

The ASEAN Economies: Some Stylized Facts

	General Policy	Macro Management	International Orientation	Social Progress	Commercial Features	Resource Base
Indonesia	Historical distrust of liberalism; still quite powerful; marked policy episodes; 'twin crises' in 1997-98; macro/micro divide; much of bureaucracy vulnerable to capture; major decentralization in 2001	Reasonably conservative, but rarely low inflation; brief loss of control in 1998; bitter 1960s legacy.	Internationally oriented commodities sector, otherwise inward-looking in past; major episodes; since 1980s, fairly open; 'made by God for free trade'.	Late-comer, rapid poverty alleviation since 1970s; education and health also improved, more slowly.	Ethnic division; modern sector features Sino-Indonesian, SOEs, MNEs in certain sectors; plus various 'conglomerates'; high levels of concentration.	Comparatively rich, though very uneven regional distribution; 'Dutch disease'; major environmental challenges; national economic integration issues.
Malaysia	Consistent, predictable policy regime; minor departures, (eg. 1980s heavy industry); reasonably good bureaucracy; strong affirmative action programs; only federal structure in ASEAN.	Strong aversion to inflation; unorthodox but quite successful response to 1997-98 economic crisis.	Very open to trade and investment, with minor exceptions; still very close commercial ties with Singapore; very large foreign worker presence.	Generally good; historically lagging outside major urban areas of West Malaysia; high inequality, but active pro-Bumi policy.	Ethnic division; strong push for indigenous participation; always large MNE presence; SOEs and 'UMNO-linked' business important.	Rich, especially East Malaysia; effectively managed resource boom & bust; historically the world's most efficient tropical cash crops producer; high population growth.

Philippines	Highly politicized policy environment; unusual 'US style'; 'twin crises' in 1985/86; weak govt since, though some major reforms; bureaucracy vulnerable to capture; 1991 decentralization.	In 1970s-80s the weakest in ASEAN, but rarely 'Latin American'; improved in 1990s, though fiscal problems in early 2000s.	Historically inward-looking; but quite open since 1990; complex US relationship; the least integrated within ASEAN.	Historically strong human capital; high inequality; slower poverty reduction; major problems in by-passed regions.	Pockets of international sophistication; mild ethnic divide; limited SOEs; origins of term crony capitalism (under Marcos); modest FDI.	High population growth; increasingly resource poor; Mindanao frontier dominated by conflict; major environmental challenges; slow econ integration.
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Singapore	Very efficient and clean bureaucracy; deep commitment to open frontiers; but quite strong intervention – slow to privatize, fiscal incentives, credit; major high-tech emphasis since 1990.	Strong aversion to inflation; huge fiscal surpluses; the world's highest saver, and forex reserves per capita.	Relative to GDP, the world's largest trader and recipient of FDI; the trade and services capital of ASEAN; very large foreign worker presence.	Good, though tended to lag economic indicators.	Very high MNE presence; significant SOEs; 'domestic' private sector relatively small.	Non-existent, but effectively built on strategic location to become the SEA infrastructure hub; 'imported pollution'; historically Indonesia-Malaysia served as 'hinterland'.
Thailand	Consistent economic performance and policy regime, despite sometimes unstable politics; good macro management, but in micro bureaucracy vulnerable to capture; decentralizing.	Strong aversion to inflation.	Generally open, with a few exceptions; Bangkok the commercial capital of mainland SE Asia.	Generally quite good; though post-primary education lags; rising inequality; regional problems in NE and South.	Ethnic divisions less pronounced; most large business Sino-Thai owned; small SOEs; quite open to FDI; Thaksin controversy.	Hit land frontier in 1960s; major food exporter; generally strong economic integration, though marked Bangkok-rural divide.

Vietnam	Legacies of deep conflict; still formally a communist state, party control, the least democratic of the Six; mid 1980s Doi Moi reforms a major turning point; ambivalence to private sector & Viet Kieu fading.	Hyper-inflation controlled after Doi Moi; though rarely low inflation; contingent liabilities from SOEs, banks complicate fiscal policy.	Until mid 1980s, part of Soviet bloc; then quite rapid opening, but dual policy regime, uneven progress; north-south differences; soon to join WTO; extensive smuggling.	Historically low inequality, high literacy; rapid poverty decline since 1990, but uneven regional progress.	Unusual ownership: liberalized, but SOE sector very large; large FDI flows; 2000 Enterprise Law now encouraging private SMEs; south-north differences.	Infra and integration now catching up from history of war and under-investment; densely populated, but notable post-reform agricultural export successes.
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