

Navigating Economic Crises: A Comparative Analysis of Budgetary Responses in ASEAN Countries

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ABSTRACT

This scoping review examines the budgetary responses of several ASEAN countries to economic crises, focussing on the contrasting strategies of expansionary fiscal policies and austerity measures. While expansionary policies aim to stimulate economic recovery through increased spending and tax cuts, they raise concerns about long-term fiscal sustainability. Conversely, austerity measures can stabilise public finances but often lead to economic contraction and social unrest. The study highlights the complexities and trade-offs involved in these strategies, emphasising the need for a nuanced understanding of their effectiveness in diverse contexts. By analysing existing literature and government measures implemented during crises, this review aims to inform future policymaking and enhance economic resilience in the ASEAN region, contributing to the goals of the ASEAN Community Vision 2025.

Keywords: Budgetary responses, economic crisis, government strategies

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INTRODUCTION

Economic crises, such as the 2008 global financial crisis and COVID-19 pandemic, have prompted governments worldwide to adopt various budgetary responses. These responses can be broadly categorised into two strategies: expansionary fiscal policies (increasing spending or cutting taxes) and austerity measures (reducing spending or

CONCLUSION

This review underscores the trade-offs governments encounter in choosing budgetary strategies during economic crises, highlighting that while expansionary fiscal policies can foster recovery, they may jeopardise long-term sustainability. Conversely, austerity measures can stabilise public debt but often result in economic contraction and social distress. Addressing these complexities is essential for enhancing the understanding of effective budgetary strategies in ASEAN, ultimately contributing to the regional stability and ASEAN Community Vision 2025.

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