

ASEAN'S ROLE FOR REGIONAL DEVELOPMENT COOPERATION: Vietnam case



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Main contents

1. ASEAN's roles
2. Vietnam's contribution
3. Challenges ahead
4. Suggestions



I-ASEAN's roles:

1. ASEAN is a common house for Vietnam to live in
2. ASEAN helps maintain external peaceful environment for Vietnam to develop
3. ASEAN is an assistance provider
4. ASEAN is a linking factor between Vietnam and international assistance partners



ASEAN's roles (cont.)

I. Common house

- ▶ Being member of ASEAN in 1995 helped Vietnam break the political siege and economic isolation due to Cold War legacy and great power politics
- ▶ Vietnam has developed friendly and cordial relations with all other ASEAN member states
- ▶ Vietnam has also to expand ties with regional big powers, including ROK



ASEAN's roles (cont.)

2. Peace broker

- ▶ ASEAN helps to secure the country
- ▶ ASEAN operates on principles: self-restraint, non interference, non use of force or coercion, mutual benefit, resolution of disputes in accordance with international laws and norms (equal rights and obligations)
- ▶ ASEAN provides cooperative mechanisms to deal with common security challenges: terrorism, water resource security, natural disaster, nuclear weapon proliferation, maritime security

ASEAN's roles (cont.)

3. Development assistance provider

- ▶ ASEAN develops and finances projects through cooperation among its member states
- ▶ Realize overall goals of ASEAN integration:
- ▶ ASEAN Community Vision 2025
- ▶ Master Plan on ASEAN Connectivity 2025 (MPAC)
- ▶ Initiative for ASEAN Integration (IAI) Work Plan III
- ▶ Major finance source for the projects comes from ASEAN Development Fund, ASEAN Cultural Fund (contributed by ASEAN members)



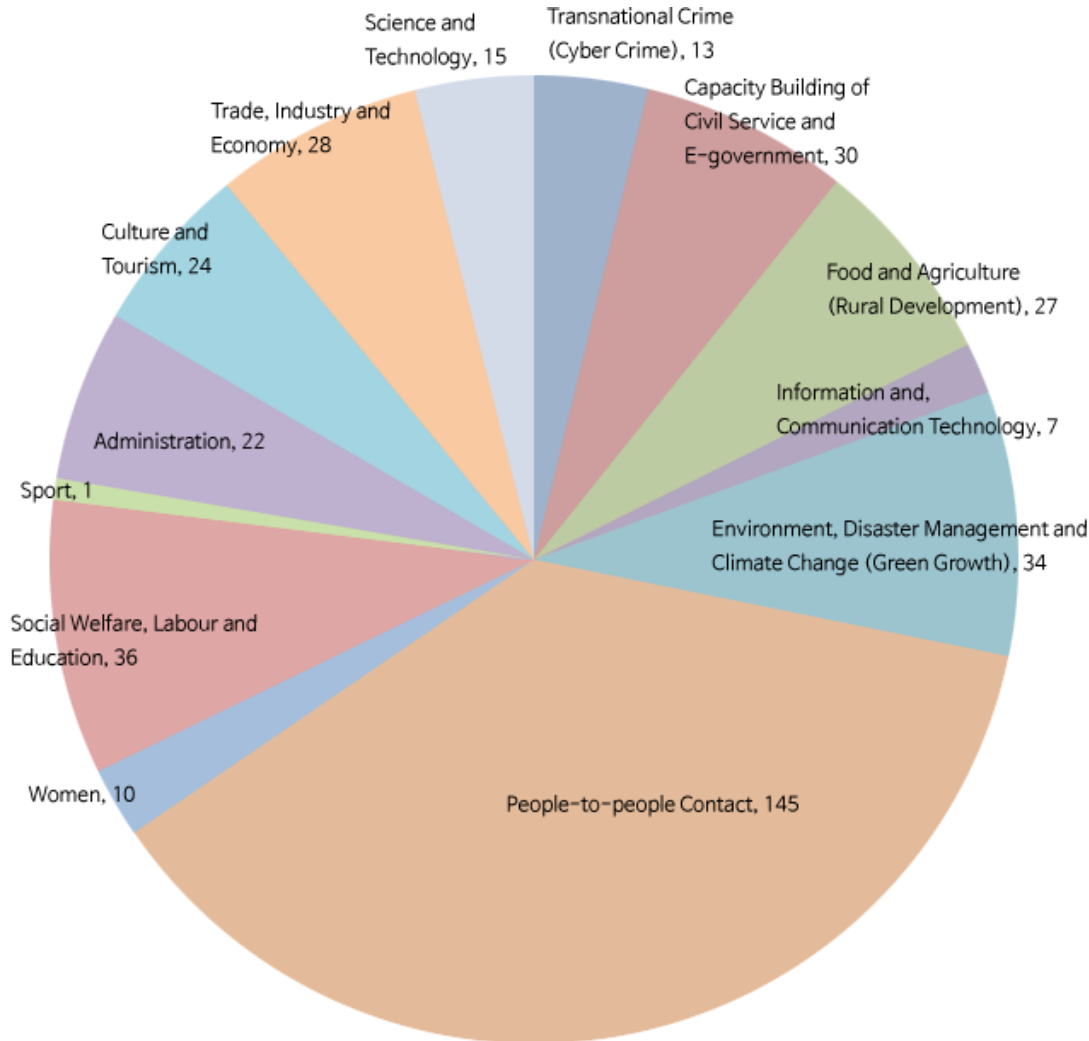
ASEAN's roles (cont.)

4. Linking factor

- ▶ ASEAN forms partnership mechanisms with dialogue/development partners
- ▶ Finance development projects through ASEAN.
- ▶ ROK offers assistance through ASEAN-ROK Cooperation Fund, ASEAN+3 Cooperation Fund, Mekong-Korea Cooperation Fund, etc.



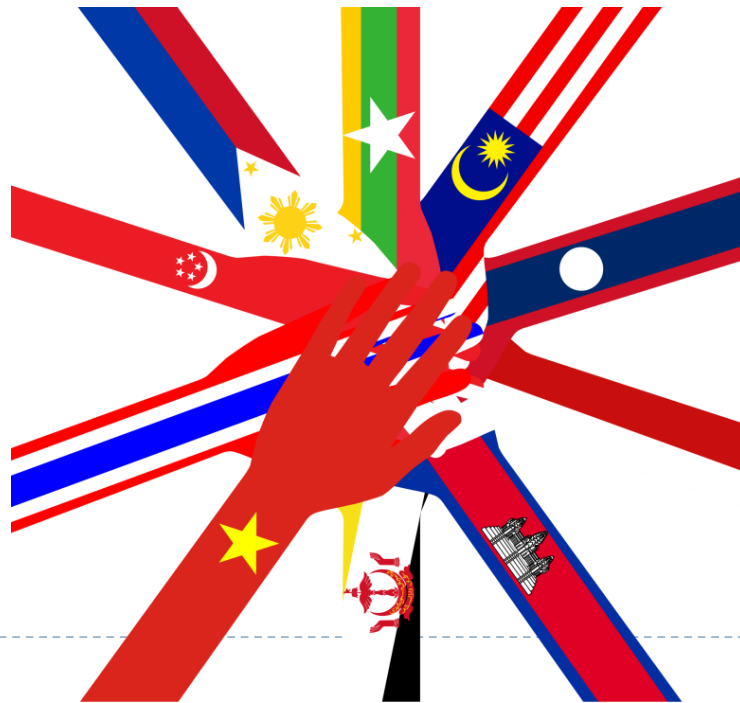
ASEAN-Korea Cooperation Fund's projects (1990-2017)



- ▶ Contribute US\$ 7 mil per year
- ▶ 392 projects
- ▶ People-to-people exchange (145)
- ▶ Social welfare, labour and education (36)
- ▶ Environment and climate change (34) ...
- ▶ Vietnam: since 1993
- ▶ US\$ 2.7 bil
- ▶ 60 projects
- ▶ Traffic, urban infrastructure, health, water supply and drainage

II-VIETNAM'S CONTRIBUTION

1. Tried hard to consolidate “common ASEAN house”
2. Earnestly fulfilled obligations
3. Played active role in regional development gap



II-VIETNAM (cont.)

I. Actively consolidate “common house”

- ▶ Supported and pushed up the extension of membership to Laos, Myanmar and Cambodia
- ▶ Actively builds strong ASEAN Community on three pillars (proposed to build Social-Cultural Community)



II-VIETNAM (cont.)

2. Admirably fulfil obligations

- ▶ Promote liberalization on trade, service and investment
- ▶ One of three countries with the highest rate in the realization of the objectives of ASEAN Economic Community Blueprint
- ▶ Reduce import tariffs down to between 0-5% in line with ASEAN agreement on trade in goods (ATIGA)
- ▶ Will remove 98% of tariffs by the end of 2018.



II-VIETNAM (cont.)

3. Play proactive role to narrow development gap among ASEAN members

- ▶ Proposed adoption of Hanoi Declaration on narrowing development gap, concretizing the Initiative for ASEAN Integration (IAI)
 - ▶ Chaired IAI Task Force in 2017: held meetings to review and introduce measures to realize IAI Work Plan III; raised fund for IAI projects
 - ▶ Successfully called on ROK to fund the conference on project-building skill (April 2017), etc.
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II-VIETNAM (cont.)

- ▶ Take the leading role in developing Cambodia-Laos-Vietnam Development Triangle Area.
- ▶ By Dec. 2017, Vietnam invested in 113 projects with total registered capital of US\$ 3.5 bil (56 projects in Laos, and 48 projects in Cambodia)
- ▶ Agriculture, rubber plantation, mining industry, manufacturing and processing, banking and finance.



III-CHALLENGES

- ▶ **Facts: Development gap is still high**
- ▶ Per-capita income
- ▶ Singapore >> 40 times >> Cambodia
>> 50 times >> Myanmar
- ▶ Global Competitiveness(140 countries)

Singapore	2	Vietnam	77
Malaysia	25	Cambodia	110
Thailand	38	Laos	112
Indonesia	45	Myanmar	N/A
Philippines	56	Brunei	N/A

Source: World Economic Forum, 2018



III-CHALLENGES (cont.)

- ▶ **Reasons:**
 - ▶ Less-developed countries do not have sufficient capacity and resource to maximize the benefits of regional integration
 - ▶ Poor infrastructure, weak national institutions, low standard human resources
 - ▶ Small and medium sized enterprises main drivers of economic growth but facing a lot of difficulties
 - ▶ Vietnam: 98% of all enterprises, only 20% of them can participate in global supply chain
 - ▶ Lack of information, limited access to foreign market, credit, science and technology, etc.
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IV-SUGGESTIONS

- ▶ **ROK advantages:**
- ▶ Reliable development partner
- ▶ Does not have territorial and great power ambition
- ▶ Developed nation has financial resource, high-tech capacity, know-how
- ▶ Does not attached strings (universal values) like western countries.
- ▶ Mutually beneficial cooperation
- ▶ Mutual understanding and strategic trust



IV-SUGGEST (cont.)

- ▶ **Generally**
- ▶ Support a strong ASEAN
- ▶ ASEAN mediating role in great power competition
- ▶ Calling on great powers to avoid encounters and incidents at sea and on the air
- ▶ Against “might makes rights”
- ▶ Settlement of disputes by peaceful means in accordance with international laws and United Nations conventions and resolutions
- ▶ Maintain peace, security and stability in the region

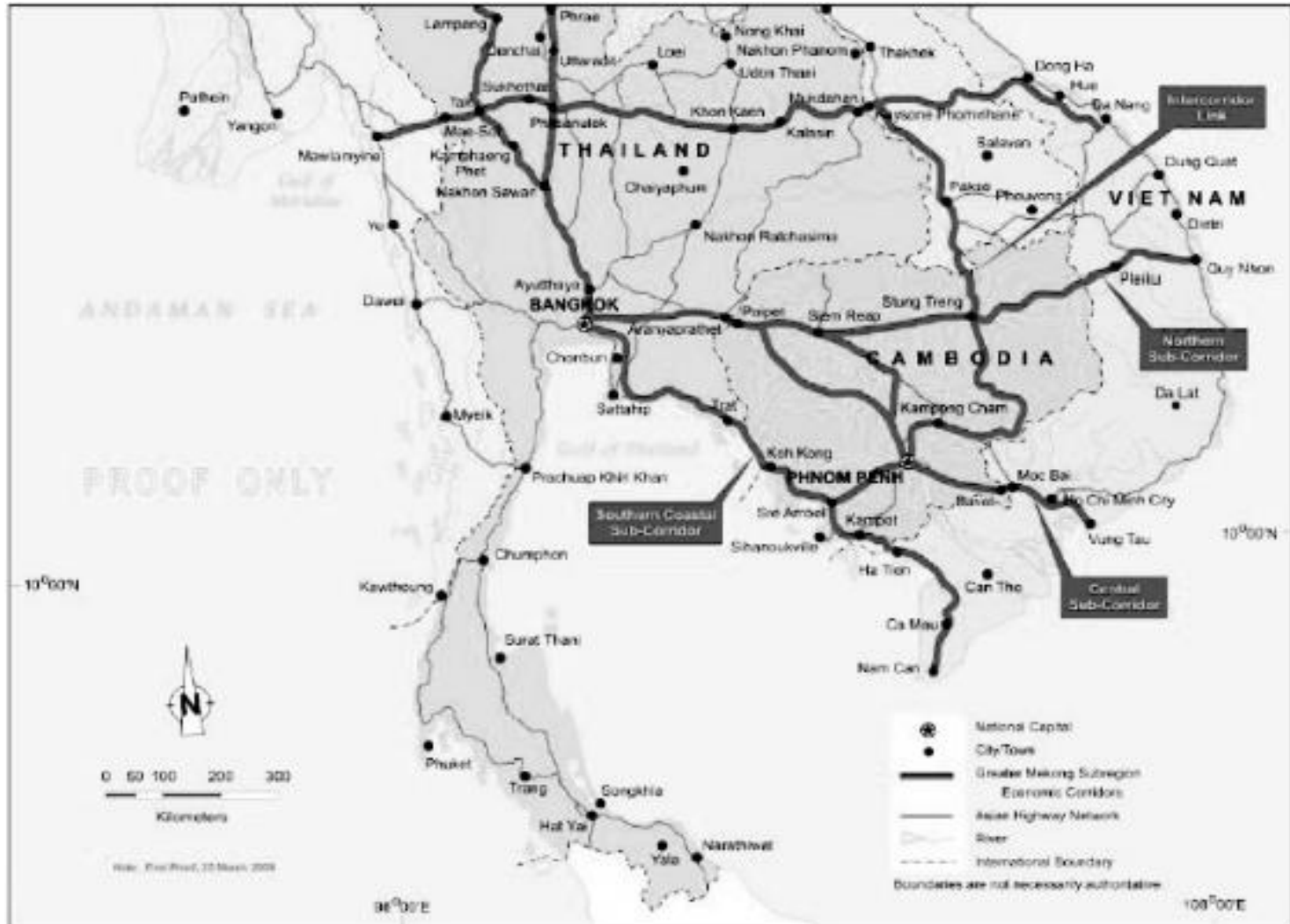


IV-SUGGEST (cont.)

- ▶ **Specifically**
- ▶ Align New Southern Policy with ASEAN Community Vision 2025; Master Plan on ASEAN Connectivity 2025, IAI Work Plan III; Greater Mekong Sub-region development
- ▶ Strengthen connectivity in CLMV countries



Greater Mekong Sub-region Economic Corridors



Mekong region

- ▶ **Increase financial supports and areas of assistance**
- ▶ Green growth for sustainable development
- ▶ Environmental protection
- ▶ Education system upgrade
- ▶ Capacity building for white-collar worker
- ▶ Agriculture technology
- ▶ Empowerment of SMEs (human resource development, best practices, increase of financial support system, credit guarantee, etc)



Maritime cooperation (2012 Action Plan)

- ▶ **Marine environment protection and sustainable management of fisheries**
- ▶ Exchange information and expertise
- ▶ Develop measures to harmonize technological standard
- ▶ Develop human resources and promote investment in fishery industry

- ▶ **Implementation**



Conclusion

1. ASEAN is a “common house” for Vietnam to live in
 2. Vietnam becomes an **active member**, trying hard to build a **strong ASEAN**
 3. Despite members’ efforts, ASEAN is still facing multiple challenges, particularly in terms of development gap
 4. ROK is a reliable development partner of ASEAN. It could consider **increasing assistance** to the region, especially the CLMV countries to **narrow development gap**, and **expanding areas** of assistance to **marine environment protection and fishery management**
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THANKS FOR ATTENTION!



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