
UNIVERSITI SAINS MALAYSIA

Second Semester Examination
Academic Session 2007/2008

April 2008

SEA302 – Economic Transformation in Southeast Asia

Duration: [3 hours]

Please make sure that this examination paper comprises TWO printed pages before you begin this examination.

Instruction:

You must answer **Question 1** from Section I and answer any **THREE (3)** questions from Section II.

Section I (25 marks)

Answer Question 1.

1. Explain what is meant by economic structural transformation, which is said to begin as early as in the 1970s in many of the Southeast Asian countries.

Choose any Southeast Asian country that you are most familiar with and critically analyze its transformation process.

Has this transformation been a success? Discuss.

Section II (75 marks)

Answer **THREE (3)** of the following questions. All questions carry equal marks.

2. Explain the meaning of the following concepts and discuss why each of these concepts is relevant and important in the context of Southeast Asia:
 - a. Poverty line income (national vs. international).
 - b. Gini-coefficient.
 - c. Purchasing Power Parity exchange rate.
 - d. Import-substitution industrialization.
 - e. Free trade area.
3. Explain the flying geese model. Can this model be used to illustrate the industrialization process in East Asia? Discuss.
4. Why do ASEAN countries need to industrialize? Should they neglect agricultural development at all? Why?
5. ASEAN Free Trade Area (AFTA) was formed in 1992 to promote greater economic cooperation among ASEAN countries. However, the intra-ASEAN trade has remains low. Why is this so? Explain.
6. Briefly discuss the outcomes of the ASEAN-EU cooperation agreement signed in 1980. What are the prospects for ASEAN-EU partnerships in the emergence of China and other Asian economies?