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# Capital market development in Southeast Asia: from speculative crisis to spectacles of financialization

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## ***Abstract***

The aftermath of the Asian financial crisis of 1997-1998 witnessed a significant transformation of the financial systems of the Southeast Asia region. It saw the ascendance of capital markets in financial systems that had traditionally very much relied on bank loans and other sorts of so-called relationship finance. This emergence of capital markets was *by design* rather than the spontaneous and natural result of their evolving market orders as policymakers have shifted from planning for outcomes to planning for uncertainty. A financialized version of capital market development, conceptualized here as situated knowledge practice, has manifested itself in increasingly spectacular financial designs. The essay explores two sites of the circulation of new financial knowledge: the dramatic performances of financial knowledge at (Islamic) capital market conferences and the new urban designs where financial knowledge is put to work. The analysis is informed by observations from Jakarta, Kuala Lumpur and Singapore.

***Keywords:*** financialization; Southeast Asia; capital markets; design; spectacle

## Introduction

In April 2014, people were gathered in Ballrooms 2 and 3 of the Hotel Mulia Seyanan, a five-star outlet close to the new financial center of Jakarta, to discuss ‘corporate ASEAN and the advent of the ASEAN Economic Community’.<sup>1</sup> The event was heavily geared towards the financial sector in terms of attendees, session themes and sponsors. Foreigners were easily identified by their dark suits, whereas local attendees tended to favor colorful batik shirts. Members of both groups were living expressions of an increasingly interconnected region, at least for the small circle of a financial elite, whose representatives were assembled here. Where previously regional circuits of capital mainly manifested themselves in flows of money, nowadays it is increasingly people who are at the heart of market-making activity.

This shift was evident in presentations and discussions on the day. In a speech on the state of the Indonesian economy, a senior government representative first provided snap shots of international and national market conditions, before honing in on the development of ‘human capital’. Expressing skepticism of industrial policymaking more generally, given the bad records that governments have had with ‘picking winners’, the speaker – underpinned by increasingly dramatic gestures – then focused on the need ‘to improve human capital’. This, according to him, was not so much ‘about outcome, but about facilitating process’. It also highlighted questions of governance in a ‘future [that is] not about tangible assets (commodities) but intangible [ones] (policies)’ and where it is important to ‘create credibility’. The speaker’s way of thinking is indicative of a wider shift from planning for outcomes, for example by setting targets for lending to companies or sectors, to planning for the uncertain world of globally connected markets that I argue has come to increasingly characterize financial policymaking in the region.

The aftermath of the Asian financial crisis of 1997-1998 witnessed a significant transformation of the financial systems of the Southeast Asia region. It saw the ascendance of capital markets – in which long-term debt securities (bonds) and equity securities (stocks) are issued and traded - in financial systems that had previously largely relied on bank loans, development finance and consumer credit, as well as less formal financing arrangements. New efforts to develop capital markets occurred in direct response to the vulnerabilities generated by the double mismatch of short-term, dollar-denominated borrowing for long-term, local currency investments that had been made visible by the crisis. Moreover, the crisis had exposed the lack of knowledge of local market conditions by international investors, amplifying crisis contagion through so-called ‘herd behavior’. In this context, regional financial policymakers and financial market practitioners alike perceived domestic capital market development as a way to mitigate the risks associated with increased international capital mobility and as a means to channel savings towards economic growth and infrastructure development in the region. From the early 2000s onwards increasingly so, similar characteristics have been attributed to Islamic finance, which has made considerable inroads into the Malaysian financial system and – to a somewhat lesser extent – the financial systems of Indonesia and Singapore.

In these three countries, which are the focus of this essay, states maintain a significant influence on market outcomes. At the same time, capital market development requires specific sets of policy/regulatory, market/financial-legal and, in the case of Islamic finance, even religious expertise, which still in the late 1980s and early 1990s had been largely absent in the domestic financial systems in the region. Taken together, these features provoke an important question: how do states engage – and legitimate – new financial ideas and practices? Indeed, this is not

just a question of how states develop the necessary regulatory capacity to deal with financial change. It asks us to interrogate further the ways in which they take an active stance in promulgating specific forms of financial market knowledge that have underpinned the recent expansion of capital markets. Interactive dynamics of different ways of knowing are instrumental for capital market development – and by extension the financialization of economic systems in both material and cognitive terms. The result have been variegated market designs that nevertheless propagate the financialization of Southeast Asian financial systems and political economies, if not even societies more broadly, as will be illustrated in this essay.

The emergence and expansion of capital markets in these three countries was *by design* rather than the spontaneous and natural result of their evolving market orders. It occurred in response to the uncertainty generated by and amplified through increasingly internationally connected financial systems. At the same time, however, it is a product of state transformation as governments recognize the more open-ended nature of the market development process as opposed to earlier efforts to control outcomes during the high period of state planning. Thus, in designing capital markets, policymakers have shifted from *planning for outcomes* to *planning for uncertainty* as most succinctly expressed by the speaker in the opening anecdote to this essay. This design perspective resonates with commonsense imaginaries of financial markets. Indeed, the language of design permeates financial markets and discussions of financial governance. This includes, for example, debates about a (global) financial ‘architecture’ (e.g. Best 2003; Eichengreen 1999). It is borne witness by the growing popularity of financial development ‘blueprints’ and ‘roadmaps’ among policymakers (see e.g. ASEAN 2008, 2015; OJK 2016; SC 2001, 2011). And it is also expressed in the critical attention that recent financial crises have drawn to the everyday work of financial ‘engineers’ and their like (e.g. Ho 2009; Miyazaki 2013).

Two important conceptual points follow from this design perspective. First, design in this context is understood as an inherently social practice (Appadurai 2013; see also Schwittay 2014). Because finance is essentially concerned with the actualization of future cash flows in the absence of full knowledge about the repayment ability and willingness of present recipients of funds, knowledge warrants a central analytical position. The development of capital markets by design, thus, is best conceptualized as ‘knowledge practice’ (cf. Riles 2011, 224). Second, and following on from the previous point, greater clarity about the ‘associated forms of knowledge’ that are constitutive of practices such as Islamic capital market finance is required (cf. Maurer 2005, 41). Indeed, this knowledge is ‘situated’ (cf. Haraway 1988) as the collaboration of differently positioned actors – market practitioners, regulatory officials and Sharia experts, all operating within their own epistemic frameworks, career hierarchies and material incentive structures – is crucial to its production.

As a consequence, knowledge – and by extension capital market development as *situated knowledge practice* - is by no means neutral but an inherently political (and contestable) category. The growing valorization of financial market knowledge – how to ‘execute a deal’, a phrase commonly used by market practitioners to which I spoke at all three locations, or draft the legal documentation for a bond or sukuk for example<sup>2</sup> - plays a crucial, but underexplored role in this regard. The Oxford English Dictionary defines to valorize as ‘give or ascribe value or validity to’. And it is precisely this dynamic of making specific forms of financial knowledge both valid and valuable that warrants greater scrutiny. In so doing, a knowledge-based inquiry opens up new methodological and conceptual vistas in how we understand the progressive development of capital markets as part of wider processes of financialization.

This essay seeks to interrogate two sites where new forms of financial market knowledge instrumental to the development of capital markets are circulated: the dramatic performances of financial knowledge at (Islamic) capital market conferences and the new urban designs that structure flows of financial knowledge and learning. The discussion is informed by audience participation in industry conferences in Jakarta, Kuala Lumpur and Singapore as well as interviews and informal discussions with policy makers and capital market practitioners. I began going to these conferences in 2007, when I attended the first Global Islamic Finance Forum, hosted by the Malaysian central bank. Initially and similar to other participants, I saw attending these conferences as a way of keeping informed about new market developments and meeting people. However, over the course of my research I came to recognize the much more important function these events serve in legitimating the roll out of capital markets. Thus, over a period of eight months in 2013 and 2014 I conducted an intense period of observation of these conferences, attending eight events in Jakarta, Kuala Lumpur and Singapore with a duration from one to three days. Since then, I have continued to attend these conferences when and where possible, but in a less systematic manner.

### **Financialization, knowledge and the state in Southeast Asia**

Recent years have seen an increased interest by anthropologists in the workings of finance, more specifically capital markets. This includes work on the speech acts of central bankers (Holmes 2013), legal techniques and the reasoning surrounding notions of collateral in various jurisdictional contexts (Riles 2011), the contested and contestable sociality of specific financial products such as derivatives (Appadurai 2015) and the market-making practices of financial engineers (Abolafia 1996; Ho 2009; Miyazaki 2013; Zaloom 2006). Andy Pike and Jane Pollard (2010) advance a notion of financialization as ‘growing influence of capital markets, their intermediaries, and processes in contemporary economic and political life’. Indeed, if we extend this already very inclusive definition to ‘intellectual life’, then it would not be overly provocative to talk also about the financialization of academia, given the way that finance seems to have captured the scholarly – including anthropological - imagination.

With a few exceptions, this work has focused on capital markets in advanced industrialized countries (but see, *inter alia*, Lagerwaard 2015; Rudnyckyj 2013 and 2014). As a consequence, the relationship between expanding capital markets, financialization and state transformation in emerging market societies - with all the ambiguities that throwing together notions of ‘emergence’, ‘market’, and ‘society’ entails - remains under-researched. Perhaps a second correlate of the reluctance to study a wider range of sites and agents of financialization is the tendency to focus on market practices and private networks, in particular in the anthropological literature on capital markets.<sup>3</sup> Nevertheless, financialization is a multi-faceted phenomenon. Thus, rather than understanding financialization as a monolithic whole that espouses the same dynamics and characteristics across spatial and temporal contexts or just letting it fragment into various financializations, treated at least analytically as being fully disjunct, this essay proposes a multiplicity of financialization to capture both the heterogeneity, but also inherent sociality of processes of financialization, spectacular and otherwise (cf. Maurer 2008).

Importantly, more attention should be paid to the role of the state in these processes. Anthropologists working on the Southeast Asian region have for some time pointed to the significant implication of states in purveying the neoliberal ethos and market-building agendas (see, for example, Nevins and Peluso 2008 or Ong 2006). Similarly, it is undoubtable that states have played a significant role in both driving and shaping financialization in the Southeast Asian context, given their control over regulation and market outcomes, but it is perhaps less

clear how precisely this has come about (Hamilton-Hart 2002; Lai and Samers 2017). States have become significant capital market actors in their own terms. Typically, the state is a – if not the most - important borrower in capital markets, raising sovereign debt, but also corporate debt through government-linked vehicles (Rethel and Hardie 2017). In both Malaysia and Singapore, it is also the single most important investor, given the accumulated savings of their pension funds as well as state-controlled sovereign wealth funds. And it is indeed the ways in which the state in these capacities has come to adopt practices traditionally more aligned with market forces that have become increasingly important markers of financialization (Fastenrath et al. 2017).

Historically, states have acted as arbiters and promoters of [financial market] knowledge, a crucial element in the transition to the modern economy and the emergence of market society more generally (cf. Stehr 1994). In the Southeast Asian context for sure, they very much continue to do so. In the financial realm, this includes the sponsoring of tertiary education, in particular in desired fields such as economics, accounting, finance, actuarial science, law and computer science (e.g. Bank Negara Malaysia 2017). It also extends to the specification of the training agendas for financial market professionals in terms of continuous professional development requirements and the funding of training bodies and courses established for this purpose (Tan 2005, 14-18). Indeed, developing and nurturing ‘talent’ has been an integral ambition of the various market designs that Southeast Asian states have sought to pursue in the aftermath of the Asian financial crisis of 1997-1998 (e.g. Bunnell 2012; Olds and Thrift 2005).

In the Southeast Asian context, the multiplicity of financialization has found expression in the variegated market designs pursued by financial policymakers in the region, institutionalized in regulatory frameworks and enacted by local capital market practitioners. Capital market development in Southeast Asia has been closely associated with a number of strategic documents and reports, masterplans and blueprints (see e.g. ASEAN 2008, 2015; MTI 2002; OJK 2016; SC 2001, 2011). However, a note of caution is necessary when it comes to seeking to infer causal relationships between articulated policy objectives and broader dynamics of financial development. Jonathan Rigg (2016; see also 2012), in distinguishing between development-as-policy and development-as-practice, has persuasively argued that development in Southeast Asia has been the outcome of chance, contingency and the everyday practices of ordinary citizens at least as much as of the (more or less) carefully formulated development policies adopted by countries in the region. So rather than reading these plans as literal foundations of financial system change, they have to be understood as documents of ambition and design, literary testaments to intent and determination. They chart pathways towards the valorization of financial market knowledge and, in so doing, provide an insight into how financialization is legitimated – economically, politically, socially, and culturally.

### **Financial knowledge as spectacle: the (Islamic) capital market conference circuit**

In a recently published collection, Nyqvist *et al.* (2017) make a strong case for the salience of conferences as sites in which industries are being made. The proliferation of capital market conferences has been perhaps one of the most noteworthy and yet underexplored dynamics underpinning the expansion of capital markets in the Southeast Asian region.<sup>4</sup> This development is part and parcel of the variegated market designs and ambitions that emerged out of the Asian financial crisis. These conferences are organized by both state regulatory agencies and private providers and typically draw on a mix of public and private sponsorship. The choice of the term ‘typically’ in the following discussion is deliberate as it denotes the increasing routinization these conferences have undergone. Indeed, it is one of the more

remarkable developments that interactions at these dramatic spectacles have become quite ritualized, if not rather repetitive, including not just panels and presentations, but also built-in opportunities for ‘networking’ (cf. Nyqvist 2017).

These events are held with a dual objective in mind. On the one hand, capital market conferences are targeted at international portfolio investors and investment managers with the aim of offering knowledge of the region as an investment destination. Remember that the herd behavior of international investors, who discriminated little between the different Asian countries, amplified the contagion effects of the crisis of the late 1990s. In this context, capital market conferences offer a temporary window for investment managers to gain insight into local market conditions and to – literally - meet future ‘investment opportunities’. Often, the participation of specific investor categories – such as pension funds – is specifically solicited. Thus, hosting capital market conferences is aimed at increasing the visibility of Southeast Asia in international circuits of capital. This design is succinctly spelled out, for example, in a recommendation of the Singapore Economic Review Committee, tasked with charting plans for maintaining Singapore’s economic competitiveness and enhancing its status as an international financial center:

‘The international profile of the financial sector should be raised through attracting more high-profile conferences, particularly those that are associated with the identified niches, to Singapore. The government should be prepared to provide financial support and endorsement, and participate in leading conferences that are hosted in Singapore.’ (Ministry of Trade and Industry 2002).

On the other hand, and this role is arguably becoming more important as regional capital markets grow, these sorts of events serve to facilitate knowledge exchange between variously situated capital market actors in the region. This includes providing updates on successful ‘deals’ that have taken place or circulating information about new regulatory arrangements. This sort of events also affords state managers the opportunity to interact with market practitioners, in particular to communicate their developmental ambitions and plans (e.g. SC 2011, 270). Last but not least, they are intended to keep both policy and market actors ‘abreast of the latest development’ (SC 2001, 179).

Burke (2005, 38) draws attention to the dual signification of performance as ‘linked to evaluation’ and measurement and ‘performance in a more theatrical sense’. This duality of meaning runs through the Islamic capital market conferences I could selectively observe (see table 1). Typically, these conferences are carefully staged and interactions have become increasingly routinized. On stage performances comprise both individual presentations and keynote talks as well as plenary discussions. Sometimes even more theatrical elements are embraced such as with the launch event for an Islamic bank to the accompaniment of drums and the performance of traditionally clad dancers during a conference I attended in 2014.<sup>5</sup>

**Table 1: The capital market conference circuit**

<i>Event</i>	<i>Organizer</i>	<i>Location</i>
<b>Global Islamic Finance Forum (GIFF)</b>	Initially Bank Negara Malaysia, now Islamic Financial Centre	Kuala Lumpur, biannual, held since 2007
<b>Kuala Lumpur Islamic Finance Forum (KLIFF)</b>	CERT Events	Kuala Lumpur, annual, held since 2004
<b>IFN Asia Forum</b>	Redmoney Events*	Kuala Lumpur, annual, held since 2006
<b>The ASEAN Economic Congress</b>	Euromoney Conferences**	Jakarta, 2014. This was a one-off event, but Euromoney Conferences has been organizing the annual Indonesia Investors Forum in Jakarta since 2014.
<b>IFN Indonesia Forum</b>	Redmoney Events*	Jakarta, annual. Since 2016 alternating with IFN Asia Forum.
<b>World Islamic Banking Conference (Asia)</b>	Middle East Global Advisors*** Supported by Monetary Authority Singapore	Singapore, annual, held since 2010
<b>Islamic Finance Services Conference</b>	Singapore Business Federation, Singapore Malay Chamber of Industry and Commerce, GASCIA	Singapore, held in 2013 and 2014

\* Also organizes Islamic finance events in other Asian countries, MENA, Europe and the USA.

\*\*One of the main capital market conference organizers globally.

\*\*\* Flagship event is the World Islamic Banking Conference held annually in Bahrain.

Sources: information publically available on conference websites.

Capital market conferences are organized by both public and private providers. Yet, independent of who the organizer is, the state plays a central role in the Southeast Asian settings that I observed. Typically, the welcome address is given by high-ranking government officials, up to the level of head of government in some cases. Ministers from the economic ministries – such as finance, trade and industry, as well as planning - are also highly sought after speakers. In addition, speakers are drawn from the ranks of the financial regulatory agencies - central banks, monetary authorities and securities commissions and their like. Furthermore, government agencies and government-linked corporations tend to be (amongst) the most important sponsors of these events. The lines between ‘the private’ and ‘the public’ are blurred as is so often the case in Southeast Asia. Financialization becomes a state-orchestrated spectacle. Thus, for example, the Monetary Authority of Singapore explains its involvement as follows:

‘WIBC Asia is positioned as a regional flagship Islamic finance conference for the budding industry to share their experiences and capitalize on the growing business opportunities within Asia. MAS’ support in establishing and anchoring this annual

conference in Singapore signifies its broader commitment to promote Islamic finance and ethical investment' (MAS 2011)

These conferences also allow the audience to 'meet' the engineers of global finance. The celebration of specific forms of expertise is an integral part of the conference agenda. This includes sessions such as the 'CEO strategic outlook' – where a handful of CEOs of regional and/or international Islamic financial institutions comment on the development of the sector. A further highlight can be the 'deal dialogue', which brings together variously located experts such as investment bankers, legal counsels and Sharia scholars reviewing a recently (i.e. within the last year or so) concluded transaction jointly undertaken by them. And last, but not least, there are sessions like the 'investor roundtable' or 'global outlook', which offer international and local institutional investors the opportunity to share their views on local market conditions. Typically, a moderated panel discussion is followed by some limited opportunity for questions from the floor.

In so doing, these conferences – and there are scores of them taking place around the world in any given year with an ever expanding number (cf. Nyqvist et al. 2017) – provide opportunities for the (re-)enactments of those situated knowledge practices that underpin the development of capital markets. The spectacle of the conference puts agents of financialization 'on stage'. The celebrity status of speakers is deliberately cultivated. Speakers register at different desks and are provided with differently colored name badges. Prior to their performance on stage, they are invited to assemble in a VIP area. The performance itself is projected on giant screens above the heads of the speakers. Members of the audience can meet the speakers behind the scenes. Further networking opportunities are provided during lunch and coffee breaks. And yet, with the proliferation of these sorts of conferences, there is significant overlap in terms of both content and speakers. These conferences are not so much about creating new knowledge per se, but about circulating and celebrating those specific knowledges that underpin the expansion of capital markets. The valorization of financial market knowledge becomes a celebration of market life more generally.

So how are we to understand what it is that is being performed by these sorts of spectacle? Here, Guy Debord's (1983 [1967]) work on the *Society of the Spectacle* is both prescient and instructive. Thus writes Debord, '[i]n the spectacle, which is the image of the ruling economy, the goal is nothing, development everything. The spectacle aims at nothing other than itself' (Debord 1983, 14). This statement clearly resonates with the self-referentiality characteristic of contemporary dynamics of financialization. State power is 'at the root of the spectacle'. Through the spectacle of these conferences, finance/financialization is (re)created as an 'objective reality'. The knowledge that is circulated at these conferences is validated in the performance and thus gains value for the spectator. Indeed, the spectacle serves as an 'instrument of unification' that presents a rather cohesive image of finance and erases the unevenness of capital market development. This is particularly pertinent in a country such as Indonesia, where the number of securities accounts is estimated to be in the region of 600,000 out of a total population of 250 million, a very minor fraction indeed. And yet, it is the promissory future of finance that sustains and is sustained by the spectacle. The state derives 'performance' legitimacy from these sorts of spectacles (cf. Burke 2005; Alagappa 1995; see also Geertz 1980). They are part of the variegated market designs of states in the region.

However, there is also a more literal engagement with - in particular urban - design. Typically, these conferences and meetings take place in luxury hotels, high-end conference facilities and exhibition halls; these are buildings at the heart of an increasingly financialized urban design.

This includes convention centers such as KLCC and Sasana Kijang in Kuala Lumpur or Marina Bay Sands Convention Center in Singapore as well as luxury hotels, Shangri-La Hotel in Jakarta ('where Obama stayed' as conference participants were proud to share) or Pan Pacific and Orchard hotels in Singapore. And indeed, depending on location, conference participants, be it capital market professionals or their clients, often also combine attending these events with a shopping trip as was pointed out to me repeatedly during lunchtime conversations. Moreover, these sorts of conferences are increasingly regarded as an important – and profitable – source of business tourism. As such, once more, they are written into development plans and ambitions. Financialization thus effectuates novel and open-ended circulations and entanglements of knowledge, capital and people. Indeed, this also very much extends to other aspects of the built environment as I will discuss next.

### **Speculative designs and the circulation of capital market knowledge**

Financialization also has become a common theme in the study of cities around the world (on Southeast Asia, see e.g. Simone 2010). Much of this work seeks to capture the ways in which the tangible properties of cities have become increasingly implicated in international circuits of finance capital. In this regard, the claim of Islamic finance to serve the 'real' economy has a particular piquancy, given the use of urban infrastructure projects and real estate as underlying assets in Islamic financial products. In developing Asia, capital market finance – and the expansion of capital markets – is seen as crucial to 'unlocking' urban infrastructure investments, although with the exception of Malaysia, banks continue to play a heavy role in the financing of urban infrastructures (ADB 2014, 39). Again, it is the promissory – if not speculative – future of finance that finds expression in variegated market designs.

The intimate relationship between Southeast Asian market designs and financial aesthetics for is succinctly expressed in a 2002 report by the Singapore Economic Review Committee, calling for the need to develop 'state-of-the-art building facilities and amenities that cater to the dynamic requirements of Singapore's financial sector' (Ministry of Trade and Industry 2002, xiii). Indeed, the findings of the report were translated into a new approach to land use planning and development initiatives in Singapore (Wong 2008, 67). The resulting Marina Bay Financial Center (MBFC), whose first tower opened in 2010, is built on reclaimed land. It is a manifestation of efforts to rejuvenate and extend Singapore's central business district and offices are leased to a range of international financial and advisory firms. Financial policymakers and urban planners have created a new aesthetic for the circulation of capital market knowledge in Singapore. Its various and varied entanglements in the context of shifting market designs are at the heart of the expansion of capital markets.

The creation of new financial districts is certainly not something that is unique to Singapore, let alone the Southeast Asian region. Around the world, towering buildings made up of concrete, steel and glass have come to be markers of an increasingly financialized modernity. Nevertheless, there is a certain specificity to these (more or less spectacular) circulations of capital market knowledge that I see as being constitutive of the multiplicity of financialization. For instance, the 'anchor' tenant of MBFC-1 is the emerging markets bank Standard Chartered, a financial institution very much at the heart of the Singapore bond market.<sup>6</sup> Less known, perhaps, is that it also plays a constitutive role in producing capital market knowledge. In my interviews with financial analysts and capital market practitioners in Singapore, research participants repeatedly recommended that I have a look at its *Local Markets Compendium*. This is an annually published report which provides an overview of local bond markets across the world. Standard Chartered fully embraces its role as an important knowledge broker in the

Singaporean financial system and capital market. Thus, the lobby of MBFC-1 hosts an exhibition of information boards that chart the company's history in Singapore, pointing in particular to its crucial role in market development, for example in introducing the first retail bonds in Singapore in 2008, '[m]aking ownership of corporate bonds more affordable to investors'.

In Jakarta, the spatial and social dislocations which such entanglements generate and exacerbate are particularly visible. Unsurprisingly, historically the development of the financial sector was closely intertwined with the colonial project of the Dutch East India Company (VOC). After independence, De Javasche Bank, founded in 1828, was converted into the country's central bank, Bank Indonesia (BI). In 1962 it relocated its headquarters from the old town colonial district to central Jakarta. The financial core of Jakarta shifted further south with the development of the Sudirman Business District, which began in the late 1980s on land formerly occupied by slum dwellers. With the construction of the two Jakarta (now: Indonesia) Stock Exchange (IDX) towers in 1995-1998, the district was turned into 'the leading financial and business center in Jakarta' (SCBD, no date). The informal economies of the urban poor had been replaced by the skyscrapers of financial capital with the occupants including big names such as the World Bank, Bank Mandiri and the Ritz-Carlton Jakarta hotel. This shift was consolidated and the transformation complete with the opening of Pacific Place, a luxury shopping mall, in 2007. Once more, urban aesthetics produce specific circulations of capital market knowledge and valorization.

As part of its drive to widen participation in the capital market, IDX offers *sekolah pasar modal* or capital market schools. These are short courses, held in the IDX office, setting out basic principles of stock investing as well as how to become an investor in Indonesia. Advice on how to select stocks is also provided. The short courses are addressed at both members of the financial community and the general public. Both conventional and Islamic variants are offered - the latter is known as the *sekolah pasar modal syariah* (Rethel and Abdalloh 2015). Initially, these courses were free and held rather sporadically on weekends. Recently, a small fee of IDR100,000 (less than US\$10 at the time of writing) was introduced. This fee is converted into investment capital if participants decide to start investing in shares (IDX, no date). An advanced level workshop has also been introduced that is addressed at already-practicing investors. It introduces concepts such as analysis of fundamentals and technical analysis. Along these lines, the schedule also has become more regularized with schools being held during the working week (at the time of writing, Tuesday and Thursday mornings for the beginner course, advanced workshops are held in the afternoons; Islamic capital market schools are held Tuesdays and Saturdays). Anyone is eligible to register; participants, including students and housewives (*ibu rumah tangga*), are asked to bring along a copy of their ID. The knowledge that circulates in the increasingly spectacular architecture of the financial district is validated in the capital market school; successful participants are awarded a certificate signed by the CEO of IDX.

Perhaps the best example of the intersection of knowledge with this new urban aesthetic of financial design is Sasana Kijang, the so-called Knowledge Management Centre of the Malaysian central bank, Bank Negara Malaysia (BNM) (see illustration 1). Sasana Kijang opened its doors in 2011 with a ceremony that included a speech from the Malaysian prime minister (Zeti 2011), signifying the high-level import the Malaysian state bestows to it – and by extension to the celebration of financial knowledge. According to the architects, Malaysian firm Hijjas Kasturi Associates Sdn Bhd, 'the plan, the building and the expression of the facade are inspired by traditional monetary and cultural forms'. More specifically, their design aims

to emulate the shape of the *siput gerus* or cowrie shell, the regional currency and object of circulation that has captured the imagination of economic anthropologists very much from the beginnings of the field (cf. Malinowski 1922). The geometric pattern of the façade intends to remind the viewer of *songket*, a traditional, intricately patterned Malay fabric. It is thought to represent the ‘strong bonds’ of central bank collaboration. Similarly, light and the use of transparent materials, in particular glass, are meant to represent ‘transparency and openness’, common tropes in the world of international finance (Sasana Kijang 2016).

### Illustration 1: The Sasana Kijang complex in Kuala Lumpur



In its name, the building carries the Sanskrit notion of doctrine and learning and the kijang, the barking deer of the logo of the central bank (Singh 1984; Sasana Kijang 2016). The structure hosts SEACEN - the research and training center of Southeast Asian central banks, the Islamic Financial Services Board (IFSB) - a global standard setter that develops capital adequacy rules, a function akin to that occupied by the Basel Committee for Banking Supervision in the conventional finance space, and the local World Bank ‘knowledge hub’. Since its opening in 2011, the Alliance for Financial Inclusion and the Asia School of Business were also added to its list of occupants (Sasana Kijang 2016). In addition to office suites, the building also contains conference rooms and lecture theatres, and indeed a growing number of the sort of capital market conferences discussed in the previous section are held in Sasana Kijang.

A different part of the complex hosts the BNM Money Museum and its ‘hidden art gallery’, both of which were previously housed in various collections at the head office (Singh 1984; see illustration 2). Like its developed country counterparts, ever since the bank began its operations it had a policy of acquiring art for the ‘edification’ of bank employees (De Guise 2014). Again, this is very clearly part of a developmental design that extends from the material to the aesthetic in charting its path to financial modernity. In an interview with local business radio station BFM, Lucien de Guise, director of the museum, responds to the question of ‘why fine art’ that it is ‘part of developed society and the bank is very keen to see Malaysia progress’ (De Guise 2014).<sup>7</sup> And these designs are global in ambition. As De Guise continues, ‘part of what the bank does is being part of the world and we are part of that as well’.

### Illustration 2: The Bank Negara Malaysia Money Museum



The money museum consists of four different galleries on topics as wide ranging as local monies, the Malaysian economy, Bank Negara and Islamic finance (as well as the children's' gallery not further discussed here). The visitor encounters various displays of curated versions of Malaysia's financial and economic history as she perambulates the permanent exhibitions.<sup>8</sup> The numismatic gallery charts the pathway from (spiritual forms of) commodity money to international finance. The economy gallery retells Malaysia's economic history in largely chronological order, projecting a narrative of development and transformation. This trajectory is ruptured by the narrating of the Asian crisis as but one in a centuries-long 'history of world economic crises'.

The gallery on Islamic finance is perhaps the aesthetic centerpiece of the museum, given the artistic elements it incorporates. Among other exhibits, it contains a framed copy of a share of the 1990 Shell *sukuk*, which has gone down in history as the first Islamic 'bond'. Turning contemporary narratives of the financialization of the arts on its head, the financial certificate is here turned into a work for exhibition. Finally, the gallery on the history of Bank Negara provokes questions about a future 'without money' in an age of electronic payment systems. The promissory and yet precarious future of finance is pervasive. Indeed, according to the opening words of the then governor of the central bank, the whole complex is designed to develop the 'skills' to 'manage' the 'future' (Zeti 2011).

The museum also hosts temporary exhibitions, including in 2014 *Knowing Nusantara. Money that Made the Region* and in 2015-16 the *Financial LATERacy* exhibition. The launch of the latter exhibition coincided with an OECD high level symposium on financial education, taking place in the adjacent conference facilities of the Sasana Kijang complex. Again, financial knowledge is validated in its performance, be it the loud spectacle of the conference or the quiet spectacle of the museum.

In Jakarta, there is no similar spatial conflation of present designs of past and future. Here, since 2006 BI's money museum has been housed in the former building of the De Javasche Bank in the old colonial district of the VOC. It tells a story of commercial occupation, anti-

colonial struggle and ‘guided’ economic development. Its focus is the past, rather than the future. In particular the Asian financial crisis is portrayed as an episode of violence and strife in a loud video installation, quite unlike how the story is being told in Kuala Lumpur. The financial center, however, has decisively shifted to the south of Jakarta in its wake and with the development of the Sudirman Business District. Variegated market designs produce new urban lifestyles that elevate finance and, in so doing, contribute both directly and indirectly to the circulation and valorization of financial market knowledge.

## Conclusion

Since the financial crisis of the late 1990s, much change has been afoot in Southeast Asia. The crisis initiated an intense period of economic restructuring, as a consequence of which countries in the region have been increasingly confronted with the triple onslaught of neoliberalism, consumerism and financialization. The state has been a largely complicit, if not driving agent in these shifts. The irony, of course, is that a crisis that had financial instability and speculation as its root causes paved the way for the by now much greater reach of finance. Whether these developments have created somehow better, more stable – if not even more equitable – financial systems is an open question, although in the 2008-2009 financial crisis, Southeast Asian financial systems fared relatively better than their North Atlantic counterparts.

States in the Southeast Asian region have been deeply invested in developing and promoting capital markets, as this essay discussed with reference to the experiences of Indonesia, Malaysia and Singapore. Conceptualizing capital market development as situated knowledge practice, the essay explored how associated forms of financial market knowledge have become both validated and valued. To this end, the essay looked at the market designs that emerged in Southeast Asia – more specifically the capital financial districts of Singapore, Malaysia and Indonesia – in the wake of the crisis of the late 1990s. It focused on two sites where new circulations of financial market knowledge are enacted in particular: the dramatic performances of financial knowledge at (Islamic) capital market conferences and the urban designs where this new financial knowledge is put to work. Both sites have been crucial nodes in increasingly spectacular celebrations of (financial) market life.

In the introduction to a recent special issue, Brown *et al.* (2017, 11) suggest that meetings are ‘novel vantage-points from which to consider a range of anthropologically significant concerns’ (see also Sandler and Thedvall 2017). In this sense, the observation of the Islamic capital market conference circuit has drawn attention to the dramatic spectacles through which this new market form – seeking to meld commercial and ethical concerns – is instantiated and legitimated. It also points to the inherent sociality of capital markets, which manifests itself not just in the everyday spectacles of the trading pit, but also in these sorts of events and the urban spaces which capital market professional occupy. As one of my Malaysian informants, who asked that his identity not be disclosed, told me as an aside, still in the early 1990s, it was a running joke at industry conferences that if something happened, the Malaysian bond market would be ‘wiped out’, given the small number of bond market professionals at the time. According to my contact, trading activity virtually ceased on the days a conference was held. Since then, capital market conferences have become an integral part of market designs. To paraphrase Brown *et al.*, capital market conferences thus emerge as ‘key sites’ through which an increasingly financialized market order is ‘constituted and transformed’.

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## Notes

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<sup>1</sup> ASEAN refers to the Association of Southeast Asian Nations.

<sup>2</sup> Sukuk are financial instruments whose characteristics are similar to bonds, but structured so that they comply with Islamic principles.

<sup>3</sup> See e.g. Krippner (2011) for a sociologically informed account that puts the state, and in particular monetary policy and taxation practices, center-stage.

<sup>4</sup> My argument here is not so much that these conferences have not attracted the attention of researchers, see for example work by Ryan Calder, Laura Elder or Daromir Rudnycky. My point is that these conferences are more than just research 'sites' and, indeed, have come to be integral parts of market designs.

<sup>5</sup> See

[http://redmoneyevents.com/main/framework/assets/2014/gallery/indonesia/MTN\\_7108.jpg](http://redmoneyevents.com/main/framework/assets/2014/gallery/indonesia/MTN_7108.jpg) for an image.

<sup>6</sup> At the time of writing, Standard Chartered's market share puts it at the top of the ASEAN US dollar bond market and among the top three firms in the Singapore dollar bond market (Siow 2017).

<sup>7</sup> The quoted parts occur at 6.30 minutes and 23.40 minutes. The full interview can be accessed at: <http://www.bfm.my/a-nations-hidden-art-gallery-lucien-de-guise>.

<sup>8</sup> For virtual tours of the various exhibitions, see <http://www.museumbnm.gov.my/v2/virtualmuseum/>.

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