
BOOK REVIEW

***ASEAN Economies: Crisis and Response* Edited by K.S. Jomo.** Kuala Lumpur: Malaysian Economic Association for the Federation of ASEAN Economic Associations, 1985. Pp. 280.

The Federation of ASEAN Economic Associations (FAEA) each year holds a meeting of its members in one of the member countries — Indonesia, Malaysia, the Philippines, Singapore, or Thailand. Delegates assemble to discuss the papers presented by scholars appointed to the task by their respective national economic associations.

From 12–14 November 1984 the Malaysian Economic Association hosted the ninth annual conference of the FAEA in Kuala Lumpur. The topic chosen for this meeting had been determined the year before in Manila. It was to be “Domestic economic order in ASEAN: A critical appraisal”.

A comparison of the ASEAN countries in terms of their domestic organization, economic policy framework and economic order, an analysis of the role of the government in the economy and the degree of freedom of enterprise granted to the private sector and of the role of worker organizations, such as trade unions, and so on, would have been particular-

ly useful at this time. It could have served as a basis for understanding the constraints inherent in each country that hinder the development of economic co-operation in the region and for determining fruitful channels of promoting such economic co-operation.

However, the papers finally presented in Kuala Lumpur and assembled in the volume under review skirted the central issue. The closest they came to dealing with domestic order was in the case of Tan Tat Wai’s paper entitled “A comparative overview of the internal structures of the ASEAN economies”. But even this focused more on intra-ASEAN trade, the export patterns and the sectoral breakdown of production in each ASEAN country, as well as on their growth rates in the past and trends for the future. Apart from a comparison of public and private demand, there is nothing that could be called a structural analysis of domestic order in the ASEAN countries in this paper. An analysis of the institutional parameters defining the domestic order in each country is conspicuous by its absence.

None of the other papers, with the possible exception of Mukul Asher’s comparison of fiscal systems and Amina Tyabji’s description of financial institutions in ASEAN countries, comes close to addressing the theme the conference had originally set itself. The task of the editor of the volume under review was

therefore unenviable, if not impossible, from the outset. Confronted with the choice of either, on the one hand, trying to construct some kind of connection between the papers presented and the conference theme, or, on the other, inventing a new theme to provide an umbrella for the papers actually presented, Jomo K.S. of the Faculty of Economics and Administration of the University of Malaya decided on the latter. The title he has chosen for the book under review is *ASEAN Economies: Crisis and Response*. He is to be congratulated not only for this choice but for an editing job well done in the face of difficult circumstances. By and large, according to Jomo, the volume addresses itself to different aspects of the transition currently being experienced by the economies in ASEAN, and, in this sense, it represents an intellectual response to the present economic crisis — or rather crises facing ASEAN in recent times.

The first paper is the customary overview over the ASEAN economies presented by V.F. Montes and Jesus P. Estanislao of the Center for Research and Communication in Manila. Estanislao — together with various collaborators — has been providing these overviews since the Manila meeting in 1979, and they have become something of an FAEA tradition. The fact that, armed with the benefit of hindsight, this particular survey must be regarded as far too optimistic, it nevertheless does not detract from the usefulness of these periodic economic overviews.

The paper by Tan Tat Wai is a solid piece that can be recommended as a benchmark and as a useful introduction to the patterns of domestic supply and demand, and exports and imports of the ASEAN countries. Agustin Kintanar's piece on a long-term perspective for greater ASEAN economic co-operation outlines the development of ASEAN from early beginnings, describes its present state, and calls for more research and bolder goals for the future. A concomitant of this is the need to adapt the ASEAN structure to new purposes.

The paper presented by Iwan J. Azis prob-

ably caused the editor — and presumably the conference organizers — the greatest headaches because of the difficulty of subsuming it under any feasible concept for the book under review. It consists of inter-regional input-output analyses of ASEAN-U.S. and ASEAN-Japan economic relations. The paper is theoretical in approach; its empirical content is based on the very dubious international input-output table compiled by the Institute of Developing Economies of Japan for 1975; and its conclusions are compiled in summary tables of feedback effects of changes in the United States and Japan on the ASEAN economies for 24 "sectors" that remain undefined throughout the paper. The figures are generally high on the number of digits calculated and low in terms of significance. Whatever value this paper may have from a theoretical point of view, its relevance both for the original conference theme and the topic of the book under review is indiscernible. The final statement of this paper is easy to agree with: "We should question ourselves whether the ability of IRIO (Inter-regional Input-Output) to capture some important features, such as the feedback effects, justify the time, effort and expense of collecting the data necessary to implement the model." It would have been good for the author to heed this insight earlier.

The two following papers by Fong Chan Onn and Armado Castro deal with the industrialization process in the ASEAN economies. While Fong concentrates on each ASEAN country separately, Castro takes a more synoptic view. Both papers provide good descriptions of developments over the past decade or so, but neither is particularly strong on analysing the reasons for or consequences of observed changes over time. Nevertheless, both are competent pieces, providing in a compiled form the statistics available from international and national agencies on such items as the composition of manufacturing value added for different ASEAN economies and varying years. The synopsis of investment regulations and other factors in ASEAN countries in the

paper by Fong should also prove useful.

Koh Ai Tee examines the role of the services sector in ASEAN. This paper alone would warrant the purchase of the book. It places the topic into the context of academic work that has already been done on it, compiles the available data from the usual international sources, and then proceeds to compare data from various national sources in ASEAN. Aware of the limitations of data on this important topic, Koh points to the areas in which more research is needed and suggests the way it should go.

The papers by Mukul Asher and Amina Tyabji deal with economic policies in ASEAN. Asher shows that sound fiscal policies have contributed to the macro-economic performance in ASEAN, but that various factors have made the task of pursuing such fiscal policies much more difficult in the 1980s. ASEAN governments are also at a critical juncture concerning the role of government in the economy. This point is also taken up in the paper on monetary policies in which Amina Tyabji examines the allocative efficiency of policies pursued by ASEAN governments. Given the need to expand private investment, it is suggested that Indonesia, the Philippines, and Thailand could usefully examine the experience of Singapore and Malaysia in mobilizing long-term funds in a non-inflationary manner by tapping social security and pension funds.

Nipon Poapongsakorn in his paper on human resources development critically examines education policies in ASEAN and points out that rigidities in bureaucratic organization and management, along with a lack of information on society's real needs and the conditions of development possibilities, a lack of practically oriented research, experimentation, monitoring, and evaluation as well as personnel management all contribute to the problem of generally poor educational management in ASEAN. As a consequence, education is seen as dysfunctional in terms of national development and as perpetuating old patterns. The education system is not adjusted to the needs of national development. Furthermore, the rapid expansion of secondary and higher education has led to a deterioration in the quality of education. Nipon's paper gives food for thought and very lucidly depicts the function (or dysfunction) of education in the development of the individual ASEAN countries.

In sum, this book contains a number of papers that are valuable in themselves, even though their welding into a whole has not been successful, despite the editor's good efforts. It is only a pity that the very perceptive critical appraisal given by the then Deputy Prime Minister of Malaysia, Musa Hitam, on domestic order in ASEAN as an introductory statement to the conference in Kuala Lumpur was, for some reason, not included in the volume.

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