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A Comparative Study of Malaysian and Indonesian Economics: Socialism and Private Enterprise in Equatorial Asia

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It is hoped that the book is just the beginning of more studies on Aurobindo's works. There are yet hundreds of commentaries (*bhāyas*) that should be written to elucidate his many profound thoughts. As it is, the book under review deals with only one of the concepts in *The Life Divine*.

JUAN R. FRANCISCO

A COMPARATIVE STUDY OF MALAYSIAN AND INDONESIAN ECONOMICS

SOCIALISM AND PRIVATE ENTERPRISE IN EQUATORIAL ASIA: The Case of Malaysia and Indonesia. By Roger A. Freeman. Stanford, Calif.: The Hoover Institution on War, Revolution and Peace, Stanford University, 1968. xiv, 130 pp

"As we advance well into the second half of the United Nations' "Development Decade," disillusion about its promised world of plenty—and doubts about achieving such a world—are supplanting the earlier hope and enthusiasm. A few years ago it was expected that the gap between the major industrial powers and the less developed or backward countries would narrow substantially in the 1960's. The living standard, and the economic prospects, of the lower two-thirds of the world's population would rise in absolute as well as relative terms; increasingly, it was thought, wealth and prosperity would become more evenly spread.

"This has not happened. To be sure, production and income are rising in most countries, but the rate of progress in many is far slower than that planned...." p. v.

In an effort to discover why it has not happened, Roger Freeman made a comparative study of Malaysia and Indonesia, "two comparable nations with more or less similar natural conditions, one of which has followed free enterprise and the other the path of socialism" (p. ix). His findings and conclusions are outlined in this book. His general conclusion is:

"...the fact that capitalistic Malaysia has succeeded and socialistic Indonesia has failed, cannot be attributed simply to coincidence, accident, or luck. Policy played a major role. This does *not* necessarily mean that Indonesia would now be prospering had it adhered to capitalism or that Malaysia

would be in misery had it chosen socialism, though this might well have been the outcome. Other factors, known and unknown, may have affected the results significantly and do bear part of the responsibility" (pp. x-xi).

It is the study of these "other factors" which make this short work very stimulating.

Other than their economic policy, perhaps the most significant difference between Malaysia and Indonesia is the composition of their labor forces. Malaysia's labor force is more highly skilled than Indonesia's. In both countries, managerial and technical skills are found mainly among the non-Malay segment of the population. In Malaysia, this segment was more than half the total population, whereas in Indonesia it was less than five percent.

Indonesia's failure in its experimentation with socialism has helped it realize the poverty of its manpower potential. To remedy this defect, Indonesia has been encouraging the return of private enterprise to its shores.

Malaysia, on the other hand, has succeeded in its venture with capitalism, because by means of this policy it gave the non-Malay segment of the population a sense of belonging to the new nation. However, this is no guarantee that Malaysia will adhere to that policy. Centralized economic planning functions best when the necessary skills are available and a high level of willingness to cooperate is present. It could well happen that when the Malaysian government feels that it has these two requirements, it will take upon itself the responsibility for more direction and control of the economy.

Students of economic development and policy will find this short work provocative.

R. EUGENE MORAN

A "NON-BOOK" ON THE PHILIPPINES

SIX PERSPECTIVES ON THE PHILIPPINES. Edited by George M. Guthrie. Manila: Bookmark, Inc., 1968. x, 279 pp.

We must be candid: this is not a first-class book, and its publication must be considered a mistake.

The original intention was good. When the Peace Corps was organized in 1961, it was necessary to give the prospective emissaries to the Philippines some introductory notions concerning the country to which they were going. Accordingly, the "area study" program was