

Essay week 6

Essay 1: CLMVT Strategy

This is a reaction essay on a topic of CLMVT Strategy by Khun Prewprae Chumrum Executive Director at Bureau of Trade in Services and Investment Negotiations, Department of Trade Negotiations, Ministry of Commerce. The lecture covered overview of CLMVT challenges, key issues for cooperation, and Thai strategy.

The lecturer began with some interesting facts about the region of growth which are the GDP growth, the growth of population, and labor force, and the growth of FDI in CLMVT. However, most of her lecture take from her experiences in many aspects which I will pick several of them to conclude in this essay.

The lecturer stated about the issue of changing demographics in the economy of Japan. Japan has faced with the big problem of aging society that is increasing each year. Also, Japanese is one of the fastest-shrinking populations in the world as I researched from weforum. So what happen with this demographic is that the aging people consume less, and they cannot work. This means the Japanese economy is shrinking due to lack of labor force and consumers' spending. Yet. the government needs to spend more by providing welfare for senior citizens. So what they have been doing now is changing the policy to allow migrant workers to work there to replace Japanese workforce. And the main service that is crucial for their senior citizens is nursing care service. Japan is now demanding and import nursing care service people from the Philippines. They even establish nursing school and standards of japanese test and certification to qualify foreign workers in this sector.

The lecturer also mentioned in other various issues such as inclusive growth and sustain development, Vietnam as an FDI destination, technology for global value creation, Thailand's Strategy as the hub for R&D, Digital ASEAN, and etc.

The most interesting part for me is about Japanese firms and its supply chain. The lecturer said that when FDI of Japan come in, they also bring their chain of businesses with them like Japanese banks, financial, and insurance firms. So in my opinion, this is like the linkage of Japanese supply chain so that they can reduce the cost of operation which is very important when they expand businesses outside their home country. Moreover, from the information in 2018 that I found from Terra BKK and BOT, FDI from Japan is in the first ranking that has been investing in Thailand for almost connected 10 years, and also only the country that has FDI in Thailand not less than trillion baht each year. This shows that Thailand has very strong potential as manufacturing base in the eyes of Japanese FDI.

Essay 2: Myanmar

This is a reaction essay by M.L. Pinitbhand Paribatra, Ph.D. from Faculty of Political on the topic of introduction to contemporary Myanmar: politics, society and culture. The lecture covered core issues the historical background in Myanmar, military and democratization, political system and government structures, Buddhist fundamentalism (against Muslim and Rohingya), and other issues.

The lecturer started his lecture with the country overview in historical background of Myanmar. I will conclude only some of important incidents.

Firstly with the British colony, Myanmar was ruled by the British colony since in 1885, and then got independence in 1948. Myanmar political system has been intervened by the military for a long time.

They once in 1974 were the social constitution using 'The Burmese Way to Socialism' to create their own way of socialism by combining neutrality with Buddhism since Buddhism is the main religion in Myanmar. Another important incident is the political turmoil in 1988. At that time Aung San Suu Kyi returned to Myanmar, and founded the National League for Democracy (NLD). But after 2 years, the first election without NLD happened in Myanmar.

The lecturer went further with Buddhism in Myanmar. He told that temple is like the political space since monks can control votes. Monks are forced by the military government in Myanmar. I agree with him because Buddhism in Myanmar strongly can influence the beliefs of people as well as in political terms. According to 'The Burmese Way to Socialism' in the past which I have mentioned in the last paragraph, they use Buddhism to combine with politics.

Another important issue about Buddhism is Buddhist fundamentalism that protest against Muslim and Rohingya. Firstly about Rohingya, Rohingya is not not considered as an ethnic group of Myanmar. They do not have national identity so they seem not exist in Myanmar's society. This is the big problem. And they were expelled not only the military and people, but also by monks and Buddhist group. It has created huge conflicts in Myanmar' society and known for the world.

Even if there are still problems in Myanmar about instability and ethnic minorities, Myanmar is now one of the fastest economic growing countries of the world.

In my opinion, I think this is because after they are trying to push the country into democracy, FDI see the opportunity of emerging markets in Myanmar both from consumption and manufacturing sector. Also because Myanmar is still new with the rich of natural resources.

Essay 3: ASEAN Integration and Border Trade, Chinese Economy

This is a reaction essay of two lectures from Khun Pariwat Kanithasen from BOT on a topic of ASEAN Integration and Border Trade , and from Khun Wan Thabkrajang on a topic of Chinese economy.

Khun Pariwat began his lecture by dividing the topic into 2 aspects of AEC integration. The first is ‘imagined integration through international agreements. And for the second one is ‘real-life’ integration through cross-border activities, which is very important in the current stage of ASEAN Economic Community (AEC). He stated the 5 areas of ASEAN integration including of goods, services, investment, labor, and capital. I would conclude only some aspects of them.

In imagined aspect of AEC, trade facilitation was believed to be done through logistics network throughout ASEAN as advantage view. But in reality, there is a barrier which is huge logistics cost of Island countries such as Indonesia or the Philippines. In terms of investment, he said that FDI from Intra-ASEAN, while rising, is still low compared with FDI from outside ASEAN (e.g. Japan), and gave details that our region liberize only up to domestic laws with the restrictions for FDI while they invest a lot in our region. In my view, I quite agree to have restrictions for FDI since our country relies too much on FDI and still stuck in the middle income stage. For labor issue, labor cannot move freely in practical term due to eligibility of the host countries. Moreover, the majority of labor movements are non-skilled or semi-skilled labor

(not professions). And for the next issue is about capital, we still cannot have free flows of capital since members are at different stages of liberalization. Now, only Singapore is in the highest stage of risk with the highest stability and potential to the regional financial center. Also with case of common currency in ASEAN. In my opinion, I think it is quite impossible for ASEAN to be in the optimum currency area since we are lacking in the conditions of free movement of capital and labor, fiscal transfers, and synchronized business cycles. Also because each country is in the different stages of economic status due to the aspect of imagined ASEAN that I mentioned above.

In Cross-border reality, I would only mention about movement of capital. The movement of capital system normally uses informal system of funds transfer called Hawala or Poy Guan by sending remittance via brokers between border. Using this system, it is risky and unstable. So that's why Fintech firms, banks, and central banks have been developing the cross-border remittance system by just using mobile application. From my point of view, I think using Fintech is very convenient, safe, and useful for people sending their remittance crossing border since it is easier without costs and risks facing with intermediate brokers.

Chinese Economy

Next we move to Chinese economy topic by Khun Wan.

Khun Wan talked about many issues of China mostly in terms of economic success. Her lecture covered from the great leap forward, the cultural revolution, modern China, and The Chinese government until China nowadays that is currently passing ahead the U.S. I would conclude only some interesting aspects from her lecture.

She began by the topic of the great leap forward(1958-1960) and the Cultural Revolution(1966-1976) in China. Those period started the huge propaganda of the government to have the leap growth in economic from investment in agricultural production. But finally, it all wasted. There were inefficient distribution of resources. People were in severe famine, and 30 million people died. Then ongoing to the Cultural Revolution, the government wiped out the rich to gain their lands. It can have the clear slogan as 'No culture. No rich. No education'. So these people got caught because they were accused that they were against the government.

Let's look into consequences from the revolution. They were huge loss of human capital since many well-educated people died. And there were also loss of political elites who tried to promote the living standards of people. From my point of view, I think these huge loss led China to have the Economic Reformation after 1970s. By this reform, it restored the education resulting in an increase in college enrollment, followed with increase of employment in private sectors.

Now China remains the world's balance power leading USA with its top industry using technology in e-commerce industry, and moreover, becoming a cashless society.

The most interesting topic for me is the issue of Chinese government power about Chinese household registration system called Hukou. Hukou is the system that uses to divide Chinese labor market into Rural and Urban segment. And the government provides different treatment and welfare to each hukou owner depending on how much the growth of each province each. Urban hukou receives better social welfare. For example, they have priority to access public school and university in cities. This equals institutionalized discrimination. In my opinion, the Chinese government might want to restrict the labor mobility to move into big cities. The Chinese government also use social credit system to discriminate people from the social

infrastructure such as public transportation or even airplanes. Moreover, they do the media censorship that restricts the population in the country from all sources of real global news, and just create new stories as they want to.

Certainly, I disagree with these system because I think these systems seriously restrict both personal rights and human rights. How can people just receive the re-news or stories that the government just tell to believe without considering the true facts and situations as the world being?

Essay 4: Urbanization in CLMV: Challenges and Opportunities

This is a reaction essay of the lecture held by Dr. Januar Hakim from ADB, on a topic of Urbanization in CLMV: Challenges and Opportunities. His lecture covered historical and socio-economic context, drivers of urban growth, key trends, issues and challenges in CLMV, and way moving forward. I would conclude only some parts of them that I think it is important and interesting.

Let's look into the big picture of CLMV historical and geographical parts. Cambodia, Lao PDR, Myanmar, and Vietnam are the countries that bound by the Mekong river, and under the cooperation of GMS or The Greater Mekong Subregion. This GMS establishment in 1992 is the key changing year for CLMV since it leads to more connectivity and cooperation in terms of growth and the develop in cross-border linkages. In my opinion, I think this is like the beginning step of CLMV to become more urbanized from many factors of urban growth including government policies, regional cooperation, infrastructure, foreign investment, rural-urban

migration. I think these drivers of urban growth could improve much in standard of living of people, but it could affect in the negative ways as well which I will mention later.

For the key issues of CLMV in urbanizing, it has several main problems, and needs the way for improving these things to have a better quality of urbanization. CLMV have main problems about uncontrolled spatial development, poverty and vulnerability, lack of financing for infrastructure, ineffective governance and institutions, less-than-sustainable development, non-inclusive development, and climate change.

The most interesting part for me is the issue of growth clusters because it is one of the consequences of urbanization in CLMV. Since there is more developments among CLMV countries, it led to changes in the spatial distribution of towns and cities that leads to rural-urban migration. From my point of view, I think people in the rural areas migrate to urban because they want to dispose their poverty from undeveloped infrastructure and economic condition of their area to seek more jobs, and increase their living standards in urban areas. However, it is due to their skills and level education as well.

The last issue is about moving forward suggestion. The lecturer reminded my opinion about rural-urban migration. There would be a problem if people only want to move into big cities and left their areas undeveloped. I think the government need to concern about this issue, and take this into policy implementation about giving incentive to people to move out of big cities to the sub-urban. They need to provide investment incentives, good infrastructure and facilities for people in the area so that they can assure they would have stable jobs outside the big cities.

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