

UNIVERSITI SAINS MALAYSIA

Second Semester Examination  
Academic Session 2001/2002

February/Mac 2002

**SEA302 – Economic Transformation in Southeast Asia**

Duration: 3 hours

---

Answer **FOUR** (4) questions; you must answer **ONE** (1) question from each section. Begin your answer to each question on a new booklet. All questions carry equal marks (25 marks).

**Section A**

1. Account for the rising income inequalities in Southeast Asia in the later phase of industrialization.
2. There are indeed many types of disparities in the educational development in Southeast Asian countries. Explain.

**Section B**

3. Why do ASEAN countries need industrialization? Should they neglect agricultural development at all? Why?
4. Evaluate the pattern of industrialization process in Asia. Can you project future industrial development in ASEAN based on the pattern evaluated?

**Section C**

5. A study of economic history revealed that the public sector has had different degrees of influence on the macroeconomic and the welfare of citizens in the economy. From Adam Smith, Keynes and Milton Friedman the role of governments in the economy, has been debated and public program questioned. What are the appropriate roles of the public sector in achieving the many objectives of the Southeast Asia nation's economy? How effective had these roles been in transforming the economies of the nations? Discuss the relevant issues in light of the transformation process of the Southeast Asian economies. In your discussion, you may use Malaysia or Thailand as examples.

6. Economists and planners of Southeast Asian nations were trained in the United States and other Western nations. Their mindset, approaches and prescription to their country's development problems like planning, taxation, public finance, fiscal policy and monetary policy recommendations would not differ much from the Western nations. Using Malaysia or Singapore as examples, discuss the role, limitation and success of these Western educated economists in transforming Southeast Asian nations and societies. What causes the different degree of success in Malaysia compared to Indonesia or the Philippines?

#### Section D

7. Briefly explain why most of the ASEAN countries switched from import-substitution policy to export-oriented policy. How successful is the export-oriented policy to the ASEAN countries.
8. What are the major factors that contribute to the rapid growth in inter-regional trade of ASEAN countries? Also discuss the competition faced by the ASEAN countries.

- oo o0o oo -