

# ASIA-Pacific Forum 2017

**Theme: Integration and Inclusiveness in a  
Digital Society**

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# **Session III: People-Centred ASEAN as a Way Forward to the Wider Regional Integration**

**The impact of rapid technology on economics and trade**

- The virtue and benefits of international division of labour and international trade is premised on economic principles of comparative advantage.

- The basic fact is that trading nations have different political, cultural and social structures and characteristics and they react differently to changes in technology, especially rapid and digital technology.
- Some political systems and cultures are more adaptable to rapid changes in technology than others.

- The rise of protectionism, anti-globalisation and intense nationalism could be the result of this disequilibrium between the rate of change in technology and the rate of change in political and social systems among different trading countries. Changes in political and social systems are very slow way behind changes in technology.

- Resulting to different economic benefits accruing to different countries and to causing widening income disparity internationally and domestically.

- To counter negative side effects of rapid digital technology and globalisation, there must exist a workable regional and bilateral systems to promote economic and technical cooperation for human and physical capacity building and special differential treatment in developing and in trade-deficit countries funded mainly by countries that have persistent huge trade surpluses.

# The modes of multilateral partnerships for human capital development among countries in the region

- The Asia-Pacific Economic Cooperation (APEC) Economic and Technical Cooperation (Eco-Tech) which is a one of the main pillars of APEC since its establishment in 1989.

- However, it is based on voluntary and non-binding principle.
- It has done a lot of economic and technical cooperation among APEC members, especially on trade and investment policy issues and technical assistance extended to developing APEC members.

- On bilateral framework, JICA (Japan International Cooperation Agency), and Singapore have established bilateral partnerships for human capital development.
- For example, Singapore has established permanent Training Centres in Cambodia, Laos, Myanmar and Vietnam to prepare these less developed ASEAN Member States for the ASEAN Economic Community.

- Many countries in the region have been recipient and beneficiaries of human capital development of Asian Development Bank (ADB), UNESCAP and Greater Mekong Development Assistance.

## **What connectivity issues prevent the formation of a people-centered ASEAN?**

- Geographically, ASEAN Member States are not connected because of physical barrier as well languages, social and cultural diversity.

- It takes time and persistent effort to move towards ASEAN Community based on people-centered framework.
- The benefits of ASEAN cooperation and integration have not trickled down to the vast majority of ASEAN people.

- Wide income disparity between rich and poor is still prevalent in most ASEAN countries.
- Because of wide diversity in the stage of development, different member states implement commonly agreed policies differently in terms of efficiency, space and time. Therefore, the benefits of economic integration is uneven.

- The promotion of e-commerce and MSMEs (Micro-Small and Medium Enterprises), physical and human connectivity would accelerate people-centered ASEAN as well as measures to combat natural disaster, social and economic calamities.

## **Will a people-centered ASEAN play a leading role in regional integration?**

- For people-centered policies to work, they require the effective implementation of inclusive policies and harmonisation and standardisation of commonly agreed rules and policies to promote ASEAN Economic Community, ASEAN Socio-Cultural Community and ASEAN Security Community

- The benefits of economic integration to all ASEAN Member States through narrowing developing gap must be promoted effectively and in a sustainable manner with a view to maximise the benefits of economic integration.

- To coordinate effective people-centered policies, ASEAN Secretariat must be upgraded and empowered to monitor and assess commonly agreed policies implementation.

## **How can we strategically invigorate discussions and overcome difficulties regarding RCEP and TPP?**

- There was an evident of collective push for “accelerated progress” in many RCEP Working Groups.

- However, doing so would require additional flexibility and long term strategic overview from the countries involved.

- RCEP participating countries have abandoned the target of concluding the negotiations within 2017 due to differences in tariff reduction or elimination targets as well as services to be opened.
- Instead they aim to achieve a “substantial conclusion” or significant “breakthrough” when Leaders of ASEAN and Dialogue Partners meet.

- Perhaps, more concrete agreements on E-Commerce and micro small medium enterprises (MSMEs), market access and a schedule and rules could be achieved in November this year.

- It is worth noting that on E-Commerce, issues including rules on software, data flows and regulatory standards have not been addressed and these elements need to be included in RCEP chapters of Agreement.

- On TPP minus, the 11 participating countries should proceed to rectify the Agreement with deletion or suspension of those major controversial elements or appendixes that were inserted into the Agreement due to pressure or insistence by the US.

- There are many transparent and high standards rules and regulations on trade, investment, Rules of Origin (RoO), IPR, e-commerce, supply chains and other chapters that have been agreed in TPP and would provide trade and investment stimulus in the region.

**THE END**