

## BUILDING INSTITUTIONS

AEI began its institution building journey as part of the ASEM initiative in 1997 with the establishment of the Asia-Europe Centre at the University of Malaya, popularly known by its Malay acronym PASERO. That year marked the beginning of collaborative relationship and networking between the European Commission, AEI-UM and Malaysia's Ministry of Education through the introduction of the University of Malaya European Studies programme (UMESP). Through UMESP organized by a consortium of European universities comprising Universidad Autonoma de Madrid (Spain), Universita Commerciale Luigi Bocconi (Italy) and Karl Franzens of Gratz (Austria), AEI began its initial steps in international partnership and curriculum development which led to the design and implementation of three pioneer programmes, the International Masters in Regional Integration (IMRI) International Masters in Information Management (IMIM) and International Masters in Small and Medium Enterprise (IMSMEs). The first two masters were launched in October 2002. Guided by the Asia-Europe Vision Group Declaration on Education, the ASEM scholarship was established and an international teaching faculty was selected as ASEM Visiting Professors at AEI. These early strategic alliances with partner universities led to the award of joint and double degrees.

AEI is now almost as old as the ASEM process itself. The first Asia-Europe Meeting was held in Bangkok in 1996 as an informal platform for dialogue and cooperation for addressing political, economic and cultural issues. AEI is part of the ASEM history, and in almost a decade has moved from a centre to a mature academic institution engaging in teaching and research, exchange of faculty, students, conferences and cultural activities. Early pioneers include, Shaharil Talib, the Executive Director, Thierry Rommel, the then Counsellor for the European Union, Corrado Molteni the European



Studies Programme European coordinator, Giovanni Capannelli, UMESP Fellow-in-Residence, the International Masters programme coordinators Fernando Rodrigo, Tony Bryant and the all too colourful AEI consultant Din Merican. Great leaders like great ideas require great institutional support to be successful. These pioneers were supported by a small group of dedicated staff. Noeline, En. Ismail, Juriah, Hidayat and Encik Ibrahim deserve mention, particularly for rising to the constant challenge of a new and unfamiliar organizational culture that was emerging. Little people do contribute to the rise of giants. Their drive, passion, commitment and compassion combined with plenty of good will ensured that the seeds of collaboration were sown.

Since its upgrading to an Institute in 2000, AEI provided a fertile ground for many from Europe and Asia to interact and exchange ideas. Ministers, diplomats, professors, students, interns and cultural enthusiasts were able to reap the fruits of this pioneering effort. Many more talented academics and administrators have joined the AEI family. Five years on, the key players have also changed. Many have moved on to fulfill the callings of their destiny. Yet another change took place in August this year. A change that saw the departure of Prof. Shaharil Talib, the Executive Director of AEI, the person responsible for its establishment, to take up a new appointment at the Attorney General's office. His vision, leadership, creativity and relentless energy has placed AEI where it is today.

Like any young institution AEI had to confront change and challenges. Nonetheless, it is set to continue to fulfill its ASEM mandate within the Social, Cultural and Intellectual pillar of ASEM, more specifically under the framework for developing Asia-Europe Education co-operation. This mandate as envisioned by our former Prime Minister Dato' Seri Dr. Mahathir Mohamad, is to reverse the flow of Asian students seeking education in

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*\*Apologies for the late publication of this quarter's issue due to an editorial delay*

Europe and seeking to increase the number of European students studying in Asian universities. He proposed the setting up an Asia-Europe University to fulfill this mission. Underlying his commitment is the conviction that immersion in Asia through education will provide the opportunity to help European students to overcome the cultural gap and understand Asians and their ways better.

An institution mandated to undertake such an enormous task requires the support of all ASEM governments and partner institutions. In this respect, the importance of financial sustainability and human resource capacity is crucial. A lot of progress has been made in developing Europe-Asia education co-operation under the third ASEM pillar. The establishment of ASEF, the ASEM Education Hubs, ASEM Duo and the extension of the Erasmus Mundus to Asia benefited from the funding support of ASEM partners and the European Commission.

While self financing should be the final objective, until such capabilities are developed each ASEM entity will continue to require financial and human resource support essential for capacity building. To date, AEI is fully funded by the Malaysian government. Nonetheless, the ASEAN-EU Rector's conference held at AEI in October 2004 suggested follow-up initiatives in key areas of ASEAN-EU higher education co-operation, particularly in terms of enhancing and creative employment of EC funding tools. This suggestion is welcome, especially as effort is underway to formalize the establishment of the Asia-Europe University in 2006. Towards this objective, the Ministry of Foreign Affairs, Government of Malaysia, the Ministry of Education and the University of Malaya will jointly organize a two-day International Conference on the theme "Towards Asia-Europe University" early next year. The conference will serve as a platform to discuss the feasibility and to set the agenda for the establishment of an Asia-Europe University under the terms of reference of the ASEM process.

In the meantime, AEI will continue its onward journey towards institution building by seizing yet another moment of change to review the relevance of our programmes, and to define the way forward. Collaborative frameworks and strategic alliances are being strengthened in order to more effectively promote intellectual exchange through teaching, research and curricula design and realizing the commitment to partnership of equals. Year 2006 will see the launch of another master programme, the International Masters in ASEAN Studies, a collaborative project with the ASEAN University Network (AUN). Yet another International Masters in Technology and Innovation Policy designed in collaboration with the University of Rome is awaiting approval by the University of Malaya Senate. At the same time AEI is strengthening four inter-disciplinary research pillars that will drive teaching as well as serve as mechanisms for collaboration with industry and private institutions. The Four pillars are: (i) Globalisation, Regional Integration and Development; (ii) Inter-culturalism and Community Development; (iii) Sustainability, Governance and Social Change and; (iv) Business Networks, Knowledge Management and Competitiveness. Thematic to these research pillars is an integrated inter-disciplinary perspective that will ensure better linkages between problems solving in society and academic disciplines. Besides these four pillars, the ASEM initiative on Life Long Learning (LLL) anchored at AEI since May 2002 will be moving forward with the SINCERE project set to begin sometime next year.

In other words an "Asia-Europe University programme" that is in line with the calls of ASEM summits since 1996 to "foster exchanges of students and scholars with a view to developing better understanding of the cultures, histories and business practices" has begun at AEI. The space is set to further fulfill the calling of the Asia-Europe Vision Group for a comprehensive partnership in educational exchange. ■



## Commencement of the International Masters Programme for the Academic Year 2005–2006



6<sup>th</sup> September, 2005 was yet again another important date in the Asia-Europe Institute's calendar as it marked the commencement of the fourth academic year of the International Masters in Regional Integration programme. Students from various parts of Asia and Africa converged at this Institute for the exchange of ideas and knowledge.

The welcoming ceremony and the induction was done in a simple but meaningful way. The event started with the Institute's Acting Executive Director, Associate Professor Dr. Shamsulbahriah Ku Ahmad giving her speech to welcome the students by introducing them to the lecturers, administrative staff and available facilities. There after the students were taken for a brief tour of the University by AEI's lecturer Nur Rafeeda Daut and International Office staff Faridah Salim. Among other things they were briefed on the available facilities on site, including the main library, medical clinics, chancellery, cafeterias, gymnasiums and others.

In her welcome address Associate Professor Dr. Shamsulbahriah Ku Ahmad shared with the students her thoughts on what they will go through in the Institute and what to expect. There will be moments of sheer delight and at other times of absolute anguish and utter despair. The Acting Executive Director also assured the students that there will be a pool of

academicians who will be assisting them in whatever trials and challenges they experience. She also advised the students to look upon their experience of university life "as a journey."

More than the classroom it is life outside the classroom that is going to make the difference. They were reminded that they have come to one of the best universities in the region. Further in his introduction the Senior Research Fellow of the Institute, Gareth A. Richards talked briefly on the international stature of the University and the cultural background and the diversities of the people they will be interacting with in campus and on the streets.

On this note the guests and students adjourned for a short coffee break at which networking and handshakes showed promises of a year of global citizenship here in the Asia-Europe Institute. This year's students come from Thailand, Cambodia, Myanmar, Korea, Indonesia, Laos, Vietnam, Sri Lanka, Nigeria and Malaysia. ■

## For the 2006-2007 Academic Session

# International Masters Programme in ASEAN Studies (IMAS)

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### Studying at Asia-Europe Institute

The Asia-Europe Institute offers a range of International Masters degree programmes tailored to the academic background and career needs of students. These programmes offer a number of unique characteristics that will appeal to students from Asia, Europe and the rest of the world.

- *Partnership:* The programme has been established in collaboration with leading institutions in Europe
- *International Teaching:* The programme is taught jointly by AEI's academic staff and Visiting Professors, all of whom have global reputations. This ensures outstanding pedagogical practice and research insights
- *International Students:* The programmes reflect the truly international character of AEI's postgraduate student community
- *Financial Support:* As part of its commitment to developing a truly global learning experience, the AEI offers financial support to deserving applicants on the basis of both outstanding academic achievement and appropriate personal and leadership qualities

The International Masters programmes run for one academic year, full-time, commencing in September 2005.

### Description

This International Masters programme in ASEAN Studies provides an advanced level of understanding of the political, economic, social and cultural forces which shape ASEAN as well as the attendant policy process in a range of issue areas. It does so through a consideration of four aspects of ASEAN. (1) To offer an analysis of the historical, social and cultural forces that have shaped Southeast Asia as a macro-region in the world order. (2) To consider the contested nature of theoretical concepts—how the same basic categories are understood in partially different ways in competing theoretical approaches to regionalism and regionalisation, and how some concepts belong more to some theories than to others. (3) To assess the institutional arrangements, changing policy agenda and governance issues of ASEAN in the contemporary period. (4) To compare the key characteristics of ASEAN with analogous developments in regional associations elsewhere in the world.

### Aims and Objectives

The course aims to critically assess the significance of ASEAN as a regional project in terms of theoretical, conceptual and empirical debates from a range of social science disciplines. On completion of this programme, students should have

- Arrived at an informed understanding of the conceptual frameworks that can be applied to ASEAN.
- Acquired knowledge of the context, institutional framework, issue agenda and governance mechanisms of ASEAN.
- Enhanced professional competency by importing relevant analytical techniques and methods.
- Compared and evaluated ASEAN in the context of other regional and global developments.
- Developed key analytical, interpretative, written and oral presentational, and practitioner skills.

### Structure

The programme requires students to undertake a total of 13 academic courses, an internship and write a project paper, amounting to a total of 48 credits. The requirements are categorised in the following six study domains:

<b>Programme Core Courses</b> <ul style="list-style-type: none"> <li>• History, Society and Culture in Southeast Asia</li> <li>• Theories of Regionalisation and Regionalism: The Case of ASEAN</li> <li>• The Developing Economies of ASEAN</li> <li>• ASEAN and Regional Governance I: Institutional and Legal Frameworks</li> <li>• ASEAN and Regional Governance II: Issue Areas and Policy Agendas</li> <li>• Comparative Regionalisms</li> </ul>	<b>AEI Core Courses</b> <ul style="list-style-type: none"> <li>• Globalisation and Regional Integration</li> <li>• Research Methods and Data Analysis for Social Scientists</li> <li>• Political Economy of Asia-Europe Relations</li> <li>• Business Networks and SMEs</li> </ul>	<b>Cross-Programme Courses</b> <ul style="list-style-type: none"> <li>• Two courses drawn from other International Masters programmes</li> </ul>
		<b>UM Elective Course</b> <ul style="list-style-type: none"> <li>• One course drawn from a selection of courses offered by University of Malaya</li> </ul>
		<b>Internship</b> <ul style="list-style-type: none"> <li>• One-month duration</li> </ul>
		<b>Project Paper</b>

\* These courses are subject to change

### Target Students

This programme is designed for students for whom an MA will be a prelude to careers in fields related to business, international, regional, government and non-governmental organisations, or any career where advanced knowledge of ASEAN, regional integration and globalisation coupled with an advanced capacity to communicate effectively will be an advantage. It will appeal particularly to those with an interest in historical, cultural, political and economic aspects of regional integration.

### Entry Requirements

The following are the basic entry requirements for the programme:

- Applicants should hold a good first degree or an equivalent qualification in a relevant discipline from an approved university *or*
- Possess a professional qualification from a recognised professional body *or*
- Other qualifications approved by the University of Malaya Senate from time to time

For international candidates whose degree is from a university where the medium of instruction is not English, a minimum score in one of the standard language tests is required:

- TOEFL test (paper-based) – 550 or more
- TOEFL test (computer based) – 230 or more
- IELTS test – score of Band 5 or more

### Malay Language Requirement

All higher degree candidates are required to attend and pass the Malay Language course which is a requirement for the award of the higher degree

### How to Apply

Please note: it is important that you read through relevant programme description before you begin to assemble your application. Further details on the application process can be obtained by consulting the AEI's web page at:

[http://www.asia-europe-institute.org/International-Master-Program/IMRI/RI\\_program.htm](http://www.asia-europe-institute.org/International-Master-Program/IMRI/RI_program.htm)

# Historical GDP Estimates of Singapore, 1900-1939 and 1950-1960: Progress and Perspectives

By ICHIRO SUGIMOTO\*, *AEI Senior Research Assistant*

The study of long-term economic growth of Singapore has been hampered by the absence of a long series on national accounts statistics prior to 1960. This explains why the existing literature on the economic history of Singapore has been confined to limited areas of study. To fill this existing research gap, an attempt was made to provide first cut estimates of Gross Domestic Product (GDP) of Singapore for the periods 1900-1939 and 1950-1960 in both current and constant prices<sup>1</sup>. This paper briefly describes the methodologies employed in constructing the series on private final consumption expenditure, government final consumption expenditure, gross capital formation and net exports of goods and services in both current and constant prices.

## 1. Private Final Consumption Expenditure by Resident Households (PFCE)

Presently, household budget surveys and commodity flow tables are widely utilized for the computation of PFCE. However, these approaches could not be employed due to the paucity of data. Consequently, alternative techniques had to be utilized in arriving at these estimates. Two distinctive approaches were employed, viz. the direct and indirect approaches. In the direct approach, data on consumption expenditure of opium, education, medical fees, utilities (gas, water supply and electricity) and railway passenger transport were gathered independently from various official sources. The indirect approach involved the estimate of PFCE on food, beverages and tobacco, clothing, rent, domestic servants and transport. Summing up the expenditures derived from these two approaches provides us the PFCE in current and constant prices. The indirect approach estimates involved a number of steps, labeled (1) through (10) as can be seen in Figure 1. In reality, considerable differences in consumption levels and expenditure patterns exist among the various ethnic groups and between households in

different income/occupational classes. To this end, the consumption patterns were classified into six consumption standards (Step 1 of Fig. 1). Subsequently, the current per capita consumption expenditure of each major object of consumption for the base year was identified for each standard (Step 2 of Fig. 1). These figures were then deflated by the consumer price indices of each major object of consumption to obtain the expenditure in constant prices (Steps 3-4 of Fig. 1). Real per capita consumption expenditure of each major object of consumption for each standard was then adjusted for other years based on the changes in real income over time taking into account the income elasticities of demand by each major object of consumption. The income elasticities of demand of 0.7 for food, 1.0 for beverages and tobacco, clothing, domestic servants and transport (excluding railway passenger transport) and 0.8 for rent were then applied. (Steps 5-7 of Fig. 1). Real per capita expenditure of each standard on each major object of consumption for the period 1900-1939 was then multiplied by population of each standard for each reference year. (Steps 8-9 of Fig. 1). The derived figures were then inflated by the respective price indices of each major object of consumption to arrive at the PFCE in current prices (Step 10 of Fig. 1). In addition, miscellaneous expenditure which included among others furniture, household equipment, etc, was taken to be 10.0% of PFCE of the indirect components in current prices. PFCE in the domestic market was then derived by aggregating the figures of the direct components, indirect components and miscellaneous items of expenditure. In order to obtain PFCE of resident households, adjustments had to be made for overseas consumption of resident households and the consumption made by non resident households in the domestic market.

## 2. Government Final Consumption Expenditure (GFCE)

GFCE was derived by deducting from the government output, the sales of other goods and services produced by the producers of government services. Output of producers of government services was computed by summing up the compensation of employees (personal emoluments), the intermediate consumption of goods and services and the depreciation allowances of all producers of government services. These estimates included the output of Municipality, Rural Boards, Education and Hospital Boards. GFCE was then arrived by deducting from the government output, the sales of other goods and services produced by the producers of government services (including school fees and hospital fees).

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<sup>1</sup>No estimates for the 1940s were made due to the dearth of data. The first national income estimates of Singapore were constructed for the year 1956 by Frederick Benham. Subsequently, official compilation of national accounts commenced in 1960.



**Figure 1**  
**Flow Chart for the Construction of PFCE**

Direct Approach (Current Prices) (Straits \$)										
1. Opium 2. Education 3. Medical Services 4. Utilities 5. Rail Transport (Passenger)										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(7) x (8)	(10)
Indirect Approach	Population by Standards	Per-capita Consumption Expenditure by Major Objects of Consumption and Standards in Current Prices (Straits \$)	Price Indices by Major Object of Consumption (1914=100)	Per-capita Final Consumption Expenditure by Major Objects of Consumption and Standards in 1914 Prices (Straits \$)	Movements of Real Wage Indices 1900-1939	Income Elasticity of Demand by Major Objects of Consumption and Standards (Food =0.7) (Beverage and Tobacco =1.0) (Clothing =1.0) (Rent = 0.8) (Transport =1.0) (Servant =1.0) (Club 1.0)	Per capita Private Final Consumption Expenditure by Major Objects of Consumption and Standards in 1914 prices for each reference year (Straits \$)	Population Numbers by Standards	Private Final Consumption Expenditure by Major Objects of Consumption and Standards in 1914 prices for each reference year (Straits \$)	Inflate by Price Indices by Major Object of Consumption (1914=100)
1. Food and Groceries										Private Final Consumption Expenditure in Domestic Market in Current Prices (Straits \$)
2. Beverages and Tobacco										
3. Clothing										
4. Rent										
5. Domestic Servants (Asiatic and Eurasian Clericals and Europeans only)	Malay Labour Standard	1936		1936		1900-1939 Series		Malay Labour Standard		
6. Transport other than rail (Asiatic and Eurasian Clericals and Europeans only)	Chinese Labour Standard	1936		1936		1900-1939 Series		Chinese Labour Standard		
7. Clubs (Europeans only)	Indian Labour Standard	1933		1933		1900-1939 Series		Indian Labour Standard		
	Asiatic Clericals Standard	1930		1930		1900-1939 Series		Asiatic Clerical Standard		
	Eurasian Clericals Standard	1930		1930		1900-1939 Series		Eurasian Clerical Standard		
	European Standard	1930		1930		1900-1939 Series		European Standard		

Miscellaneous

### 3. Gross Capital Formation (GCF)

GCF consists of outlays on additions to the fixed assets of the economy plus net changes in the level of inventories. This estimate includes cultivated assets, machinery and equipment and construction. Inventories include stocks of goods held by producers to meet temporary or unexpected fluctuations in production or sales, and work in progress other than construction.

#### 3.1. Cultivated Assets

In preparing the estimates, only rubber and coconut were selected since other perennial crops were found to be negligible. All expenses sunk into perennial crops prior to their reaching maturity / bearing age were treated as part and parcel of capital expenditure. Three types of information were utilized for the above computation, namely, newly planted acreage for each year, number of years it takes for the crop to reach maturity / bearing age and annual cost per acre of bringing the crop into production. As is shown in Appendix 1, the yearly estimates of expenditure in cultivated assets at different years of maturity were derived by multiplying the total

immature acreage with the corresponding base year estimates of cost of investment per acre at different stages of maturity. These yearly estimates were then aggregated to arrive at the yearly estimates of real capital expenditure. Total real investment in cultivated assets was then inflated by the nominal rubber tapper's earnings indices to arrive at current market prices.

#### 3.2. Construction

No survey was carried out during the study period to estimate construction output. In view of this, total construction output was estimated based on the supply of a few basic materials used in construction, such as cement, sawn timber, mild steel bars and rods, bricks, etc. The first construction survey in 1972 provided data on the input value of cement to total output. Our estimates were constructed based on an input-output approach. Total construction output that went into fixed capital formation was then derived by deducting from total output of construction, the expenditures on repairs and maintenance.

3.3. Machinery and Equipment (M&E)

It was assumed that the M&E produced locally during the period was negligible. This meant that total net imports of M&E valued at market prices was equivalent to total supply of M&E. Net imports of M&E at cif values were obtained from official trade statistics and data for the missing years were estimated by interpolation and extrapolation. No commodity taxes were levied against M&E which meant that the cif (basic) and producers' values were identical. Trade and transport margins of 15% and 2% respectively were added to producers' value to arrive at market prices. The fixed capital formation of M&E was then derived by deducting from the total supply of M&E in market prices that portion of M&E that was assigned for intermediate consumption and private final consumption expenditure.

3.4. Change in Inventories

Inventory as defined in SNA68, consists largely of raw materials and supplies, finished or partly finished products awaiting sale and unpaid work in progress on assets which take a long time to produce. No official data on inventories was available throughout the period. However, it was noted from the official figures for the period 1960-1965 the contribution of change in inventories to GDP were

in the range of 0% to 2% in current prices. Based on the fluctuations of the main components of GDP in the study period, estimates in change in inventories were made.

4. Net Exports of Goods and Services

Trade figures recorded during the British colonial period provided data on imports and exports of goods which crossed the customs frontier. Since we were not able to identify the ownership of these goods, data in this series do not provide separate data for exports and imports of goods. Therefore, only data on net exports of goods were presented in order to overcome this inability to identify ownership of goods. Data on merchandize imports and exports of Singapore were available for the period 1900-1927. For the period 1928-1939 and 1950-1960, W.G. Huff's estimates were utilized. Estimates for exports and imports of services were captured in this estimate by using port and other related statistics.

5. Deflators

Real GDP figures were arrived at by deflating each component of aggregate demand in current prices by various deflators in 1914 prices for the period 1900-1939 and 1950-1960. Appendix 2 portrays the various deflators used in the deflation process. ■

Appendix 1: Method of Calculating Investment on Rubber Planting at Current Prices

		1910	1911	1912	1913	1914	1915	1916
Newly Planted Acreage for 1910	[1]	10	10	10	10	10	10	
Cost per acre (1911 prices)	[2]	50	20	20	20	20	20	
Value	[A]=[1]x[2]	500	200	200	200	200	200	
Newly Planted Acreage for 1911	[3]		30	30	30	30	30	30
Cost per acre (1911 prices)	[4]		50	20	20	20	20	20
Value	[B]=[3]x[4]		1500	600	600	600	600	600
Investment (1911 prices)	[C]=[A]+[B]	500	1700	800	800	800	800	600
Rubber Tappers Indices (1911 prices)	[D]	90	100	110	120	130	140	150
Investment (Current Prices)	[E]=[C]x[D]/100	450	1,700	880	960	1,040	1,120	900
Rubber Tappers Indices (1914 prices)	[F]	69	77	85	92	100	108	115
Investment (1914 Prices)	[G]=[E]/[F]*100	652	2,208	1,035	1,043	1,040	1,037	783

Appendix 2: Summary of Deflators Used

GDP Components	Method Applied / Deflators
Private Final Consumption Expenditure	Consumer Price Indices for each major object of consumption
Government Final Consumption Expenditure	
Government Output	
Compensation of Employees	Real Wage Indices
Intermediate Consumption	Consumer Price Indices
Sales of Government Services	Consumer Price Indices
Gross Capital Formation	
Cultivated Assets	Indian Rubber Tapper's Wage Indices
Construction	Import Unit Value Indices of Cement
Machinery and Equipment	UK Indices of Machinery and Plant
Changes in Stock	Import Unit Value Indices
Exports of Goods and Services	
Merchandize	Export Unit Value Indices
Port (goods and services)	UK Weighted Indices for Fuel and Light, Transport, Communication and Other Services
Non-residents consumption in domestic market	Consumer Price Indices
Imports of Goods and Services	
Merchandize	Import Unit Value Indices



# Historical National Accounts and Population of Pre-Independence Malaya

## A Brief Background of the Study and the Project Status

### I. Historical National Accounts of Pre-Independence

#### Malaya

AEI is home to the only project of its kind in Malaysia that seeks to constitute a historical statistical database for national accounting in Peninsular Malaya, from 1900 to 1939. The present and the future are best understood through the prism of the past. The positive ramifications of the historical statistical database are many. Economic history provides context to many elements of the Social Sciences. This unique project is a painstaking process of constructing a database by scouring a myriad of sources and then refining the data culled through rigorous introspection. The data is interrogated at a variety of levels and through various disciplines.

In the postcolonial construction of colonial history, economic history is an area given little attention in Southeast-Asia. In comparison with the USA and the industrialized societies of Europe, there is a dearth of efforts in the compilation of the GDP and National Income and Product Account for the earlier years of the 20<sup>th</sup> century. These areas of epistemology are relevant and significant for their importance in gauging economic performance and economic welfare. Nevertheless, there is relatively little effort invested in the construction of such statistics in Southeast-Asia. Within Asia, Japan is considered the first country to venture into this area of research.

AEI has embarked on a research programme to promote the advancement of the knowledge about the economic history of Southeast Asia, with a current emphasis on Peninsular Malaysia and Singapore. This research project involves the creation of databases that are enabled through laborious search of historical documents. It is envisaged that with the creation of such databases, understanding the long-term developments of Southeast Asian economies – in this instance, the Malaysian economy – will be enhanced.

Examples of the databases which have been created to-date include foreign trade statistics, price statistics (consumer price indices, export/import unit value indices), wage indices, population statistics and other statistics needed for the construction of the Gross Domestic Product series.

#### The Project Status

- The compilation of a database of colonial records obtained from major sources such as the Malaysian National Archives, Public Records Office, Kew Gardens, the British Library, the New York Public Library and other specialized libraries have been procured for our use.
- A preliminary database to assist in the construction of the aggregate demand components of the GDP has been created.
- A preliminary version of GDP estimates from 1900 – 1939 in real and current terms, using the expenditure approach has

been completed. These estimates were presented in Buenos Aires, Argentina, at a Conference of Economic Historians in July 2002.

- Consultations and workshops with prominent world economic historians on the preliminary GDP estimates are ongoing so as to refine these figures.
- The re-conciliation of GDP estimates at sectoral level based on the production approach and the expenditure approach will commence as soon as the preliminary estimates based on the production approach are derived.
- Documentation and finalization of the preliminary GDP series are currently underway.

### II. Historical Malaysian Population Series

Officially published population figures for Malaysia as an entity were only available from the year 1960. Prior to 1960, the population figures were mainly available from the population censuses conducted at various time intervals (usually on a decennial basis) for the constituent political entities that now constitute Malaysia. Population censuses in Malaya prior to 1960 were conducted in 1901 (excluding the Unfederated Malay States), 1911, 1921, 1931, 1947 and 1957; North Borneo (including Labuan) in 1901, 1911, 1921, 1931 and 1951, and Sarawak in 1947. Annual population estimates prior to 1960 were generally non-existent and even when they were available for the few years their quality was suspect.

The research study to obtain annual population estimates of Malaysia involved making separate estimates for the three political entities that now constitute Malaysia, that is, Malaya (or Peninsular Malaysia), North Borneo (or Sabah) including Labuan and Sarawak and subsequently summing these estimates to obtain the annual estimates for the country as a whole. The status of this research study at the present moment is one where preliminary annual population estimates for Malaysia for the period for which no official figures were available has been completed and needs further scrutiny.

#### Leading the Hub

H.R.H. Raja Dr. Nazrin Shah is the Crown Prince of the State of Perak, and Pro-Chancellor of the University of Malaya assisted by the Executive Director of the Asia Europe Institute, University of Malaya, Malaysia.

#### Working Group Members

Gnasegarah Kandaiya, retired Deputy Chief Statistician, Department of Statistics Malaysia in 1996, Associate Professor Dr. Tan Eu Chye from the Department of Analytical Economics, Faculty of Economics and Administration, University of Malaya and Harbans Singh, retired Director of the Research and Development Division, Department of Statistics Malaysia in 2003. ■

## **An AEI Research Project: Multiracial, Multireligious Malaysia and Living Together Beyond May 13, 1969**

In situations of ethnic and religious conflict, most research focuses on the actual conflict, the actors, the triggers and the outcomes. However, as is evident in many conflicts around the world, not all of a country blows up into violence – for the same triggers, there are many if not more towns, communities and regions which maintain peace despite violence elsewhere. Therefore one can conclude that ordinary people have developed innate peace-keeping capacities and the ability to overcome rumour, fear and bigotry. The same holds true for what happened during and after May 13 1969 in Malaysia, the most highlighted episode of racial tension and riots in the country.

Associate Professor Dr. Patricia Martinez who is a Senior Research Fellow at AEI, was invited in mid 2004 to collaborate in a multi-nation project that investigates these questions about peace-keeping structures and capacities in some nations that have experienced ethnic and/or religious conflicts – Indonesia, Malaysia, Sri Lanka and Nigeria. The leader of the project is Professor Ashutosh Varshney of the University of Michigan, whose book *Ethnic Conflict and Civic Life: Hindus and Muslims in India* (Yale University Press, 2002 and 2003) is a seminal text which has won many accolades and awards. He is considered one of the world’s foremost experts on ethnic and religious conflict and peace. “It is great collaborating with him, he is both sincere and generous” said Dr. Martinez.

In Malaysia, the project investigates May 13 1969, with a focus on Kuala Lumpur, Penang, and Ipoh. “It is a challenge to mine memory,” said Dr. Martinez, “but as a Malaysian I also believe that enabling us to understand better what happened, and most of all, why the May 13 episode wasn’t worse than it was, is a significant contribution to evolving peace in our country where racial and religious differences impact every aspect of public life.” She added that the project’s surveys and interviews not only enquire about May 13 1969, but also ask respondents about current issues, including how they define their racial and religious identity, and what they think contributes to problems and peace. “In the sections on the contemporary situation, the focus is as much on religious as it is on our racial differences,” she stated. Dr. Martinez said that Malaysians have developed the skills and abilities to live together, yet our peace is usually attributed only to laws and policies. Earlier this year, when Dr. Martinez spoke before the Select Parliamentary Committee on National Unity (which is headed by Y.B. Datuk Dr. Maximus Ongkili, Minister in the Prime Minister’s Department), she elaborated on this perspective. “Too much focus is only on the problems, such as racial and religious polarization”, she said, adding that “while investigating the problems is vital, existing capabilities and skills for living in harmony are taken for granted and rarely investigated.” ■

# GLOBALISING INEQUALITY

the "centrifugal" and "centripetal"  
forces at work



**Gabriel Palma**

Cambridge University, UK

"[...] unto every one that hath shall be given,  
and he shall have abundance;  
but from him that hath not shall be taken away,  
even that which he hath"

Matthew 25: 29

Probably the best way to summarise the main stylised fact of national inequality in the era of globalisation -- a generalised increased in inequality -- is by using the 'prediction' found in Matthew's Gospel (quoted above). This is not exactly what Samuelson predicted when he developed his trade-related factor-price-equalisation theorem in the 1960s. For him, an increase in trade should have positive effects on both international and national distribution of income; this would happen because export expansion should increase the relative income of the (cheap) abundant factor and reduce that of the



(expensive) scarce factor in each country. Forty years after Samuelson's prediction, the issues addressed by him are still some of the most debated hypotheses in the globalisation debate on the effects that the globalisation-induced increase in trade would have on national and international income distribution and factor movements. In fact, of all Samuelson's economic hypotheses, there is probably none that influences US foreign policy today as much as the one that postulates that an increased level of trade between two countries should reduce the incentive for labour to move across frontiers.

**Gabriel Palma** is one of the world's foremost development economists. Originally from Chile his academic career took him to the United Kingdom and he has been based at the Faculty of Economics and Politics, Cambridge University since 1981. Dr Palma's research has focused both on theoretical issues of development – he has been a leading contributor to debates about radical development theories – and on the practical policy issues of industrialisation and finance. He has published very widely indeed and has three books in press: *Growth and Structure of the Chilean Manufacturing Industry from 1830 to 1935: Origins and Development of a Process of industrialisation in an Export Economy*, Oxford University Press; *Radical Theories of Development: a critical reappraisal*, Academic Press; and, as editor with G. Harcourt, *Richard Kahn's Contribution to Political Economy*, Palgrave. Gabriel Palma is a Visiting Professor at the Asia-Europe Institute, teaching on the International Masters programme in Regional Integration.

**Wednesday, 21 September 2005, 5.00 p.m. - 6.30 p.m.**

ASEM Room, Asia-Europe Institute, University of Malaya

# The Responsibility to Protect and the UN Reform



**Carlos Espósito**

**Autonomous University of Madrid, Spain**

One of the few significant outcomes of the UN Summit of States which took place at New York on September 14-15, was the embracement of the responsibility to protect vulnerable populations from genocide or other crimes of similar gravity. In this seminar, the key discussion will be on the conditions under which the responsibility to protect may apply; whether it is a right or an obligation; who can or should decide on its use, and according to which criteria of



legitimacy. The speaker will sustain that the application of the responsibility to protect should be limited to extreme cases such as genocide and other comparable crimes and that the criteria proposed by the Secretary-General in his report "In larger freedom" are useful in determining the legitimacy of an action of this kind, and are particularly important in promoting accountability amongst agents which have the authority to adopt these types of decisions.



**Carlos Espósito** teaches International Law and European Union Law at the Autonomous University of Madrid, Spain. He has been Visiting Profesor of Law at the Law School of the University of California, Berkeley, and has lectured in several universities in South America, Europe, and also in previous AEI masters courses. Carlos Espósito has been Deputy-Head of the International Law Department of the Spanish Ministry of Foreign Affairs (2001-2004). He has published three books and numerous articles in international law journals.

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**Thursday, 20 October 2005, 2.30 p.m. - 4.30 p.m.**

ASEM Room, Asia-Europe Institute, University of Malaya



# Interviews

By ASOKKUMAR, AEI Senior Research Assistant



**Sittha Lertphaiboonsiri** from Thailand is following the International Masters Degree Programme in Regional Integration (IMRI) in the 2005/2006 academic session.

**Q:** You were one of the first to arrive at AEI for this academic session. Could you tell us briefly about yourself?

**Sittha:** I come from Thailand, graduated in the year 2004 from Thammasat University, Bangkok. My first degree is in the field of South East Asian Studies, more like a regional grouping of ASEAN countries study. After my graduation, I started working for Professor Chanwit Kasetsiri from the same university in a project funded by the Rockefeller Foundation. This project is commissioned by the “South-East Asian Studies Regional Exchange Programme (SEASREP)”.

**Q:** Have you been to Malaysia before? What are your impressions of the country?

**Sittha:** I have been to Malaysia in my student days and after. I like this country for its cultural diversity. The three major races can live together and that is very enriching. This also gives a sense of reassuring that peace can be achieved in any part of the world if government plans can be implemented with a foresight or vision.

Besides the environment is another matter to be proud of in Malaysia. Back in Thailand the environmental degradation has reached an alarming stage. This was contributed by a larger population in Thailand hungry for land to develop for economic reasons. It is very reassuring to look at the jungles in Malaysia.

**Q:** What was your view on living in Malaysia prior to your arrival and how that has changed since you arrived?

**Sittha:** I was very sceptical how this diverse society can live together and that was a worry although I have traveled in this country. Even initially at AEI, I noticed it is a very cosmopolitan crowd and back in Thailand, I just need to deal with one race—the Thais.

After arriving here and dealing with a different set of people I realize that this too is possible. Diversity brings out a different kind of strength from different levels of people in a multi-racial and multi cultural society.

**Q:** What made you to choose AEI as your choice to pursue your Master’s degree?

**Sittha:** My first degree is from Thailand and I always wanted to study in a foreign land. Malaysia was an ideal place and the International Masters programme offered by AEI in Regional Integration coincides with my interest in area studies. This master’s programme suits my interest to know more about the commonalities that exist among ASEAN countries for

integrating them as a strong regional grouping for the common good.

AEI is very international in its set-up and the facilities for teaching and learning are very good. The environment is very conducive for research and the wireless internet connection is really an added advantage that we rarely see in Thailand. The mixed group of people in UM in general is very enriching both for academic reasons and networking.

**Q:** What in your opinion is the distinguishing feature of the International Masters degree programmes in the way they are taught, structured etc, as compared with your previous academic programmes.

**Sittha:** Firstly, the courses are being taught in English. That gives me an opportunity to improve my language skills. All the reference books and materials in English and the international community in this programme is helping me to write better. This programme is very intensive and heavy on theory. The visiting professors are world-class and I am learning new things here.

**Q:** What are your future plans? And how will the course of study that you are doing benefit your career plans?

**Sittha:** I want to build my career in research. I am interested in studying the issues that surround the security of the Straits of Malacca. This is vital as this passage has become a very important shipping route and has attracted the terrorists too. We need to do a complete study on how can we make this a safer place for the common good of the peoples of this region.



**Doddy Setiawan** is from Indonesia following the International Masters Degree Programme in Regional Integration in the 2005/6 academic year.

**Q:** You were one of the first to arrive at AEI for this academic session. Could you tell us briefly about yourself?

**Doddy:** I must thank AEI for accepting me here. This is a wonderful place for learning. I was lecturing in accountancy at the Sebelas Marab University, near Sulo, central Jawa. I graduated from the same university in 1998. My primary and higher education were all in Sulo, Jawa.

**Q:** Have you been to Malaysia before? What are your impressions of the country?

**Doddy:** This is my first visit to Malaysia. This country, especially Kuala Lumpur is clean and green. Of course the major glaring difference is the population. The public transport is quiet efficient and less crowded. You get to sit whenever you travel, unlike in Jakarta. There are no differences in food and culture. In short, we have many common things.

**Q:** What was your view on living in Malaysia prior to your arrival and how that has changed since you arrived?

**Doddy:** I read in books about Malaysia's heterogeneous society with three major races. After coming here I realized that all three races are doing their own activities and keeping to their own race groups. I don't really notice that they are mixing or even for that matter they only speak their own mother tongue. That is something you don't see in Indonesia. The three races are pretty much keeping to their own kind.

**Q:** What made you to choose AEI as your choice to pursue your Master's degree?

**Doddy:** I learned about AEI from the net. It looked very impressive, especially the international linkages that AEI has with the European and other leading Asian universities. This is a great place to meet international students and the courses are conducted in English. But, then I was a little disappointed to learn that this year there are no European students. Anyway I am happy to meet my counter-parts from almost all ASEAN countries here at the Institute. UM as a bigger picture has more things to offer.

**Q:** What in your opinion is the distinguishing feature of the International Masters degree programmes in the way they are taught, structured etc, as compared with your previous academic programmes.

**Doddy:** The International Masters programme is of high

quality. I realized that upon completion of my first subject on Globalization and Economic Development by Dr. Gabriel Palma from Cambridge University. The structure of the programme is very intensive. We are required to write long essays for each subject and the subject matter is very dense. The resource centre facilities here are of high quality. It is not comparable to my university in Bandung.

**Q:** What is your view of AEI and University of Malaya?

**Doddy:** My general view is that UM has excellent facilities especially for research work. The faculty is strong and it is a well planned university. The libraries are opened until 10pm. The e-library or *Pendita* gives us instant access to on-line journals at any time. As my interest is in accounting, I am getting more than I bargained for. This is a complete university.

**Q:** What are your future plans? And how does the course of study that you are doing benefit your career plans?

**Doddy:** As an accounting lecturer, I want to expand my career in research specializing in Accountancy related fields. I am also working towards exploring the common standards available among ASEAN countries in setting the accounting standards. My research in this area will continue and hope some day I can calibrate the accounting standards of ASEAN countries in implementing a single system. ■

## Nationalism and Ethnic Conflict in Indonesia

Presentation at  
South-East Asian Studies,  
Faculty of Arts and Social Science  
23<sup>rd</sup> September 2005

By RUHANA PADZIL, AEI Lecturer

### Abstract

This paper seeks to understand why ethnic differences frequently lead to ethnic violence in Indonesia. Several arguments explaining the causes of ethnic conflicts in Indonesia point to the emergence of ethno-nationalism that arose from the modernization programmes introduced under the Suharto regime. Four main factors can be identified in this regard: structural, political, economic, and social and cultural.

Indonesia is a multi-ethnic and multi-religious state consisting of 300 ethnic groups with six major religions. The Javanese form between 47-50 percent of the population, and the rest are minority groups. The Dutch strategically used the concept of 'social communication' which provided various ethnic groups in Indonesia with a sense of 'national' belonging while at the same time these ethnic groups received western education under the same economic and administration system. This colonial

formation also enabled the various ethnic groups to unite as one Indonesian national polity. After Indonesia achieved independence the elites continued to integrate further as multi-ethnic society, including *inter alia* through the use of force. The Indonesian armed forces have often been used to crush separatist rebellions. The national government has also used other instruments such as national education, national ideology (Pancasila), regional development, and transmigration to integrate the country albeit critics say with overwhelming dominance from Java. Arguably, military force has remained the most significant strategy used under Soeharto's 32 years of New Order (Leo Suryadinata) rule.

Conflicts in Indonesia in general can be divided into two major types, viz, self-determination and communal. Self-determination conflicts arise from major political organization demanding independence or significant autonomy (e.g. Aceh, West Papua and East Timor).

Communal conflicts involve violent conflicts between groups of people typically organized ethnically, by religion or by culture. The issues at stake in such conflicts are often economic, environmental and political.

The recent spread of communal or ethnic conflicts in Indonesia started in East Timor in 1991, though Aceh has a much longer history of armed confrontation. The conflicts spread later to Irian Jaya in 1995. Riots also erupted in Maureme, Flores and east Nusatenggara. Similar accidents occurred in the town of Kefamenanu in West Timor Nusatenggara. Another major incident occurred in the West Kalimantan in 1997 when machete and sword wileding Dayaks viciously attacked Madurese. The consequences from such ethnic conflicts have not only been death, injuries and homelessness, but also thousands of children orphaned and women raped.

Dissenting political activists have also been abducted and brutally tortured. According to an United Nations Report, the clashes that occurred in Kalimantan increased to 39 cases in the period 1998-2002 coming close to a potential genocide in Indonesia. The paper argues that domestic elites in Indonesia largely took advantage of the situation to turn potentially violent occasions into deadly confrontations.

The paper finally attempts to link ethnic conflicts with poverty, inequality and modernization in Indonesia. The financial and subsequent political crisis of 1997-98 essentially provided the trigger for a reservoir of resentment that was already building up for several decades. The Indonesian experience brings to light the dangers of pursuing economic development and national integration on the back of political suppression. ■

**Paper presented at the International Seminar on Muslim Women: The Future and Challenges in Shaping the Ummah (SEWANI 2005), "Women: The Driving Force in Developing an Excellent Ummah", Centre for Islamic Studies and Social Development (PPIPS), University of Technology, Malaysia, 2-3 April 2005, Johor Darul Takzim.**

**Title of the paper:**  
**Analysis and Implementation of Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in Malaysia**

*By MAIMUNA HAMID MERICAN & RUHANA PADZIL, AEI Lecturers*

**Abstract**

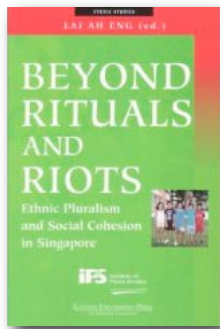
The world has pledged human rights paradigm to include women's human rights at the Vienna Declaration in 1993 and reaffirmed at the Beijing Declaration 1995 being "the human rights of women are an inalienable, integral and indivisible part of universal human rights". The Vienna Declaration also sets as a priority for governments and the United Nations "the achievement of full and equal enjoyment by women of all human rights, the full participation of women as both agents and beneficiaries of development, and the integration of human rights into the mainstream of United Nations system-wide action"<sup>1</sup>. As a result of these universal declarations, Malaysia has committed to the international community and its citizens for the protection, promotion and fulfillment of women's rights when it acceded to the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Convention in 1995.

The aim of this paper is to analyse and asses the progress Malaysia has made on issues of women's human rights after Beijing+10. The analysis will be

benchmarked against one of the above international instruments regarding women's human rights, i.e. CEDAW. The analysis will evaluate the progress Malaysia has made in implementing the principles and provisions of CEDAW. This will be segmented into four broad themes encompassing CEDAW and Malaysian laws, CEDAW in violence, CEDAW in poverty, and lastly CEDAW in education. Part 1 of the paper entails a discussion of how international law and ratification of treaties and conventions are incorporated into our domestic laws. Within this ambit, a brief explanation of the significance of CEDAW will be discussed. Part II delves on impacts of CEDAW in Malaysia with specific reference made on Malaysian laws, violence, poverty and education. The section further elaborates by looking at the implementation of CEDAW in policy areas and governance to ensure the increase of role and participation of women in our society. Part III deliberates on challenges that entail in implementing the CEDAW treaty in Malaysia and make concrete and significant recommendations. Part IV concludes by ensuring that women's human rights will be a key and pertinent issue to be addressed in any development plans and policy areas of our country. ■

<sup>1</sup> United Nations High Commissioner for Human Rights, 'Building on Achievements: Women's Human Rights Five Years After Beijing' – May 2000

By NUR RAFEEDA DAUT, *AEI Lecturer*



Lai, Ah Eng (ed.) (2004) *Beyond Rituals and Riots: Ethnic Pluralism and Social Cohesion in Singapore*, Eastern Universities Press, Singapore.

'*Beyond Rituals and Riots*' is a compilation of 12 papers which were the result of interdisciplinary work done in the 2002 Ethnic Relations

Project of the Institute of Policy Studies. This project aims to understand the current state and complexity of ethnic pluralism in Singapore as well as to identify key trends and issues in various areas impacting ethnic pluralism and social cohesion. It also aims to promote professional and public dialogue on important issues based on research findings and recommendations. All

the articles are based on empirical and scholarly research employing multidisciplinary perspectives and a range of methodologies, and cover political history, legal-structural institutions, state policies, education, social services, media culture and community. Some of the main issues addressed by the writers include: history, politics and institutions of ethnic relations; issues which relate to education and schools including language policies and teachers stereotypes; cross cultural aspects in social service delivery; film and TV focus; and the challenges raised by "Foreign Talent" in Singapore.

In line with its aims, it is problem- and policy-driven with a focus on policy implications and where policy meets culture, and each chapter concludes with some general or specific policy recommendations towards improving ethnic relations and social cohesion. These papers bring fresh perspectives to many key issues in Singapore's present and future.

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