

Asia-Pacific Forum 2017

“Integration and Inclusiveness in a Digital Society”

Panel comments: Murray McLean – 23 November 2017

Panel Session 3: People-centred ASEAN as a way forward to wider regional integration

As ASEAN marks its 50th anniversary this year, all of us here today know it has been a special year to reflect on how ASEAN has become a cohesive force within the region with tremendous sustained economic growth and development, and huge, positive social changes in the individual countries of ASEAN, its immediate region, and across the Indo-Asia Pacific region as a whole.

We can rightly applaud these impressive achievements and the commitments to achieve greater integration and connectivity within ASEAN. But it is also important to acknowledge that much potential remains untapped, and in order to realise the commitments made in ASEAN’s master plan for 2025, both ASEAN and its regional partners have a strong mutual interest in working together towards that goal.

Unlocking the further potential of ASEAN’s existing institutional collaboration through ASEAN-led regional architecture such as the ARF, EAS, and its other mechanisms with the countries of the broader region will be very important. Of course, ASEAN already contributes significantly to regional peace and stability and the rule of law in our region.

So unlocking this further potential will mean ASEAN will continue to make a critical contribution to sustaining regional dialogue and consultation, the maintenance of peace and stability, advancement of trade and investment and enabling greater connectivity.

ASEAN already has an overall GDP of \$2.5 trillion with a robust overall GDP growth rate of 6% annually and a literate population of more than 600 million with 40% under 30 years of age.

But even with these strong fundamentals well-established, development within and between ASEAN countries is uneven. Millions of people still live on less than \$1.25 per/day and significant inequalities exist in income, education, access to formal labour markets, financial services and infrastructure.

There is no one magic bullet that can be deployed to overcome these inequalities. Progress can only be made through multiple and diverse efforts not just relevant to the region as a whole but specifically relevant to each ASEAN country and the particular circumstances involved in the relationships between countries of the region.

Allow me in the brief time available to comment on three examples of pathways through which some of these challenges can be addressed and thereby contribute to greater regional prosperity and integration.

First, given the importance of sustained trade and investment liberalization in maximizing domestic and regional economic growth, and delivering decent living standards, the creation of jobs and greater business opportunities for the people of the region in an equitable manner, it is **essential we do not diminish our support** for the successful conclusion of the TPP11 and RCEP.

These are mechanisms, when completed, which will also assist in entrenching the rule of law in the region.

The significant progress on the TPP11 at the recent APEC meeting can also be matched in the ongoing RCEP negotiations. Much discussion and some progress has already occurred over several years and it is noted that at the recent ASEAN plus meetings the RCEP negotiating countries agreed to work energetically so a comprehensive and equitable agreement can be reached in a meaningful timeframe.

It is recognized that RCEP involves countries of widely differing states of economic development, committing to and implementing

- structural and micro-economic reforms,
- streamlining procedures,
- eliminating and generally avoiding unnecessary and often protectionist regulations

These when implemented will help assist productivity, facilitate competition, trading and investment opportunities, business activity and increase living standards overall.

Domestically, it is important to find practical ways to communicate effectively and convincingly with social groups and industrial sectors which may feel left out, or disadvantaged by globalization and liberalization.

Secondly, engagement in a sensitive and practical way by regional partners such as Japan, China, Australia, New Zealand, South Korea and India (not to mention the United States) with particular ASEAN countries facing the most difficult inequities and challenges can certainly assist the domestic efforts of individual countries and ASEAN as a whole.

Initiatives supporting infrastructure connectivity such as China's One Belt One Road initiative, Japan's Expanded Partnership for Quality Infrastructure and South Korea's

ASEAN Connectivity Forum can each play an important role, provided that these initiatives are aligned and in synergy with ASEAN's own master plan to improve connectivity.

Transport infrastructure will certainly be important, but so also will be enhancement of digital connectivity. Given the very large youthful workforce in ASEAN, it has the opportunity over the next ten years to jump ahead dramatically if it is able to implement a radical digital agenda that delivers new skills, facilitates advanced mobile financial services and grows e-commerce. This will also benefit citizens enabling them to access public services digitally and empowering them to use high tech skills in their work and personal lives.

Thirdly, ODA from major donor countries as well as institutions such as the ADB and the World Bank, including especially support for education and skills development support, needs to be carefully targeted through full and collaborative consultation. Such support has played a significant and positive role in ASEAN over the past 50 years.

It can continue to do so, for example, in capacity building to strengthen regional responses to

- trafficking and exploitation of migrant workers,
- promotion of safe and legal labour migration
- addressing impediments to efficiency in business transactions through harmonization of cross-border trade and remittances,

ODA through targeted scholarship arrangements alongside privately-funded overseas education exchanges and placements will also remain important in building productivity and overcoming inequalities.