PS

1. Establishing democratic government (early 4 factor qn)
   - Impact of decolonisation experience
   - Role of local elites
   - Mass political participation
   - Cold War developments
2. Effectiveness of democratic governments in consolidating power (reasons for failure of democracy/rise of authoritarian govts + Phase 3: Return to Democracy) (4 criteria qn)
   - Impact of decolonisation experience
   - Constitutional Processes and Elections
   - Centrifugal Threats (Communist And Minority Uprisings)
   - Seizure of Power by Authoritarian Ambitious leaders
   - Cold War Politics
3. Factors contributing to effective consolidation of power in both democratic and authoritarian govts (7 factors qn)
   - Personal Characteristics and Governing styles of leaders
   - Constitutional Processes and Elections
   - Role of the military
   - Traditional Institutions (Religion and Monarchy)
   - Government Performance
   - Govt Response to Political Challenges and opposition
   - Cold War Context
4. Effectiveness of both democratic and authoritarian govts in consolidating power (4 criteria qn)
   - Constitutional processes and elections
   - Maintain order and stability
   - Promote socio-economic development
   - Harness Traditional Institutions

<u>Impact of decolonisation experience</u>

Phase 1

- **GOOD** : collaborative approach led to provision of tutelage on the part of the colonial masters which ensured the continuity of democratic structures upon their independence.
- **Malaya, Philippines**
  - The Philippines had a collaborative decolonisation with the U.S., which promised independence through the Jones Act (1934) and fulfilled it via the Tydings-McDuffie Act (1935). These familiarised Filipino leaders with democratic norms, helping sustain genuine elections from 1946 to 1972.
  - The British cooperated with Malay nationalists—especially UMNO—leading to Malaya’s peaceful independence in 1957. Post-independence, Malaysia retained the British Westminster system, reflecting the democratic legacy of a negotiated decolonisation.
  - **EVAL**: These two case studies therefore highlighted the pertinence of the decolonization experience in laying the foundations for the establishment of democratic governments in some Southeast Asian countries, showing the pertinence of decolonization processes in laying the foundations for the eventual

    - prominence of political elites to establish democracy
- **BAD :** experienced a confrontational relationship with their respective colonial masters. lack of colonial tutelage due to prolonged conflicts would signal the failure to establish democratic governments, hence paving the way for authoritarian governments.
- **Indonesia, Vietnam**
    - The Dutch's confrontational approach, seen in the Police Actions, denied Indonesian nationalists the chance to learn democratic governance. Post-independence, this inexperience led to political chaos—five governments in five years and a parliament with 83 parties—allowing Sukarno to justify authoritarian rule under Guided Democracy.
    - Likewise, French hostility in Vietnam led to renewed conflict with Ho Chi Minh's communists. Their defeat at Dien Bien Phu in 1954 ended hopes for democracy in the North, which turned to communism—eventually spreading to all of Vietnam by 1975.
    - **EVAL** : These two case studies therefore highlighted how decolonization experiences when confrontational in nature would leave little room for the appreciation of democratic values, hence paving the way for the establishment of authoritarian governments instead.
- **Why most responsible?** : sound foundations laid by the collaborative relationship pursued by both colonial masters and nationalist leaders, it wouldn't be possible for democratic ideals to be appreciated by newly-formed governments and the masses in order for democracy to be established.

Phase 2

- **GOOD AUTH:** It can be said that some government leaders were able to remain in power due to their **nationalist credentials** which they gained during their **respective decolonization processes and also upon coming into power,** which earned them continued support among the locals.
- **Indonesia, Burma**
    - The national credentials of President Sukarno who gain the adoration of Indonesians for spearheading the struggle for independence against the Dutch as seen by him inspiring the resistance in the 1st and 2nd Police Actions kept him in power from 1959 to 1966.
    - Ne Win's military gained prominence as they were responsible for Burma's agitation for independence from the British after the Second World War and also for addressing the threats posed by communist and separatist elements after Burma's independence which ensured that he remained in power.

Phase 3

- **GOOD DEM:** some government leaders were able to remain in power through their **nationalist credentials** because of their **ability to introduce political and economic initiatives** which ensured mass support for them, hence keeping them in power.
- **Singapore, Thailand**
    - Singapore's introduction of political initiatives such as the A Non-constituency Member of Parliament (NCMP) scheme in 1984, Group Representation Constituency (GRC) in 1988 and Nominated Member of Parliament (NMP) scheme in 1990 under Lee Kuan Yew ensured more political representation which therefore allowed for more political participation for the masses. These, along with Singapore's consistent

    - economic performance increased the credibility of Lee Kuan Yew's government, hence keeping him in power.
    - Sarit's Benevolent Paternalism, was focused on enhancing the educational and economic standards of the Thai masses. Thus, despite the removal of the constitutional processes in his time in power, the masses were supportive of his reign as it saw an improvement in the standards of living.
- **Why not responsible?** : While nationalist credentials of some government leaders in the struggle for independence had a sentimental appeal to the masses which aided in keeping them in power, this appeal was only short-lived because these leaders themselves would introduce measures that were unpopular and detrimental to their reign.

Role of Government Leaders

Phase 1

- **SUCCESS DEM:** Role of traditional local elite most important as they not only decided on the form of govt but were also crucial in negotiating with colonial powers to actively assert the establishment of democratic govt under their leadership.
- **Malaysia, Philippines**
    - Tunku Abdul Rahman, leader of UMNO and the Alliance Party, worked closely with the British to secure Malaya's independence in 1957 through negotiation rather than confrontation. Having been educated in the UK and exposed to parliamentary democracy, he supported the adoption of the Westminster system. His leadership ensured a peaceful transition, and Malaya retained democratic structures, holding regular elections and maintaining political stability for decades.
    - Manuel Roxas, a key figure in the Nacionalista Party, was a traditional elite who worked with American colonial administrators. Benefiting from American political tutelage, he became the first president of the independent Republic of the Philippines in 1946. Roxas and other Filipino elites upheld U.S.-inspired democratic institutions such as presidential elections, Congress, and a constitution—ensuring a relatively smooth post-independence transition
    - **EV:** Traditional elites would be a source of stability because they inherited power from colonial rule which had democratic structure. – smooth trf of power, pol tutelage fr col powers
- **SUCCESS DEM:** On the other hand, new elites were western-educated and yet still chose democracy as founding govt structure. This shows the crucial importance of leaders in choosing democracy even when they were not adequately prepared by colonial powers in the first place.
- **Indonesia, Burma**
    - Sukarno, a Western-educated nationalist and key figure in Indonesia's independence movement, chose democracy as the country's founding system after independence in 1949. Despite receiving little political tutelage under Dutch colonial rule, Sukarno supported a parliamentary system with elections and political parties. His choice reflected a deliberate attempt to build a democratic foundation for a newly independent Indonesia.
    - Aung San, a Western-educated leader of Burma's independence movement, also chose democracy as the founding structure of government. After negotiating independence with the British in 1947, he laid the groundwork for a parliamentary system with elections and civil liberties. Despite limited democratic experience

under colonial rule, Aung San's vision prioritised democratic governance for an independent Burma.

- **FAILURE DEM:** Most importantly, when the new elites had to fight for independence using confrontational methods, there was unstable and even violent transition to independence, as they lacked experience in democratic governments due to not receiving political tutelage from the colonial powers.
- **Indonesia and Burma.**
  - Sukarno, a Western-educated nationalist, led Indonesia's independence struggle through confrontational means, including armed resistance against the Dutch. After independence in 1949, Sukarno initially supported democracy but struggled to manage deep political fragmentation and economic instability. Lacking political tutelage from the Dutch, his government collapsed into chaos, leading him to establish "Guided Democracy" in 1957—an authoritarian system that concentrated power in his hands.
  - Aung San, a Western-educated nationalist who had also aligned with the Japanese during WWII, negotiated Burma's independence from Britain in 1947. Though initially committed to democracy, the new Burmese state lacked institutional support and political experience. His assassination in 1947, just before Burma gained independence, created a power vacuum that destabilised the new state, and the new government faced ethnic and communist insurgencies. Lacking strong democratic foundations, Burma's transition was violent and unstable, ending in a 1962 military coup.

Phase 2

- **BAD :** both relied heavily on military to continue reign even with their unpopularity, without military, no reign
  - **Indonesia, Burma**
  - By the 1960s, Sukarno's leftward shift upset Indonesia's military, breaking the balance between him, the army, and the PKI. After a failed pro-communist coup on Sept 30, 1965, Suharto used the crisis to crush the PKI, oust Sukarno, and install himself as military ruler. This showed how authoritarian regimes could form through opportunism rather than decolonization alone.
  - In Burma, U Nu's failure to manage threats like the communist insurgency under Than Tun weakened his rule. Ne Win exploited this to remove U Nu and establish military rule. In both cases, weak leadership allowed opportunistic militaries to seize power, showing context mattered more than colonial legacy.
  - **EVAL** : These two case studies involving the formation of military authoritarian governments emphasize the primacy of opportunism in elevating such governments into power either by taking advantage of weak governments or advantageous developments, over the role of decolonization experiences might lay the foundations in some countries but was still dependent on leaders' and their wit to ensure the establishment of authoritarian regimes.

Phase 3

- **GOOD**: political elites in the form of **political leaders** also played a crucial as they were responsible for the re-establishment of democracy in initially countries which were initially ruled by authoritarian means.
- **Philipines, Indonesia**

    - The Indonesian masses, triggered by the collapse of Indonesia's economy due to prolonged corruption under Suharto's 30 year regime organised demonstrations and protests which won over the support of the military leading to the removal of Suharto. He was replaced by his Vice-President, B.J. Habibie, who began democratic reforms by allowing for formation of more opposition parties and lifting the restriction that all parties had to follow Pancasila.
    - EDSA Uprising in 1986 saw nationwide mass participation to remove Marcos and to reestablish democratic practices under Aquino. Aquino brought in a new democratic constitution (1987) that brought back many of the features of the 1935 constitution, with an additional provision that limited the presidency to a single, 6-year term in order to curb authoritarian tendencies.
    - **EVAL:** turn to democracy to curb deep seated issues like corruption
- EV:
    - Leaders play the most impt role because:
    - When competent and effective → introduce policies and build political structures that would help consolidate power.
    - However, when incompetent and driven by self-interest (ambitious/corrupt) → abuse power (in the form of constitutional processes and structures through manipulation, subversion and even destroying them) and thus being about instability to the political structures and hence inability to consolidate power.
    - Hence they are agents/force in the consolidation of power.
    - Still needed institutions and processes to legitimise power and exercise control
    - In the immediate aftermath of independence, Leaders play the most impt role esp in the wake of unstable transition to independence and early years of nation-building. Their leadership style and effective governance made them able to cope with centrifugal threats and they consolidated power using modified political structures suited for their own needs.

<u>Constitutional Processes and Elections</u>

    - ***maturing electorate***

Phase 1

Phase 2

- **SR LACK OF CPE, GOOD FOR AUTH**
- **Philippines, Burma**
    - Marcos, threatened by rivals like Senator Benigno Aquino, used the pretext of insurgencies to declare Martial Law in 1972 and transform the Philippines into a dictatorship and suspend genuine elections, ruling through rigged referendums and fraudulent polls. With weak checks and balances, he retained power for over 20 years until 1986.
    - In Burma, Ne Win consolidated power after his 1962 coup, using the pretext of national unity and socialism to justify authoritarian rule. With weak checks and balances and limited political competition, he suspended democratic processes, banned opposition parties, and ruled through the Burma Socialist Programme Party, retaining power for over two decades until 1988.

Phase 3

- **SUCCESS:** Dem Governments and even authoritarian I governments were able to make use of CPE to allow for the continuation of their Governments

- **Philipines, Singapore**
  - oops
  - Singapore maintained regular elections and upheld Westminster-style constitutional governance, contributing to long-term political stability. Limited political space was institutionalised through reforms like the Non-Constituency MP scheme (1984), Nominated MPs (1990), and the Elected Presidency (1991), allowing for controlled participation and limited checks on executive power. These measures gave the system legitimacy and helped prevent unrest between the people and government
- **LR FAILURE AUTH** WHEN LACK OF CPE
- **Burma, Philippines**
  - The 1990 elections were held but not honoured—the military refused to hand over power after NLD won. There was no meaningful electoral or constitutional legitimacy, and rule was by martial law. The regime faced persistent internal and international delegitimisation, leading to long-term instability and eventual partial reforms in 2010s.
  - Marcos declared Martial Law in 1972, suspended constitutional rule, and ruled by decree, until he later reinstated a controlled electoral system with rigged referendums and sham elections (e.g., 1981, 1986). The lack of genuine constitutional processes made his rule increasingly illegitimate, culminating in the People Power Revolution (1986).
- EV:
  - Constitutional processes and elections provided clear foundations for governance as well as institutionalise power sharing BUT these were still subjected to the implementation of leaders.
  - Institutionalised forms of power sharing and leadership transition = effective governance.
  - Provided the basis/foundations for governance.
  - Structure and foundation on how the country was run – basis of governance.
  - In the long term, Constitutional processes and institutions would be more impt to maintain long term stability to political structures and leadership transition/power sharing. In fact, one of the legacies of a good leader would be whether they were builders and creators of political structures.

Mass Political Participation

Phase 1

- **SUCESS DEM:** Mass political participation was also important as evidence of mass popularisation of democracy as well as promoting unity and consensus. It would become an important source of legitimacy for local leaders.
- **Malaysia, Philippines**
  - The Alliance Party, a coalition of UMNO, MCA, and MIC, brought together major ethnic groups—Malays, Chinese, and Indians—under one political umbrella. This inclusive platform encouraged wide participation through elections, promoting national unity and a sense of ownership in the democratic process. The Alliance's success in early elections, such as the 1955 Federal Legislative Council election (winning 51 out of 52 seats), helped solidify its legitimacy and fostered political stability through cross-ethnic cooperation.

    - From 1946 to the early 1970s, competitive presidential and congressional elections saw active voter engagement and turnover of leadership between major parties (e.g. Nacionalista and Liberal). This created a vibrant, participatory political culture and gave Filipino leaders a degree of legitimacy rooted in popular mandate. While clientelism and elite dominance persisted, the democratic process enabled public involvement and debate, helping to unify the population in the early years of independence.
- **BAD:** Mass organisations can be a source of instability, the most extreme of which would be the communist organisations as they directly challenged the establishment of democratic govts.
- **Burma, Philipines**
- Case studies: AFPFL (Burma), Hukbhalap (Philippines)
    - The AFPFL's diverse political parties gave it broad support but also led to factionalism. Conflicting interests within the AFPFL weakened parliamentary rule in Burma, paving the way for military dictatorship.
    - In the Philippines, the communist Huk group, initially peaceful and focused on land reform, was denied political participation by the ruling elites. This exclusion sparked a popular insurgency against the government, highlighting widespread dissatisfaction with inequality. Ultimately, the government suppressed the Huks through military force.

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- **SR GOOD AUTH**: Use of coercion/force
- **Indonesia, Philippines**
    - After the 1965 Gestapu Coup, Suharto eliminated political rivals through mass killings of communists. In the 1970s, student protests against corruption were banned. The 1974 Malari riots, sparked by economic hardship, were crushed by force—11 killed, student leaders jailed, and press freedoms curbed, ending academic and political freedom.
    - [Marcos' removal in power] came after 12 years of his authoritarian regime which saw his manipulation of constitutional processes and utilisation of the military to put down threats to his authority by declaring martial law in 1972 and putting himself in charge of both Philippines' Presidency and Premiership. For this period of time, the masses were incapable of initiating change to remove him from power. [It was only

after the defection of the military were the masses able to gain the momentum to remove Marcos from power.]
- **SR SUCCESS**: Democratic govts only able to suppress centrifugal threats if they used authoritarian approach.
- **Malaysia**
  - The 1969 general election in Malaysia exposed deep ethnic tensions, with opposition gains threatening the dominance of the Malay-led Alliance Party. This culminated in the **May 13 Riots** in Kuala Lumpur—violent clashes primarily between Malays and Chinese that left nearly 200 dead. In response, the democratic government suspended parliament and imposed emergency rule in 1969.
  - By 1971, parliament was restored, but under much tighter control. The government introduced authoritarian measures such as the Sedition Act and Printing Presses and Publications Act, severely limiting public discourse on sensitive issues like race and religion. It also launched the New Economic Policy (NEP) to address Malay economic grievances, consolidating support while stifling dissent.

Phase 3

- **SUCCESS :** govts that offered political reforms remained in power.
- **Indonesia, Singapore**
  - In response to student protests in the 1970s over corruption and elite dominance, Suharto removed unpopular cabinet members and pledged anti-corruption reforms. These limited reforms, alongside symbolic gestures of responsiveness, helped maintain his regime's legitimacy
  - **Nominated Member of Parliament (NMP) Scheme (1990):** Allowed non-elected experts to join Parliament, enhancing representation and technocratic input without threatening PAP dominance. **Non-Constituency Member of Parliament (NCMP) Scheme (1984, expanded post-1991):** Allowed losing opposition candidates with the highest votes to sit in Parliament — a concession to opposition voices.
- **LR BAD AUTH**: the use of force proved to be counter-productive. The rise of popular opposition in response to political repression and economic stagnation and the inability of authoritarian governments to manage them, leading to their downfall suggests that ultimately, authoritarian govts were not effective in maintaining control over their countries in the long run.
- **Indonesia, Philippines**
  - The Indonesian masses, triggered by the collapse of Indonesia's economy due to prolonged corruption under Suharto's 30 year regime organised demonstrations and protests which won over the support of the military leading to the removal of Suharto. He was replaced by his Vice-President, B.J. Habibie, who began democratic reforms by allowing for formation of more opposition parties and lifting the restriction that all parties had to follow Pancasila.
  - EDSA Uprising in 1986 saw nationwide mass participation to remove Marcos and to reestablish democratic practices under Aquino. Aquino brought in a new democratic constitution (1987) that brought back many of the features of the 1935 constitution, with an additional provision that limited the presidency to a single, 6-year term in order to curb authoritarian tendencies.
  - **EVAL :** Failure in the 1980s and 1990s clearly demonstrated the limits of suppression over time: Suppression eroded long term legitimacy. Effective

responses entailed some degree of genuine political space.
- EV: Political challenges (for early democratic govts) and popular opposition (for authoritarian govts) largely served as litmus tests of whether these govts were able to maintain political stability. In this light, govt response to these opposition would determine whether they would be able to remain in power.
- Popular opposition and pol challenges were manifestations of incompetent govt thus they were at most trigger factors/catalyst for change; evidence of inability of govts to maintain stability.

Cold War Politics

Phase 1

- **GOOD** : as seen by how colonial masters were willing to work closer with pro-collaborative nationalist leaders to ensure that a democratic structure can be upheld upon independence instead of Communist ones in order to present the manifestation of the Domino Theory.
- **Malaya, Singapore**
    - The British also removed the MCP's main justification for insurgency by pointing to steady progress towards independence via democratic means. In 1955, UMNO allied with the MCA and the MIC to contest the Federal Legislative Elections as the multiracial Alliance Party, winning a sweeping victory with 51 out of 52 seats.
    - Singapore wins British support by cracking down on left-wing organizations, and the British concede full internal self-government at a new round of talks in 1957. Only defence and foreign affairs would remain in British hands; internal matters would be handled by a government formed out of a Legislative Assembly of 51 seats.
- **BAD** : US fear of the Domino Theory would lead to their endorsement and support of dictators as bulwarks against the Communist threat.
- **Cambodia, South Vietnam**
    - By 1970 the US was getting suspicious that Sihanouk was turning to Communism and lend their support to rightist members of the National Assembly and military which toppled Sihanouk in March 1970 while he was abroad, making Lon Nol in charge of a military dictatorship.
    - In South Vietnam, an anti-communist regime led by Ngo Dinh Diem formed an authoritarian government. Diem was religious (Catholic), strongly anti-communist with a record for honesty and integrity; hence, he was favoured by the US as an ideal leader despite Diem holding a rigged referendum in 1955 that abolished the monarchy and installed a republic.
- EV: Cold War context and role of US largely reinforced and bolstered political structures such as in Sarit's Thailand.
- Cold War context in the form of US support merely serves as indirect/supporting role in substantiating or legitimising the SEA govt.

Role of the military

    - ***military as military, or military as military government***

Phase 1

Phase 2

- **GOOD AUTH:** the military acted to preserve authoritarian government's legitimacy by addressing existing instability before subsequently handing over authority back to these

government leaders, with even democratic govts needed to use the military to solve centrifugal threats to maintain stability
- **Burma, Malaysia**
  - Ne Win's military from 1958 to 1960 which addressed the unrest caused by the Communists and the minority rebels such as the Karens and the Kachins.
  - Malaysia's military from 1969 to 1971 stabilized the tense situation as a result of the 1969 racial riots in Malaysia.
- **GOOD AUTH:** the military was also considered an asset rather than a threat because their undivided support for authoritarian regimes meant that these regimes remained in power despite their increasing unpopularity.
- **Burma, Philipines**
  - U Nu became Prime Minister at a time where the country is fraught with separatist movements calling for autonomy and Communists hoping to agitate the masses and remove his government. However, he was able to remain in power because Ne Win's military threw their weight behind him and addressed these threats in their time as interim government between 1958 and 1960 before returning the power to him.
  - Similarly, the increasingly unpopular sentiment for Marcos had little effect on his stay in power as he remained in power due to the presence of the military from 1972 all the way to 1986. It was only after General Fidel Ramos withdrew his support was he finally forced to step down and leave the Philippines.

Phase 3
- **BAD BOTH:** The military can be considered to be a threat rather than an asset to some government leaders' political legitimacy because their reputation amongst the masses made them a formidable threat to existing governments.
- **Indonesia, Thailand**
  - The Indonesian military was popular amongst the masses due its prominent role in fighting back the Dutch advances during the 2 Police Actions (1947 & 1948) and also in its removal of the communist threat in Madiun (1948). A threat to the reputation of Sukarno-had to turn to Partai Komunis Indonesia (PKI) to keep them at bay. threat was realized when Gestapu occurred
- Despite winning an election in February 1957-Phibun's legitimacy was challenged by Sarit who deemed the result fraudulent - this gained the support of the masses especially the pro-democracy students. threat was realized when Sarit removed Phibun from power in September.
- **BAD AUTH**: In addition, the military proved to be a threat when they successfully managed to remove weak, existing governments in power in other to ensure the establishment of more legitimate governments.
- **Philipines, Burma**
  - The military under Fidel Ramos refused to take the side of Marcos during the EDSA Uprising . removed him and supported Corazon Aquino's rise to power
  - The military under Ne Win were alarmed to the weaknesses of U Nu's regime from 1960 onwards such as him seeking to grant the Shans their autonomy and failure to address the minorities' insurgency. Ne Win removed U Nu in a bloodless coup and restored order in Burma
- EV: Role of the military was important in enabling the govts' ability to suppress centrifugal threats in the early years of independence and popular opposition from the 1980s.

However the military solution is not a sustainable one and needed to be supported and followed up by other strategies if the govts wanted to consolidate power in the long run. The danger of the military lie in their potential to emerge as alternative centers of power that might eventually challenge the govt and so it was a double-edged sword.

Traditional Institutions (Religion and Monarchy)

Phase 1

Phase 2

- **GOOD DEM:** some leaders which didn't have much nationalist credentials were still able to remain in power due to the support that they garnered from traditional institutions in the form of the monarch and also religious factions.
- **Thailand, Malaysia**
  - Thailand's Prime Minister Sarit was able to remain in power because he capitalized on the masses' love for the Thai King, King Bhumibol. By always making himself a prominent feature alongside the Thai King's interactions with the masses, he also received the recognition of the masses despite his policy of Benevolent Paternalism which stripped the masses of their rights to political participation.
  - Similarly, UMNO under the leadership of Tun Razak and Tun Mahathir had maintained a stranglehold in Malaysian politics from 1957 to 1997 due to its propagation of the preservation of the privileges of ethnic Malay rights and Islam as the state religion. This cause resonated with the majority Malay-Muslim masses in Malaysis and ensured the dominance of these leader.
- **BAD AUTH**
- **Burma, Marcos' Philippines.**
  - U Nu continued emphasis on Buddhism further alienated the ethnic minorities (eg. Karens who were christians), particularly in the 1961 State Religion Bill which sowed further marginalisation of minority ethnic groups.
  - The Catholic Church was also outspoken. While it supported Marcos' contention that the NPA posed a threat to security and endorsed attempts to combat corruption and to restrict the illegal use of firearms, it felt that the implementation of martial law was immoral. It soon began to condemn the abuses of the New Society and in fact publicly proclaimed its withdrawal of support from Marcos. The Filipino citizens were and still are largely catholic. Thus, to lose the support of the Catholics dealt a huge blow to Marcos' Legitimacy.

Phase 3

Promote socio-economic development

do when do EC

Phase 1

Phase 2

Phase 3

- **LR BAD AUTH:** forced to leave their respective positions when they did not deliver socio-economically
- **Burma, Philippines**
  - Burma's economy stagnated due to isolation, sanctions, and poor governance, Little benefit trickled to the masses as education, healthcare, and infrastructure were neglected. This Lack of performance legitimacy made the regime deeply unpopular

    and unable to ensure lasting stability despite its coercive power
    - under Marcos, without constitutional processes and elections to keep him in check, corruption and cronyism flourished, with unqualified allies placed in key positions and public funds diverted for personal gain. Living standards stagnated while elite families amassed wealth. The failure to deliver shared economic growth eroded Marcos' popular support, ending in the toppling of his regime.
- **SUCCESS AUTH at Economy**
- **Singapore, Thailand**
    - There was dominance of one-party politics that boosted investor confidence in the mixed record in both criteria, depending on the extent in which they were committed in their country. The Economic Development Board(1961) helped to spearhead Singapore's industrialisation furthermore, in 1989 this helped to attract investments in manufacturing and other high value-added services. As such, in 1988, SG experienced the world's highest rate of annualeconomic growth of 11%.
    - Sarit and his successors initiated Five-Year Economic Development Plans which focused on infrastructure and rural development. This encouraged foreign investment and industrial growth via Board of Investment (BOI) incentives. In 1980s-90s, Thailand became one of the 'Four Tigers' of Asian growth, which helped stabilise Thailand's government.
- **SUCCESS Dem at Economy**
- **Malaysia**
    - After the 1969 riots, Tun Abdul Razak introduced the New Economic Policy (NEP) in 1971 to address economic imbalances between ethnic groups, particularly to **improve the economic standing of the Bumiputera (ethnic Malays).** The NEP successfully reduced poverty and increased Malay participation in the economy.
- EV: The govt's ability to promote socio-economic development proved the capabilities of the govt to be able to efficiently make use of available resources to create political order, social cohesion and economic growth, hence consolidating power.

EC

CONTEXT PARA [write bef essay starts] At the point of independence, Southeast Asia inherited weak and uneven domestic economic conditions shaped by colonial legacies. Most economies were agrarian, lacked industrialisation and diversification, and were dominated by non-indigenous groups, while infrastructure remained underdeveloped. The destruction caused by the Japanese Occupation and chaotic decolonisation processes further compounded widespread poverty, unemployment, and population pressures, leaving the region poorly equipped for self-sustained growth. [LINK BACK TO QN]

1)three models

- Capitalism ⭐⭐: Outward looking e.g. Open door policy to attract FDI
  - **Positive**
  - Singapore: Singapore's success under the capitalist model is evident in its shift to export-oriented industrialisation (EOI), which boosted economic growth significantly. By the 1980s, manufactured goods made up over 75% of exports, and GDP grew steadily at 7–9% annually. Equity was also addressed via the world's most extensive public housing programme, with over 70% of the population housed by 1980. Public investment accounted for ⅓ of national investment, blending capitalist growth with redistributive equity.
  - Indonesia: Suharto's New Order introduced Green Revolution rice technology, turning Indonesia from a major rice importer in the 1970s to self-sufficiency by the mid-1980s, making food security a symbol of national pride. Between 1968 and 1989, rice production rose from 12 to 29 million tons and yields doubled from 2.14 to 4.23 tons per hectare, ensuring adequate food and contributing to a rise in life expectancy from 50 in 1980 to 60 in 1990
  - **Negative:** Corruption, elite interests [IND PH]
  - Philippines: Under Marcos, corruption and cronyism undermined governance, with unqualified allies placed in key positions and public funds diverted for personal gain. Imelda Marcos chaired 23 agencies, symbolising the regime's mismanagement. As a result, foreign debt soared from 6.6% to 49.4% of GNP (1980–83), triggering a recession, rising unemployment, and worsening poverty.
  - Indonesia: Indonesia under Suharto achieved temporary growth, with oil and gas making up 80% of exports and 70% of govt revenue by the early 1980s. However, this was marred by the cukong system, where Chinese tycoons worked with military elites to monopolise sectors. This led to growing inequality, and ethnic resentment, undermining both equity and long-term sustainability of growth.
  - type Socialism: Limited outward look to only USSR/China
  - **POSITIVE** when they adopt Capitalist traits
  - Vietnam: adi
  - Burma: Burma's Twenty-Year Plan in 197 l i'lll2 marked a move away from isolated socialism, and the re uuuj openingy ui to international trade. Though modest, it showed a lttrecalibration of nationalism towards pragmatic economic engagement. The focus on increasing production and state planning aimed to revive growth after earlier stagnation, with GDP growth rates averaging 4% a year in 1975– 84.
    - oyears oooooopot CC: Vietnam more effective as Vietnam received more

international support
        - **NEGATIVE when they try to nationalise**
    - Indonesia: Under Sukarno, due to neg decol lecacies, Indonesia's guided economy focused on economic nationalism, including the 1957 nationalisation of Dutch enterprises and the 1959 eight-year development plan emphasizing manufacturing. However, the plan failed, with rising unemployment which contributed to severe inflation of 1,500% by 1965–66 and a cost-of-living crisis, hampering equity
    - Burma: Burma under newin nationalised 95% of trade and industry by 1976, but the economy contracted 2.9% in 1977. Severe food shortages forced reversal of collectivisation by 1979. External trade collapsed, agricultural production stagnated, and industry and mining suffered from lack of foreign expertise, capital goods and coordinated planning. Only a vast illegal trade, both internal and external, kept the economy afloat at all.
- Third Way: Xenophobia and rejection of foreign aid
    - **NEGATIVE, complete failure**
    - Indonesia: Under Sukarno, due to neg decol lecacies, Indonesia's guided economy focused on economic nationalism, including the 1957 nationalisation of Dutch enterprises and the 1959 eight-year development plan emphasizing manufacturing. However, the plan failed, with rising unemployment which contributed to severe inflation of 1,500% by 1965–66 and a cost-of-living crisis, hampering equity
    - Burma: Ne Win's "Burmese Way to Socialism" expelled over 100,000 Indian residents and nationalised more than 15,000 private firms in 1964. This abrupt isolation destroyed Burma's credit networks (once dominated by Indian Chettiars) and dismantled retail, trade, and small industry. By 1987, Burma's GDP per capita had fallen below 1960 levels, and rice exports dropped from 3 million tons in 1960 to under 0.5 million tons in 1987. The economy stagnated, and inequality worsened for rural poor and excluded minorities.
- Socialism and Third Way L5 context: negative colonial/decolonisation legacies, leading to xenophobia and persecution of immigration population

2)three criterion

- Growth⭐
    - **ACHIEVED/POSITIVE AT EXPENSE OF EQUITY economic growth was the foundation for long-term stability and legitimacy, governments adopted a trickle-down economic model, where the benefits of growth were expected to eventually reach the wider population.**
    - **Thailand**: From the 1960s, governments pursued rapid growth through agricultural exports and industrialisation, supported by US aid. GDP growth averaged 7–8% in the late 1980s, but wealth distribution remained highly uneven, with rural poverty persisting. This indicates growth was prioritised, while equity lagged behind.
    - **Indonesia:** Under Suharto's New Order (1966–1998), growth was prioritised through macroeconomic stability, foreign investment, and oil revenues. Between 1967 and 1997, Indonesia's GDP grew at an average of 6–7%, creating a substantial middle class, but regional disparities and rural poverty persisted, revealing that equity was secondary.
    - **ACHIEVED: Positive at the expense of nationalism, need to depend of foreign entities to prop up their economies**

- Singapore: Singapore's emphasis on growth meant that they encouraged the presence of MNCs to be formed within their respective countries to allow for healthier competition.
- Philippines: Aquino gave foreign investors the right to 100% ownership in Philippine companies in order to
- attract foreign capital
- **Negative when driven solely by growth at the expense of nationalism, seen as context of SEA economies driven mainly by minority groups, which wld then lead to mass opposition by the majority due to the inequality present**
- Indonesia: Under Suharto's New Order, Suharto increasingly aligned with the Chinese community due to their expertise, with economic growth driven heavily by Chinese minority conglomerates, which dominated trade and finance—by the 1990s, they controlled around 70% of private corporate assets despite comprising only 3–5% of the population. This imbalance, coupled with cronyism and corruption, fuelled resentment among the indigenous population. During the 1997–98 Asian Financial Crisis, GDP contracted by 13.1%, inflation exceeded 77%, and anti-Chinese riots erupted.
- Malaysia: In Malaysia, rapid post-independence growth concentrated wealth in the hands of the ethnic Chinese, who controlled over 70% of the corporate sector by the late 1960s, while the Malay community held only about 2%. This severe inequality led to the 1969 racial riots, which killed 196 people and exposed the dangers of growth without equitable distribution.
- **Negative when driven only by short-term growth and equity is not a concern, as the wealthy become complacent and corrupt**
- Philippine: It was seen partially that the growth brought to them due to US aid, which made private firms complacent, and thus corrupt. Private firms were dominated by oligarchs and political cronies, who benefited from protectionism without modernising industry, and the economy became stagnant and could not change. Industrial growth was weak, with GDP growing only 3.5% (1965–80). The private sector entrenched inequality rather than driving structural change.
- Indonesia: Indonesia under Suharto achieved temporary growth, with oil and gas making up 80% of exports and 70% of govt revenue by the early 1980s. However, this was marred by the cukong system, where Chinese tycoons worked with military elites to monopolise sectors. This led to growing inequality, and ethnic resentment, undermining both equity and long-term sustainability of growth.

- Nationalism: Indigenise wealth and production, food self-sufficiency
  - e.g. ISI, necessary but not sustainable, means to an end to promote growth
  - **Only positive and can be achieved by capitalist economies which premised nationalist policies upon growth**
  - Malaysia: Malaysia's NEP promoted indigenous control over the economy. Bumiputra equity share grew from 2.4% in 1970 to 19.3% by 1990. This indigenisation supported national unity while sustaining economic growth.
  - Vietnam: After reunification, Vietnam focused on rice self-sufficiency as a nationalist goal. Despite inefficiencies, investment in irrigation and farming enabled Vietnam to become a net rice exporter by 1989, ending reliance on imports. National pride was restored through food security and economic independence.

    - **Negative when nationalism closes off the economy, nationalism was used more to drive political agendas**
    - Vietnam: After reunification, forced collectivisation in the South failed. GDP growth averaged only 1.8% (1976–85), and Vietnam had to import 1 million tons of rice in 1980. The black market made up 40% of the economy, revealing socialist inefficiency and worsening poverty.
    - Indonesia: Under Sukarno, due to negative decolonisation lecacies, Indonesia's guided economy focused on economic nationalism, including the 1957 nationalisation of Dutch enterprises and the 1959 eight-year development plan emphasizing manufacturing. However, the plan failed, with rising unemployment which contributed to severe inflation of 1,500% by 1965–66 and a cost-of-living crisis, hampering equity
    - Works when premised upon growth
    - L6 connection to pop reason
- Equity
    - in tandem with nationalism was equity
    - Focus only on equity, failure
    - **POSITIVE Some Southeast Asian governments emphasised economic equity through poverty reduction and redistribution policies to address economic issues in their countries, but this has to be premised upon the growth attained first**
    - **Malaysia**: The New Economic Policy (NEP, 1971–1990) explicitly prioritised restructuring society to reduce ethnic economic disparities, especially uplifting the Bumiputera. This included state-led affirmative action, increased access to education, and redistribution of corporate equity. Poverty rates fell dramatically from around 50% in 1970 to 17% in 1990, indicating real equity gains.
    - **Singapore**: The People's Action Party (PAP) promoted equity through public housing and wage increases tied to industrialisation. By the late 1980s, over 80% of Singaporeans lived in Housing Development Board (HDB) flats, alleviating urban poverty while wage increases improved income distribution across different communities.

3)Sector based

1. Agricultural sector
    - **YES POSITIVE Change into tech driven**
    - Indonesia: Suharto's introduced innovations in rice strains, fertilizer and irrigation techniques as part of the Green Revolution, which moved Indonesia from being a major rice importer in the 1970s to self-sufficiency by the mid-1980s.
    - Malaysia: Malaysian agriculture also profited from the development of high-yielding varieties of other crops which came about as an extension of the Green Revolution, in particular rubber. Malaysian yields improved over 120% between 1954 and 1970 along with the increasing use of technologically advanced farm machines such as tractors, combine harvesters, and water-pump.
        - EV: Common feature: introduction of new variants of rice, fertilisers and mechanized equipment.
    - **NO Change, closed economy:** unwillingness to embrace approaches and techniques deemed alien to them.

- Burma: Under the 1963 Tenancy Law, land was state-controlled and peasants faced strict quotas with no incentive structure. The regime rejected modern techniques, and by the 1980s, rice exports fell from 3 million to under 0.5 million tons, reflecting long-term stagnation.
- Vietnam: After reunification, the Vietnamese government forced cooperatives and work-point systems which replaced private farming. Farmers received fixed payments, discouraging productivity. Southern resistance was strong, and by the early 1980s, Vietnam had to import 1 million tons of rice, showing agricultural failure.
- foundation/root; comparative advantage

2. Industrial sector⭐ (preferred but Agricultural still ok)
    - **YES Move away from Agriculture**
    - Malaysia: Under the administration of PM Mahathir Mohamad, Malaysia emphasized a market-oriented economy, featuring the privatization of public utilities, communications, and transportation. He also undertook a programme of state-led heavy industrialization. Firms like Perwaja Steel were founded to drive the development of heavy industry. This was aimed at reducing the country's dependence on primary products such as rice!
    - Thailand: Thailand shifted from ISI to EOI in the 1960s–70s. Industrial growth averaged 11.4% per year (1961–71), and manufacturing became central to GDP. This shift marked a successful industrial transformation, driven by external investment and internal reforms.
    - **NO, Cannot industrialise as too much investment which they do not have due to inheriting the burdens of the previous governments in agriculture**
    - **Vietnam**: Vietnam introduced heavy industry in line with the Marxist ideology and tried to implement it upon unification but struggled to transition fully into the capitalist market in 1986 due to the unskilled workforce it inherited and the heavy industry that would incur a high cost should it be replaced for more capital intensive industries.
    - **Indonesia**: Suharto's transition into the capitalist industry was slowed down by his inheritance of the labour intensive focus of Sukarno even in the field of agriculture. This in addition to Sukarno's focus on economic nationalism meant that the indigenous workforce was not guided by the expertise of the Dutch. This therefore meant the cost incurred for retraining along with the continued need to rely on heavy industrial materials caused changes to take a backseat
        - break through to NIE status; key to prosperity
    - **YES CHANGE, diversified their industrial sector**
    - Singapore: At a global level, the electronics industry began to take off in the late 1970s to early 1980s. This required highly sophisticated components manufactured by a large semi-skilled workforce, which proved difficult for many Southeast Asian states to acquire. Singapore successfully capitalised on the global electronics boom by leveraging its skilled workforce and strong infrastructure to attract multinational investment. By the 1980s, the electronics industry accounted for over 40% of manufacturing output, driving GDP growth of 8–10% annually. This diversification reduced dependence on entrepôt trade, strengthening economic nationalism through self-reliant industrialisation.

- Malaysia: Under Mahathir leadership, Malaysia pursued state-led heavy industrialisation in the 1980s through projects like Perwaja Steel, reducing reliance on primary commodities. This laid the foundations for subsequent diversification of Malaysian economy where Malaysia became one of the world's largest exporters of semiconductors and one of the largest exporters of single-unit air conditioners, textiles and footwear. As a result, manufacturing accounted for 60% of total exports in 1990, compared to just 20 percent 10 years prior, signalling a diversification of the economy and a consequent reduction in dependence on primary exports. Malaysia achieved 8% annual growth in the 1980s – 1990s, becoming one of the wealthiest countries in Southeast Asia as measured by per capita income, thus achieving equity

3. Financial services sector
    - least important; last stage, pinnacle, double-edged sword => AFC
    - **YES CHANGE**
    - Malaysia: Malaysia introduced Islamic banking in 1983 with Bank Islam Malaysia Berhad, aiming to build a financial system compatible with Islamic principles while fostering self-reliance and national identity. By the 1990s, the Islamic financial sector was expanding rapidly—Islamic banking assets grew by 30% annually, and by the late 1990s, Islamic deposits made up 6% of total bank deposits in Malaysia. This growth strengthened nationalism, as Malaysia positioned itself as a global leader in Sharia-compliant finance independent of Western systems. It also improved equity, offering financing for small and rural enterprises and promoting more inclusive access to credit, aligning national growth with social justice objectives.
    - Singapore: In 1979, Singapore launched its Second Industrial Revolution, shifting towards knowledge-intensive industries such as R&D, engineering design, and computer software services. The Ministry of Trade and Industry supported this transition by promoting local enterprises and strengthening the manufacturing and service sectors. These policies successfully transformed Singapore into a service-oriented economy, achieving annual growth rates of 6–7% in the early 1990s.
    - **Positive**: Malaysia, Singapore
    - **Negative**: Indonesia, Philippines
    - **Smth abt minorities: Additionally, other domestic factors such as local businesses were also crucial, as they helped to provide capital and support government policies.**
    - Malaysia: Private businesses—especially ethnic Malay enterprises supported by the NEP—were key to industrial growth and redistribution. The bumiputra share of corporate equity rose from 2.4% (1970) to 19.3% (1990). SMEs and local firms helped drive growth while fulfilling nationalist equity goals.
    - Indonesia: In Indonesia, Chinese-Indonesian conglomerates such as the Salim Group (flour, banking, food processing) and Astra International (automotives) mobilised resources and managerial expertise, becoming the backbone of industrial growth. Their businesses created large-scale employment in consumer goods, finance, and light manufacturing, which by the 1980s–1990s contributed to Indonesia's average 7% annual GDP growth and a significant drop in poverty
    - CC: private businesses in these countries enjoyed pro-govt policies and benefits as a strong business-political alliance had been established, leading to corruption

which also caused the AFC.

L5 context/comparison: talk about context to why policies were enacted/always link back to GNE

EV: Overall Positive, depends whether the govts prioritised pragmatism (Capitalism) over ideology or national over own interests (Corruption)

4)Actors Based

1. State: role of government⭐⭐: economic aims, strategies and extent of government intervention
   - Direct (ISI/State monopolies)
   - **FAILED, DID NOT CHANGE when govts rejected FDI**
   - Indonesia: Indonesia under Sukarno (1950s–1965) pursued autarky, rejecting FDI; its GDP contracted in 1963–65, with inflation exceeding 600% by 1965.
   - Another case study
   - Vietnam: After reunification, the Vietnamese government forced cooperatives and work-point systems which replaced private farming. Farmers received fixed payments, discouraging productivity. Southern resistance was strong, and by the early 1980s, Vietnam had to import 1 million tons of rice, showing agricultural failure.
   - **The utilisation of FDI was very much dependent on the openness and the direction provided by governments which set the foundation for the optimisation of the FDI.**
   - Malaysia: Malaysia's Investment Incentives Act (1968) and the creation of free trade zones (e.g., Bayan Lepas, 1972) drew in Japanese and US firms, creating thousands of jobs in light manufacturing. FDI thus facilitated rapid insertion into global markets.
   - Singapore: Singapore's government used indirect tools like the Economic Development Board (EDB) to attract and coordinate private investment, rather than running industries directly. MNCs such as Texas Instruments were drawn in with incentives and infrastructure. By the 1980s, manufacturing contributed over 25% of GDP, and exports made up 75% of total output, delivering sustained growth and high employment, while the state maintained control without crowding out the private sector.
   - L6: Hinge/platform/determining factor to allow non-state actors to flourish; state determines the extent to which non-state can contribute.
   - **EV:** Most important as the govt's role has a wider impact on the different sectors in agriculture industry and finance. Also longer-term impact, and govt policies leveraged on the gains gained from FDI to reshape society for decades by balancing growth with equitable policies.
2. Non-state: role of private businesses - largely helmed by ethnic minorities
   1. **POSITIVE CHANGE, as they helped to provide capital and support government policies**
   - Singapore: Foreign and local private businesses were central to Singapore's EOI success. MNCs like Texas Instruments and Shell set up export industries, supported by the EDB. By the 1980s, manufacturing made up 25%+ of GDP, and the economy grew at 7–9% annually, lifting living standards and creating jobs.
   - Malaysia : Private businesses—especially ethnic Malay enterprises supported by the

NEP—were key to industrial growth and redistribution. The bumiputra share of corporate equity rose from 2.4% (1970) to 19.3% (1990). SMEs and local firms helped drive growth while fulfilling nationalist equity goals.

- **NEGATIVE, DIDNT CHANGE:** Corruption, elite interests [IND PH]
- Philippines: Private firms were dominated by oligarchs and political cronies, who benefited from protectionism without modernising industry. Industrial growth was weak, with **GDP growing only 3.5% (1965–80)**. The private sector entrenched inequality rather than driving structural change.
- Indonesia: Indonesia under Suharto achieved temporary growth, with oil and gas making up 80% of exports and 70% of govt revenue by the early 1980s. However, this was marred by the cukong system, where Chinese tycoons worked with military elites to monopolise sectors. This led to growing inequality, and ethnic resentment, undermining both equity and long-term sustainability of growth. This culminated in the AFC,
- **Negative when economies are solely driven by ethnic minorities, as it fueled the resentment of the majority race, which eventually led to mass opposition**
- Indonesia: Under Suharto's New Order, Suharto increasingly aligned with the Chinese community due to their expertise, with economic growth driven heavily by Chinese minority conglomerates, which dominated trade and finance—by the 1990s, they controlled around 70% of private corporate assets despite comprising only 3–5% of the population. This imbalance, coupled with cronyism and corruption, fuelled resentment among the indigenous population. During the 1997–98 Asian Financial Crisis, GDP contracted by 13.1%, inflation exceeded 77%, and anti-Chinese riots erupted.
- Malaysia: In Malaysia, rapid post-independence growth concentrated wealth in the hands of the ethnic Chinese, who controlled over 70% of the corporate sector by the late 1960s, while the Malay community held only about 2%. This severe inequality led to the 1969 racial riots, which killed 196 people and exposed the dangers of growth without equitable distribution.
- **Negative when there is a complete lack of private businesses and minority races, seen clearly in third-way economies which enacted exclusionary policies**
- Indonesia: Under Sukarno, due to neg decol lecacies, Indonesia's guided economy focused on economic nationalism, including the 1957 nationalisation of Dutch enterprises and the 1959 eight-year development plan emphasizing manufacturing. However, the plan failed, with rising unemployment which contributed to severe inflation of 1,500% by 1965–66 and a cost-of-living crisis, hampering equity
- Burma: Ne Win's "Burmese Way to Socialism" expelled over 100,000 Indian residents and nationalised more than 15,000 private firms in 1964. This abrupt isolation destroyed Burma's credit networks (once dominated by Indian Chettiars) and dismantled retail, trade, and small industry. By 1987, Burma's GDP per capita had fallen below 1960 levels, and rice exports dropped from 3 million tons in 1960 to under 0.5 million tons in 1987. The economy stagnated, and inequality worsened for rural poor and excluded minorities.

3. Non-state: Role of external actors like IMF and World Bank/IMF

5)Other factors (subset-ish of actors)

1. domestic economic conditions

- **NEGATIVE self-sufficiency proved illusory for some post-colonial states because they required financial aid from superpowers to kick-start their economies which were ailing from the Japanese Occupation and decolonization.**
- **Context:** At the point of independence, Southeast Asia inherited weak and uneven domestic economic conditions shaped by colonial legacies. Most economies were agrarian, lacked industrialisation and diversification, and were dominated by non-indigenous groups, while infrastructure remained underdeveloped. The destruction caused by the Japanese Occupation and chaotic decolonisation processes further compounded widespread poverty, unemployment, and population pressures, leaving the region poorly equipped for self-sustained growth.
- **Vietnam**: North Vietnam became dependent on USSR and COMECON aid, receiving up to US$1 billion annually to survive.
- **Philippines**: Philippines received over US$500 million in US economic aid, supporting post-war reconstruction

2. External developments: Cold War Developments

- **POSITIVE for surrounding capitalist countries, the US would adopt different strategies to curb the spread of communism, which would prove to benefit capitalist countries.**
- **Context:** This was particularly seen in the example of American economic aid to the region. The prevailing Cold War developments in the region heightened tensions which led to the need to provide economic aid to strengthen ties and limit the appeal of communists.
- Thailand: Being at the frontline of growing communist presence in Indochina established a close political relationship with USA. In allowing the US to establish military bases, Thailand benefitted from American expenditure in Thailand which amounted to nearly $3.5 billion. In addition, Thailand received over US$650 million in US economic and military aid (1950–1975). US support built major infrastructure such as Friendship Highway (opened 1957) linked Bangkok to the Northeast, enabling agricultural commercialization, and US-funded dams and irrigation projects boosted rice production.
- The Philippines: Being one of the USA's key allies in the region also received extensive aid. In the 1950s, it received over US$500 million in US economic aid, supporting post-war reconstruction. In the 1960s–70s, the US and Japan provided loans and investments in infrastructure and export-processing industries (electronics, garments). This contributed to helping the Philippines develop its export industries.
- **NEGATIVE, Cold War politics would impede the possibility of economic development for Vietnam as a whole.**
- **Context:** The U.S. intervened under its containment policy and the Domino Theory, fearing communist expansion in Asia.
- South Vietnam: During the Second Indochina War, U.S. air strikes from 1965 onwards crippled the North. 6 industrial cities, 28 of 30 provincial towns, and 4,000 of 5,788 communes were destroyed, along with all power stations, 1,600 hydraulic works, and major transport links, halting growth. Over 400,000 cattle and hundreds of thousands of hectares of farmland were lost, worsening famine and undermining equity. Nationalism suffered as North Vietnam became dependent on USSR and COMECON aid, receiving up to US$1 billion annually to survive.
- North Vietnam: In the South, growth was equally hollow, sustained only by massive U.S. aid that financed roads, ports, and currency support, but collapsed once U.S. funding ceased. The war left 10 million refugees, 3 million unemployed, and destroyed two-thirds of

villages and 5 million hectares of forest, eroding social equity. Nationwide, 1.5 million deaths and the flight of 1 million skilled refugees crippled human capital, leaving Vietnam impoverished and dependent, its economic potential stifled by Cold War geopolitics.

3. External Economic Developments (FDI / RISE OF JAPAN)

- **FDI and global demand for Southeast Asian exports also helped to develop Southeast Asia's export markets, helping to facilitate the expansion and modernisation of agricultural and industrial sector.**
- **In addition, FDIs ensured the continued growth of capitalist economies.**
- **Context:** With the waning US presence following the end of the Vietnam War, its position was soon overtaken by the Japanese who were looking for potential trade partners who could supply key raw materials. It was also looking for markets to manufacture its goods, as their cost of production domestically had risen astronomically following its rise. Given the geographical proximity, it saw Southeast Asia was seen as an attractive region for Japan. Thus, Japan embarked on the Fukuda Doctrine (1977), a policy which proposed to enhance relations with SEA countries by promising to remain a non-military power in contrast to its occupation of SEA countries in WW2.
- Malaysia: In Malaysia, Japanese and Western firms like Intel (1972), AMD (1972), Hitachi, and Hewlett-Packard set up semiconductor and electronics assembly plants in Penang. By 1980, electronics had become Malaysia's second-largest export sector, overtaking tin and catching up with rubber. By 1990, electronics and electrical machinery made up 31% of total exports, compared to just 7% in 1970. This marked Malaysia's structural shift towards export-oriented industrialisation, reducing dependence on volatile commodity markets and embedding the country into global production networks.
- Thailand: In Thailand, Japanese FDI led to an export boom in Thailand during the 1980s. Japanese companies saw the advantages of investing in a country that had benefited much from US capital and aid: there was cheap, relatively skilled labour and a good infrastructure. The rise in Japanese FDI was accompanied by a massive increase in Japanese economic aid, which stood at $1.2 billion between 1982 and 1986. This aid aimed at infrastructure projects and the development of manufacturing capacity which then greatly facilitated exports, thus helping to achieve long term growth.
- CC: Thailand was always more open than Malaysia and thus was able to attain more benefits throughout with Cold War Aid ETC.
- **FDI can be considered an important contribution to SEA economies as the Influx of it helped to resuscitate economies which were previously suffering from poor economic performance.**
- **Indonesia:** Under Sukarno, mounting inflation peaked at about 1500% between June 1965 and June 1966, with people unable to afford basic necessities and hampering equity, due to his resistance to foreign investments due to negative colonial experiences. After Sukarno got overthrown in a military coup, under Suharto's New Order, his decision shift to playing an indirect role in the economy and allow for technocrats and other economic agents to play a bigger role meant an injection of FDIs. This saw Indonesia's economy boom from a period of slow growth in the early 1980s, when annual GDP growth had dropped to 2% in 1982 compared with an annual average of 8% from 1970 to 1981, to a GDP growth of 7% in 1990.
- Vietnam: In Vietnam, the Communist government's initially embraced collectivisation and was most resistant to capitalism and FDI due to similarly negative colonial experiences.

This meant that on a per capita basis, national income declined at nearly 2% a year during 1976 – 1980. However, Vietnam embraced Doi Moi in 1986 to revitalize its economy after the failure of its centrally planned system, which was marked by poverty, shortages, and declining Soviet aid. With Doi Moi, relationsd with the other Southeast Asian states had warmed up significantly, with a total of $173 million being invested by Vietnam's neighbours in a total of 34 projects by 1991, helping achieve growth.

- EV: From both case studies, it can be seen that both countries were initially resistant to FDI due to their negative decolonisation experience. This, however, crippled their ability to achieve growth, nationalism, and equity. Yet, when they allowed for the injection of FDI, these countries would then be able to recover from the previous effects of a lack of FDI and achieve growth, thus showing the importance of FDI and its influence

6)AFC

- ALL essays should at least include AFC so as to cover the whole timeline of SEA economies from independence to 2000

1. **Effects of AFC**

- Ultimately, the litmus test for whether economic change actually brought about considerable real benefits that lasted was during the Asian Financial Crisis(AFC) While the short-term impact of AFC appeared to undermine these benefits and suggest that the benefits were just a facade, the long-term recovery and continued growth of all affected economies demonstrated that economic change had, in fact, yielded considerable and real benefits, as SEA countries were able to reform and restructure their economies to address the weaknesses exposed by the AFC. In the short run, Singapore was affected by the Asian Financial Crisis as the SGD depreciated by 10%, while exports and tourism declined due to collapsing regional demand, which all hampered Singapore's growth. Singaporean banks, having lent heavily to regional firms, were left with non-performing loans, though not enough to threaten their stability. Capital flight hit the stock and property markets due to the contagion effect which led to mass panic selling, but the impact was milder compared to the rest of the region. Similarly, Indonesia's corrupt, debt-ridden financial system made it highly vulnerable to the Asian Financial Crisis, triggering a speculative attack that forced the rupiah to float — plunging from 1 USD = 2,400 to 14,500 by January 1998. A US$37 billion IMF bailout was secured, but Suharto's hesitation to implement painful reforms — including subsidy cuts — worsened inflation and equity which sparked violent riots. Efforts to restructure banks came too late, and investor confidence collapsed as the economy ground to a halt, hampering growth. With mass unrest and up to a thousand deaths in Jakarta, Suharto resigned on 21 May 1998, marking the collapse of the New Order regime. Thus, it can be seen that from both case studies, both countries were affected by the AFC, undermining the growth, nationalism, and equity that they had once achieved, making these benefits appear to be little and real and just a facade. In fact, economic change was even seen to hamper Indonesia socially and politically due to its inability to manage the AFC, showing just how destructive economic change could be.
- However, both countries were seen to recover from the AFC. In Singapore, before the Asian Financial Crisis, Singapore's tight monetary controls and large foreign reserves made it less vulnerable to speculative attacks, allowing the MAS to manage a gradual 20% depreciation of the SGD and quickly restore stability. The government lowered business costs, cut wages, and expanded fiscal spending on infrastructure and education, helping the economy maintain positive GDP growth—0.3% in 1998, rising to 8.9% by 2000, thus

being able to negate the previous negative economic growth brought on by the AFC, while reinforcing national confidence and political stability, as reflected in the 2001 elections. Similarly, Habibie's government swiftly adopted IMF recommendations, controlling inflation with tight monetary policy, ensuring food security which led to improving equity, overhauling the banking sector, and dismantling Suharto's crony networks through stricter regulations and anti-monopoly laws. These measures eased public discontent and helped Indonesia return to positive GDP growth (0.8% in 1999, rising to 4.9% in 2000). Politically, the crisis discredited authoritarianism, leading Habibie to initiate democratic reforms, loosen opposition restrictions, reduce military influence, and allow direct presidential elections, marking a major shift in Indonesia's governance. Thus, it can be seen that from both case studies, no matter how they dealt with the AFC, all countries were able to recover and negate the negative impacts of the AFC on the 3 criterion on their country, and even benefit politically and socially, showing how the AFC proved that the benefits brought on by economic change were real and considerable in the long term.

- **ChatGPT shortened: The true test of whether economic change yielded lasting benefits came during the Asian Financial Crisis (AFC). In the short term, Singapore saw the SGD depreciate by 10%, declines in exports and tourism, and non-performing loans in banks, though stability was maintained. Capital flight due to the contagion effect which led to mass panic selling affected stock and property markets, but impacts were milder than elsewhere. Indonesia, with a corrupt, debt-ridden financial system, was hit harder: the rupiah plunged from 1 USD = 2,400 to 14,500 by January 1998, triggering a US$37 billion IMF bailout. Suharto's delayed reforms worsened inflation and inequality, sparking violent riots and his resignation on 21 May 1998. Despite these setbacks, both countries recovered. Singapore managed a gradual 20% SGD depreciation, cut wages, expanded fiscal spending, and achieved GDP growth from 0.3% in 1998 to 8.9% in 2000, reinforcing political stability. Indonesia adopted IMF recommendations, controlled inflation, restructured banks, dismantled crony networks, and restored GDP growth from 0.8% in 1999 to 4.9% in 2000, while initiating democratic reforms under Habibie. Thus, while the AFC temporarily undermined growth, nationalism, and equity, the long-term recovery in both countries demonstrates that economic change delivered real and substantial benefits, politically, socially, and economically."**

2. **Causes of AFC [honestly unlikely to be needed but just in case I guess! - useful for actors questions (like their influence was bad as it led to AFC… but then was good cause govts/IMF were needed to get out of AFC) and not general economic change qns]**

- **Local Actors (Govt and Private Businesses):**
- Thailand: Thailand's government and private sector mismanagement played a major role in causing the Asian Financial Crisis. The creation of the Bangkok International Banking Facility (BIBF) in 1993 led to unchecked short-term foreign borrowing by liberalised banks and finance houses, which the government failed to monitor. Private firms and banks became excessively leveraged, with private debt tripling between 1992 and 1996, and foreign liabilities reaching 24% of all bank liabilities. Meanwhile, poor government policy—especially the decision to peg the baht to the appreciating US dollar—made Thai exports uncompetitive and deepened current account deficits of up to 8% of GDP. Weak financial oversight, speculative property investments, and a corrupt, indecisive government

ultimately triggered a collapse of confidence, massive capital flight, and the eventual crash of the Thai baht in 1997.

- Indonesia: Indonesia's financial deregulation and capital liberalisation in the 1990s occurred without proper government supervision, leading to widespread corruption and instability. Weak regulatory frameworks allowed risky and politically motivated lending, as Suharto's regime used state banks to fund projects benefiting his allies and family, many of which went unpaid. "Money politics" and connected lending replaced market discipline, creating moral hazard and encouraging reckless risk-taking, as banks expected government bailouts. The rapid proliferation of poorly managed banks—over 200 by 1996—combined with weak corporate governance and lack of transparency, deepened financial fragility. When the Asian Financial Crisis hit, Indonesia's private sector debt exceeded $60 billion—far surpassing its $24 billion in reserves—revealing the systemic failures caused by government incompetence and crony capitalism.
- **External Factors**
- **Foreign Actors:** Ultimately, it is seen that external factors is the ones who drove economic developments negatively as foreign actors were only self-interested, thus causing the Asian Financial Crisis. Foreign speculative attacks in 1997 severely undermined Southeast Asia's economic stability as self-interested speculators sought to profit from regional vulnerabilities. Observing Thailand's large current account deficit and heavy dollar-denominated debt, foreign investors anticipated a baht depreciation and began short-selling the currency. Their actions created a self-fulfilling prophecy, forcing Thailand to deplete its USD reserves to defend the currency peg-spending billions until reserves were exhausted. When the baht was finally allowed to float, its value collapsed by 60%, triggering massive capital flight as investors withdrew funds in panic. This external, profit-driven speculation not only crippled Thailand's economy but also sparked contagion across Southeast Asia, spreading the Asian Financial Crisis (AFC) throughout the region. This thus reveals clearly that external factors hindered the economic development of Southeast Asia. In dealing with this, the role of the government then became extremely pivotal in driving the country's economy out of this crisis, making their role in the country's economic development extremely important.
- FDI: As SEA economies developed and became more intertwined with global economic systems, foreign actors who would invest in the once stable and inflexible FDI started to instead invest in monetary flows and hot money. This hot money would be exchanged via the FOREX market, which then led to foreign speculative attacks. Smth liddat ig then refer back to Foreign actors cause paragraph