a relatively democratic presidential system in the Philippines, despite the fact that the state was very weak as it was often subject to power struggles among major political actors and the powerful oligarchies in the country. Both Suharto and Ramos used (and manipulated) their presidential powers (which were guaranteed constitutionally) to initiate power reform restructuring in Indonesia and the Philippines respectively. Suharto did this without much opposition while Ramos had to face some minor opposition as he accommodated the interests of various actors.

The case of Thailand is also interesting. Anand saw a small window of opportunity, during his short-term premiership (1991-1992), to restructure the power sector in Thailand. It was his leadership quality that mattered here as well as the strong backing coming from the Thai military. He succeeded in initiating the restructuring efforts but not in the implementation at later stages, and the reason being that Anand was replaced by other leaders and also that Thailand moved back to a parliamentary system where a series of coalition-based governments (Chuan, Banharn, Chaovalit, Chuan and Thaksin) governed Thailand. These coalition governments had different political and economic actors behind them and therefore had different interests to pursue and to protect. Third, overall, we can argue that the presidential system had advantages over the parliamentary system in the initiation of power sector restructuring, because the President was able to use his or her executive power as guaranteed in the Constitution to introduce the policies of power sector restructuring.

Comparatively, both domestic and external actors also played important roles in the restructuring processes in Indonesia, Thailand and the Philippines. Both groups had interests to pursue and to protect during the initiation and implementation of power sector restructuring in these countries. Technocrats who favored power sector restructuring allied themselves with multilateral institutions such as the IMF, the World Bank and the Asian Development Bank, who were also keen to support technocrats in return as these institutions needed to maintain their presence in these countries. In other words, both sides have advocated more or less similar economic ideas and ideologies (a range of neo-classical economy, neo-institutional economy and neo-liberal economy approaches). Beyond this, both sides have their interests to pursue as well. Technocrats have and are interested in retaining powerful position of control over various important economic-policy making institutions, while multilateral organizations were, and are still, interested to have access to top economic policy makers as well. As Rosser (2002) suggested that this kind of coalition of interest was strong the restructuring process in the post-Asian crisis of 1997 and 1998. One could argue that although the relationship between the two groups was dynamic, overall it was weighted more in favor of the multilateral institutions rather than the other way around. Evidence of this can be found in, for instance, the implementation of the structural adjustment programs in Indonesia, Thailand and the Philippines, where the recipient countries had limited choices in policy formulation for power sector restructuring. However, as political leaders and technocrats came and went, multilateral institutions also changed their strategies to ally themselves with the political leaders and political regimes of the day. The point here is that each side played their part in shaping the direction of power sector restructuring in Indonesia, Thailand and the Philippines.

The role of societal forces and non-state actors in influencing the restructuring processes in these countries also cannot be ignored. Empirical evidence has shown that coalitions of interest groups, comprised among of various actors who are against or who support the restructuring of the power sector in these countries, have also emerged. These kinds of coalitions are complex. The actors in coalitions of this sort are drawn from within and outside the government and the country as well. They are very fluid and change their preferences and strategies because as a large coalition grouping and as individual entities they have different interests to pursue and to protect. The influence of the coalitions can be seen in the fact that the new electricity laws that were finally enacted by the Philippines's Congress (in 2000) and by Indonesia's House of Representatives (in 2002) were scrutinized and changed during the deliberation processes in their parliaments. As it is argued here, the coalition of interest that we talk about is also a reflection of the balance of power within and outside the country and this also affected the restructuring of the power sectors in Indonesia, Thailand and the Philippines. With this in mind, we can argue that power sector restructuring (which led to the emergence of a new electricity market structure) has certainly facilitated and served the interests of powerful domestic political and economic actors and international actors who had been trying for more than two decades to gain control over this very resourceful and attractive sector.

References

Amsden, Alice (1989) *Asia's Next Giant: South Korea and Late Industrialization*, New York: Oxford University Press.

Anek Laothamatas (1994), "From Clientelism to Partnership: Business-Government Relations in Thailand" in Andrew MacIntyre (ed) *Business and Government in Industrialising Asia*, Sydney: Allen and Unwin, pp. 244-267.

Asian Development Bank (2000) *Energy 2000, Review of the Energy Policy of the Asian Development Bank*, Manila: Asian Development Bank.

Bacon, R.W. and Besant-Jones, J. (2001), "Global Electric Power Reform, Privatization, and Liberalization of the Electric Power Industry in Developing Countries", *Annual Review Energy Environment*, 26, pp. 331-359.

Bellasa, Bella (1981) *The Newly Industrialising Countries in the World Economy*, New York: Pergamon.

Chavalit Pichalai (2003), *Fuelling Investment Opportunities for Privatisation*, a paper presented for the 6th Annual Asia Power Conference, Singapore, 18 February 2003.

Chowdhury, Anis and Iyanatul Islam (1993) *The Newly Industrialising Economies of East Asia*, London and New York: Routledge.

Departemen Energi dan Sumber Daya Mineral (2003) *Pedoman dan Pola Tetap Pengembangan Industri Ketenagalistrikan Nasional, 2003-2020*, Jakarta: Departemen Energi dan Sumber Daya Mineral.

Department of Foreign Affairs and Trade (1999) *The Philippines, Beyond the Crisis*, Canberra: The East Asia Analytical Unit, Department of Foreign Affairs and Trade.

------ (2000a), *Transforming Thailand: Choices for the Millennium*, Canberra: The East Asia Analytical Unit, Department of Foreign Affairs and Trade.

------ (2000b), *Asia's Infrastructure in the Crisis, Harnessing Private Enterprise*, Canberra: Department of Foreign Affairs and Trade (in cooperation with Tasman Asia Pacific).

Doronila, Amando, *The State, Economic Transformation, and Political Change in the Philippines, 1946-1972*, Singapore and New York: Oxford University Press.

Dubash, Navroz K. (2002.), *Power Politics, Equity and Environment in Electricity Reform*, Washington D.C.: World Resources Institute.

Forsyth, Tim (1999), *International Investment and Climate Change: Energy Technologies for Developing Countries*, London: The Royal Institute of International Affairs and Earthscan Publications Ltd.

Gourevitch, Peter (1986) *Politics in Hard Times, Comparative Responses to International EconomicCrises*, Ithaca and London: Cornell University Press.

Haggard, Stephan (1990) *Pathways from the Periphery, The Politics of Growth in the Newly Industrialising Countries*, Ithaca and London: Cornell University Press.

---- (2000) *The Political Economy of the Asian Financial Crisis*, Washington D.C.: Institute for International Economics.

---- and Noble, Gregory W. (2001), "Power Politics, Elections and Electricity Regulation in Taiwan" in Stephan Haggard and Mathew D. Mccubbins (eds) *Presidents, Parliaments, and Policy*, Cambridge: Cambridge University Press, pp. 356-290.

Hawes, Garry and Hong Liu (1993), "Explaining the Dynamics of the Southeast Asian Political Economy, State, Society and the Search for Economic Growth", *World Politics*, 45 (July).

Heller, William B. and McCubbins, Mathew D. (2001), "Political Institutions and Economic Development, The Case of Electric Utility Regulation in Argentina and Chile" in Stephan Haggard and Mathew D. McCubbins (eds) *Presidents, Parliaments, and Policy*, Cambridge and New York: Cambridge University Press, 2001, pp. 229-255.

Hutchcroft, Paul D. (1991), "Oligarchs and Cronies in the Philippines state: the politics of patrimonial plunder", *World Politics*, 43, pp. 414-450.

International Energy Agency (IEA) (1997), *Asia Electricity Study*, Paris: International Energy Agency-Organisation for Economic Co-operation and Development.

Johnson, Chalmers (1987), "Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea and Taiwan" in Frederick Deyo (ed) *The Political Economy of the New Asian Industrialisation*, Ithaca and London: Cornell University Press, pp. 136-164.

Krinks, Peter (2002), *The Economy of the Philippines, Elites, Inequalities and Economic Restructuring*, London and New York: Routledge.

Mallarangeng, Rizal (2002), *Mendobrak Sentralisme Ekonomi: Indonesia 1986-1992*, Jakarta: Kepustakaan Populer Gramedia.

MacIntyre, Andrew (1994) *Business and Politics in Indonesia*, Sydney: Allen and Unwin.

MacIntyre and Jayasuriya (1992) (eds) *The Dynamics of Economic Policy Reform in Southeast Asian and the Southwest Pacific*, Singapore: Oxford University Press, 1992.

Motoyama, Hisako and Widagdo, Nurina (1999), *Power Sector Restructuring in Indonesia, A Preliminary Study for Advocacy Purposes*.

Pangestu, Mari (1996), "Managing Economic Policy Reforms in Indonesia" in *Economic Reform, Deregulation and Privatization, The Indonesian Experience*, Jakarta: Centre for Strategic and International Studies, pp. 1-29.

Pasuk Phongpaicit (1992), “Technocrats, Businessman and Generals: Democracy and Economic Policy-Making in Thailand” in Andrew MacIntyre and Kanishka Jayasuriya (eds) *The Dynamics of Economic Policy Reform in South-east and the South-west Pacific*, Singapore: Oxford University Press, pp. 10-31.

Pempel, T.J. (ed) (1999) *Politics of the Asian Economic Crisis*, Ithaca and London: Cornell University Press.

Piyasvasti Amranand (1998), “*10 Questions on Egat Privatisation*” in http://www.eppo.go.th/doc/idp-02-10Q&A-E.html

Privatisation Master Plan, Energy Sector Report, National Energy Policy Office, 2 September 1998.

Robison, Richard, Mark Beeson, Kanishka Jayasuriya and Hyuk-Rae Kim (eds) *Politics and Markets in the Wake of the Asian Crisis*, London and New York: Routledge.

Rodan, Garry, Kevin Hewison and Richard Robison (2001) “Theorising South-East Asia’s Boom, Bust and Recovery” in *The Political Economyc of South-East Asia*, Melbourne: Oxford University Press, pp. 1-41.

Rosser, Andrew (2003), “Coalitions, Convergence and Corporate Governance Reform in Indonesia”, *Third World Quarterly*, 24, 2, pp. 319-337.

Ryder, Grainne (1999), *Thailand’s Flawed Electricity Privatization, The Case for Citizen-Oriented Reform*, Power Sector Reform Series No.4, Probe International, Toronto, Canada.

Seymour, Frances and Sari, Agus P. (2002), “Indonesia: Electricity Reform under Economic Crisis” in Navroz K. Dubash (ed) *Power Politics, Equity and Environment in Electricity Reform*, Washington D.C.: World Resources Institute.

Smith, Thomas B. (2003), “Privatising Electric Power in Malaysia and Thailand: Politics and Infrastructure Development Policy”, *Public Administration and Development*, 23, pp. 273-283.

Spoehr, John (ed) *Power Politics, The Electricity Crisis and You*, Adelaide: Wakefield Press.

Sulistiyanto, Priyambudi (2002) *Thailand, Indonesia and Burma in Comparative Perspective*, Aldershot, England and Burlington, USA: Ashgate.

Stubbs, Peter and Macatangay, Rafael E.A. (2002), “The British Experience of Privatization and Regulation of the Electricity Industry, and Some Lessons for the Philippines”, *Journal of the Asia Pacific Economy*, 7, 1, pp. 113-136.

Thiraphong Vikitset (1998), “Liberalisation and Privatisation of the Thai Power Sector” in Rong-I Wu and Yun-Peng Chu (eds) *Business, Markets and Government in the Asia Pacific, Competition Policy, Convergence and Pluralism*, London and New York: Routledge, pp. 300-321.

Tuano, Philip Arnold P. (2001), “Privatization of a State Enterprise: The Napocor Case” in *Economic Reforms and Governance in the Philippines-Eight Case Studies*, Manila: Ateneo School of Government, pp. 1-21.

Tumiwa, Fabby (2003), *Privatisation of the Public Sector: A Review of the Case of the Electricity Sector,* Discussion Paper, Vol. 1, XII, Jakarta: Working Group on Power Sector Restructuring.

Wade, Robert (1990) *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*, Princeton: Princeton University Press.

Wamukonya, Njeri (2003), “Power Sector Reform in Developing Countries: Mismatched Agendas”, *Energy Policy*, 31, pp. 1273-1289.