

# The state of well-being in South East Asia at the turn of the new millennium and a decade after

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### Abstract

Recent writings on the state of the world today are often laced with alarming notes on the impending doom of mankind. Such notes pertain, among others, to the increasing economic discrepancies between the rich and the poor, the rapid increase in population growth, the cumulative destruction of the natural habitat and the rapidly growing powers unleashed by modern science and technology. They all signify issues, problems and challenges that countries and nations inherit from the last millennium. While the Southeast Asian region is no exception to this rule of living, even in the early decade of the new millennium, the curious question is how exactly do Southeast Asian countries comparatively fare in this context? This paper attempts to give an initial and tentative picture of the state of well-being of the Southeast Asian nations by analysing four major indicators, namely, GDP, unemployment, health and literacy. Lack of comparable data notwithstanding, it was found that a decade into the new millennium the region's patterns of disparities persisted with Singapore heading the wellbeing list followed by Brunei, Malaysia and the rest. In conclusion, the legacy of the last millennium endures.

Keywords: GDP, health, literacy, Southeast Asian countries, unemployment, wellbeing

## Introduction

This paper attempts to explore geographical inequalities of well-being in Southeast Asia, a nation comprising 10 countries divided in location with five having a continental affinity and the other five an insular entity each. The basic aim is to set the scene as to what the Southeast Asian countries are today, noting the fact that while they share some similarities, they are also diverse in many other attributes of culture, economic conditions, and social and political structures.

Whilst inequality is a particular kind of differentiation, social well-being is an aggregate expression that entails the overlapping concepts of level of living, the quality of life, social satisfaction, social welfare, and standard of living. Inequality itself normally invokes some form of social evaluation as to whether or not certain attributes are desirable, unjust or simply wrong. These attributes may prevail at regional levels and among nations to the degree that cause moral disapproval, social concern and state action.

Social well-being may be best understood by decoding its dependent variables (Miller, 1967; Smith, 1973; Coates *et al.*, 1977; UNRISD, 1966). The decomposition by UNRISD is considered most comprehensive, comprising nutrition, shelter, health, education, leisure, security, social stability, physical environment and surplus income. However, due to the limited availability of common data of these variables or indicators for the Southeast Asian countries , only four components of social well-being are utilised in this study. They are income (to depict the economic ability), unemployment (an indicator of social stability), health as indicated by infant mortality rate (IMR) and life expectancy, and literacy (an indicator of education closely related to monetary income).

#### Southeast Asian Nations at a glance

#### The demographic situation

The sheer physical size of a country, its population, and its level of national income per capita are important determinants of its economic potential and a major factor differentiating it from other nations. Of the 10 countries in Southeast Asia, Indonesia was the largest in terms of population size with almost 225 million people at the turn of the century. Six other countries were with double million-digit population figures and the remaining three either a single million-digit figure or less (Table 1). All these totals were reached with a relatively high population growth rate for all with the exception of Myanmar and Thailand which grew relatively slowly at a rate of less than one percent annually. Singapore registered the highest growth with 3.54 per cent per annum, followed by Malaysia and Laos at a slower rate of 2.6 percent and 2.5 percent respectively.

Country	Population size (million)		D	ensity <sup>a</sup> / km <sup>2</sup>	Growth rate		
	2000	2010 <sup>b</sup>	2000	2010	2000	2010	
Brunei	0.3	0.4	64	68.5	2.2	1.73	
Cambodia	12.5	14.8	71	81.5	2.3	1.78	
Indonesia	224.8	243.0	12.3	12.8	1.63	1.1	
Laos	5.5	7.0	24	29.5	2.5	2.29	
Malaysia	23.3	26.2	71	79.3	2.6	1.7	
Myanmar	41.7	53.4	64	79.0	0.64	1.1	
Philippines	81.2	99.9	272	333	2.1	1.93	
Singapore	4.2	4.7	6,512	6744	3.54	0.86	
Thailand	61.2	66.4	120	129.4	0.93	0.6	
Vietnam	78.8	89.6	242	270.4	1.49	1.1	

Table 1. The demographic situation of the Southeast Asian countries at the turn of the new millennium and a decade after

Note: <sup>a</sup> Computed from the data given i.e. by dividing the population size with the respective country area <sup>b</sup> Estimates as of July 2010

Source: CIA, The World Fact book 2000, 2010

http://www.cia.gov/cia/publications/factbook/geos/...html

https://www.cia.gov/library/publications/the-world-factbook/rankorder/2119rank.html

A decade into the new millennium, however, saw the rapid decline of the population growth rate for all the nations with the exception of Laos which had a growth rate of above two percent per annum resulting in an increase of the total population of more than 25 percent. The rest of the countries only experienced an increase of below 20 percent or much less in total population number. Singapore's population growth rate fell drastically from 3.54 percent at the turn of the century to 0.86 percent a decade after resulting in an addition of only 11 percent people to its population size. Although immigration allows Singapore's population and skilled workforce to grow, its earlier campaign of encouraging citizens to have smaller families had had its toll, when currently the country's fertility rate – the number of children per female – has shrunk to 1.2, a rate well below the replacement level which some call the 'demographic winter' (Joel 2010).

Large size usually presents advantages in terms of diverse resource endowment, large potential domestic markets, and a lesser dependence on foreign materials and products. But it also creates problems of administrative control, national cohesion, and regional imbalances. However, it should be noted that in Southeast Asia the relationship between a country's size and its level of per capita national income is not absolute as shown by Singapore and Brunei which have less than 5 m and 0.5 m population respectively, but each commanding a relatively high per capita income as shown later in this paper.

What Table 1 further shows is that the growth rate of some of the countries has somewhat stabilised particularly Thailand. Although Singapore has the second least population in Southeast

Asia, it is the most densely populated at  $6,512 \text{ persons/km}^2$  in 2000 and to  $6,744 \text{ persons/km}^2$  in 2010 or a ratio of about 530 when compared with Indonesia, the country with the lowest density.

#### The economic situation

Except for Singapore, Southeast Asian economies were agrarian. Agriculture, both subsistence and commercial, formed the principal economic activity in terms of the occupational distribution of the labour force. In fact, farming was not only an occupation but a way of life for most people in the region. At the turn of the century Cambodia, Thailand and Myanmar still portrayed a significant dependence on agriculture which accounted for about half or more of the GDP (Table 2).

Country	% in	Agriculture	% i	n Industry	% in Services		
	2000	2010	2000	2010	2000	2010	
Brunei	20	0.7	32	74.1	48	25.3	
Cambodia	59	29.0	11	30	30	41.0	
Indonesia	5	14.4	46	47.1	49	38.5	
Laos	12	29.9	39	33.1	49	37.0	
Malaysia	26	10.1	46	42.3	42	47.6	
Myanmar	12	42.9	33	19.8	41	37.3	
Philippines	21	14.9	35	29.9	44	55.2	
Singapore	0	0	28	23.8	72	76.2	
Thailand	43	12.3	20	44.0	37	43.7	
Vietnam	51	20.7	22	40.3	27	39.1	

Table 2. The economic situation (GDP composition by sector) of the Southeast Asian countries at the
turn of the new millennium and a decade after

Source: CIA, The World Factbook 2000; 2010

http://www.cia.gov/cia/publications/factbook/geos/cb.html

However, it is in the relative importance of the manufacturing and services sectors that the widest variation among the Southeast Asian nations occurs. Malaysia and Indonesia had substantial proportions of the manufacturing industry in their respective GDP. In contrast, the services sector was predominant in Singapore accounting for almost three–quarters of the country's GDP. Another point that could be read from Table 2 is that most of the Southeast Asian countries had made a shift to industrialisation and are in the process of achieving the status of newly industrialised countries.

A decade into the millennium saw the marked contribution of the services industry, in particular tourism, in most of the Southeast Asian countries with the exception of Laos and Myanmar. The latter showed declines in manufacturing and services sectors but a corresponding increase in the agricultural sector instead.

## The state of well-being in Southeast Asia

The demographic and economic situations briefed above give a glean into the dimension of variations among countries in the Southeast Asian region. But there are more to it than just their differences in population size and economic inclination. In order to get to the patterns of the region's inequalities in living standards and states of well-being, the following takes a closer look at four general conditions chosen to reflect varied aspects of life that have a bearing on living standards, income, employment, health and education/literacy.

### Gross Domestic Product

The situations of the 10 Southeast Asian countries as per the respective indicator used are shown in Table 3. Taken the indicator individually, there are only three countries whose GDP per capita are found to be above the regional average of USD 7,435 with Singapore topping the list at

USD 27,800 followed by Brunei and Malaysia with USD 17,400 and USD 10,700 respectively (Figure 1).

Almost a decade into the millennium, the two richest Southeast Asian countries retain their status quo although Brunei gave a better performance by tripling its GDP to USD50,100 than Singapore's almost doubling of its GDP to USD50,300. Being an oil-rich country, Brunei has



Figure 1. The distribution of GDP per capita among the Southeast Asian Countries

been able to reap the benefit of the increase in commodity price of oil at the time. The performances of the other countries lagged far behind. Even Malaysia, the third top earner was only able to increase its GDP by about 38 percent in the past decade, while countries like Myanmar and the Philippines even experienced lower GDP than previously albeit only slightly.

Country	Income <sup>a</sup> GDP/ capita		Unemploy	ment rate	Infant	Infant MR		Life expectancy		y rate <sup>c</sup>
	2000	2009	2000	2009	2000 <sup>b</sup>	2010	2000	2010	2000	2010 <sup>d</sup>
Brunei	17400	50,100	4.9	3.7	8	12	74	76	88	93
Cambodia	1300	1,900	2.8	3.5	109	53	57	63	35	74
Indonesia	2800	4,000	15-20	7.7	52	29	68	71	84	90
Laos	1300	2,100	5.7	2.5	91	76	53	57	57	69
Malaysia	10700	14,800	3.0	5.0	12	15	71	74	84	89
Myanmar	1200	1,100	7.1	4.9	78	51	55	65	83	90
Philippines	3600	3,300	9.6	7.5	39	20	68	71	95	93
Singapore	27800	50,300	3.2	3.0	6	2	80	82	91	93
Thailand	6400	8,100	4.5	1.6	35	17	69	73	94	93
Vietnam	1850	2,900	25.0	2.9	40	22	69	72	94	90
Mean/World	7435	10,500	8.3	8.7	47	44	66.4	66	80.5	87.4

 Table 3. Data for selected economic and social conditions in Southeast Asian countries at the turn of the new millennium and a decade later

Note: <sup>a</sup> purchasing power parity estimates for 1999 in USD

<sup>b</sup> Infant mortality rate for 1995 (infant deaths/1000 live births)

<sup>c</sup> population aged 15 years and over who can read and write

<sup>d</sup> rate recorded varied from 2000 to 2006

Source: CIA, The World Fact book 2000. http://www.cia.gov/cia/publications/factbook/geos/...html

CIA, The World Fact book, Country comparison, 2010.

https://www.cia.gov/library/publications/the-world-factbook/rankorder/2091rank.html, (Infant mortality rate) https://www.cia.gov/library/publications/the-world-factbook/rankorder/2102rank.html, (Life expectancy) https://www.cia.gov/library/publications/the-world-factbook/rankorder/2004rank.html (GDP/capita) https://www.cia.gov/library/publications/the-world-factbook/rankorder/2129rank.html (Unemployment) https://www.cia.gov/library/publications/the-world-factbook/geos/bx.html Respective country, 09-06-2010

Country	Income	Unemploy- Health		Literacy rate	Total	Ranking	
	GDP/ capita	ment rate	Infant MR Life Expt.		-	Score	C
Brunei	2	5	2	2	5	16	2
Cambodia	9	1	10	8	10	38	8
Indonesia	6	9	7	7	6	35	7
Laos	9	6	9	10	9	43	10
Malaysia	3	2	3	3	6	17	3
Myanmar	10	7	8	9	8	42	9
Philippines	5	8	5	7	1	26	5
Singapore	1	3	1	1	4	10	1
Thailand	4	4	4	5	2	19	4
Vietnam	7	10	6	5	2	30	6

Table 4. Rankings of Southeast Asian Countries on selected economic and social conditions at the turn of the new millennium

### Table 5. Rankings of Southeast Asian Countries on selected economic and social conditions a decade after the new millennium

Country	Income	Unemploy-		Health		Total	Ranking
	GDP/ capita	ment rate	Infant MR	Life Expt.	_	Score	
Brunei	2	6	2	2	1	13	2
Cambodia	9	5	9	9	9	41	10
Indonesia	5	10	7	7	5	34	7
Laos	8	2	10	10	10	40	8
Malaysia	3	8	3	3	8	14	3
Myanmar	10	7	8	8	7	40	8
Philippines	6	9	5	6	2	28	6
Singapore	1	4	1	1	4	11	1
Thailand	4	1	4	4	2	15	4
Vietnam	7	3	6	5	6	27	5

Country	Income		Unemployment		Health				Literacy rate	
	GDP/ capita		rate		Infant MR		Life Expt.			
	2000	2010	2000	2010	2000	2010	2000	2010	2000	2010
Range	26600	49200	22.2	6.1	103	74	27	25	60	24
Ratio	23.2	45.7	8.9	0.6	18.2	38	1.5	1.4	2.7	1.3

 Table 6. Degree of inequality of Southeast Asian countries on selected economic and social conditions at the turn of the new millennium and a decade after\*

\*Computed from data given in Table 3.

#### Unemployment, health and literacy

In terms of unemployment, Vietnam and Indonesia were seen to be entrenched with serious unemployment problem, each having a rate of 20 per cent or more at the turn of the century. The other (Philippines) had almost 10 percent and the rest very much less with Cambodia having the least at 2.8 percent. The worldwide economic slowdown of the late 1990s had had its toll in most countries especially those with weak economy and internal instability while some were even trying to recover from the turmoil of a previous war.

This gives us some geographical patterns of the economic and social conditions of the Southeast Asian countries. It would now be more useful if the extent of the differentiations and inequalities is known. To this end a further series of analyses were carried out (Table 6) and it was found that life expectancy and literacy were subjected to less inequality among the Southeast Asian countries than were, in ascending order, unemployment, infant mortality rate and income.

Hence, in the first decade of the new millennium, all Southeast Asian countries are able to narrow down the gap of inequality with respect to all of the indicators used for the study except income. The latter portrays an ever widening gap among the developed and less developed countries in the region as shown by the almost doubling of the range and ratio from USD26,600. to USD49,200 and 23.2 to 45.7 respectively. Certainly, income is the most significant differentiation indicator in the region, creating an indomitable gap between the rich and the poor countries.

## Conclusion

The statistical evidence presented in this paper shows unequivocally that, from a spatial perspective, inequality is always present and often extreme. Beyond such fundamental statement, however, the conclusion drawn from this brief investigation must be treated as tentative. Existing sources of information are too fragmented, and our approach too selective, to allow us to make any further conclusive statements about the spatial expression of social inequality. Some broad patterns do recur, such as the attainment of higher incomes with enhanced industrialisation , enabling nations to enjoy, for instance, higher health standards.

Such generalisations must be treated with caution, however, for what has been shown by this brief study is that the regional socio-spatial pattern is more often bedevilled by individual country's complexity than not. The territorial manifestations of inequality, admittedly, are never neat nor simple, and inductive explanations based on associated characteristics can only be tentative approximations of the truth. Explanation as to the processes at work that result in such a disparity and how the latter can be dealt with may have to be sought in political and development economics.

What had been demonstrated with the available (and often crude) statistics here is the existence of disparities that are quite unacceptable in intensity, complex in patterns, and persistent in occurrence. An awareness of these inequalities and their magnitude must be the first step towards their removal. This is the very essence of spatial equality.

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