

### **EE 561: Response paper on ASEAN economic integration**

The lecture topic is ASEAN economic integration which the lecturer of this class was MR. Pariwat Kanithasen. The ASEAN economic integration can be mainly divided in two parts namely, economic integration in theory and economic integration in practice. In the theory part, the part will describe about progress in factor, comparison with European integration and etc. While in practice, the part will discuss about border trade and cross-border payments and remittance.

Begins with the ASEAN economic integration in theory, there is a theory called “four freedom of economic integration” which describes the factor that aids the economy of a country. The element in four freedom consist of 1.)free movement of goods, 2.)free movement of services and investment, 3.)free movement of labor and 4.)free movement of capital. Moving on to the next point in the part of theory, in ASEAN community there are 3 pillars that support the community which are ASEAN political and security community(APSC), ASEAN economic community(AEC) and ASEAN socio cultural community(ASCC). However the ASEAN country has a wide diversity in characteristics of each country such that it forces the community to move slow in order to move together. Moreover, the integration has to be loose and flexible to integrate with diversity. The examples of diversity in ASEAN country are population and market, Income, Development stage, and Economic infrastructure. Besides, there are also the distinguish pillars model for ASEAN economics community(AEC), in the model AEC has four pillars that support this economy community. The first pillar stands for Single market and production base, second is competitive economic region, next is equitable economic development and last pillar implies the integration into the global economy.

Besides the theoretical part this lecture also take consideration on the practice of ASEAN economic integration as well. Starting with cross-border trade on goods which can be divided into 3 more sub categories namely international trade, border trade and informal border trade. The type of trade are distinguished by the barrier to trade, final destination, buyer and seller and lastly, the product type. From the graph that is given in the lecture, the graph illustrate the trade between Laos and Thailand. By the data given in the graph we can see that Thailand always has positive trade balance from 2014 to 2016, however the positive trade balance is continuously declining every year. Falling in the trade balance could be generated by barrier to trade such as tariff, non-tariff barrier and facilitation.

From the lecture given, it can be concluded that ASEAN integration consists of small yet progressive steps of negotiated economic agreements to foster free trade movement of goods, services, investments, capital and labor. While in practice, these movement are affected by a wide range of factors.

## **EE 561: COVID-19, Labour and CLMVT**

The session is lectured by Mrs. Kiriya Kulkolkarn about the COVID-19 pandemic that affects the labour forces and CLMVT. The agenda of this lecture is impact, inequality, gig and policy to deal with the problem that generates by the covid-19 pandemic. To clarify about Covid-19, this is one of the most severe crises that has occurred as a global problem which has affected the economy of every country as it is a global event that is suffered by everyone.

Starting with the impact of this pandemic, such crisis always affect the economy as well as this covid-19 pandemic. The economic downturn has been triggered by a lockdown policy that is implemented by the government to improve the security of people in their country. Due to this lockdown, there are numbers of industries that are forced to slow down their production while some might have to stop their business. The pandemic generates exogenous sanitary shock that pulls the supply of production while in the Hamburger crisis in 2007-2008, the crisis faced with financial shock such that it pulled the demand first. Yet, this pandemic has caused a larger, deeper and faster drop in economics than any other crisis in the past few decades. The example of impact on the economy of thailand is that the 2020 GDP growth is forecasted to fall approximately 0.06% - 5.0% while the policy interest rate is decreased to 0.05% and unemployment rate is forecasted to be 12 million people in 2020.

Moving on to the next part, inequality that the workers have been affected due to the impact of covid-19 pandemic. The job that worker has to meet with a lot of people is categorized as high impact such as wholesale accommodation food and services, transport and communication and etc. while agriculture and construction are categorized as low-medium impact. In Thailand, there are inequality support from the government sector to deal with the covid-19 scenario. Such that the 5000 aids scheme that helps only poor people which it appears that not all of them get these money but to those who are lucky enough.

Next, Gig is a job that lasts certain period of time, often the life project or as long as the company has that specific need. So, gig workers are independent contractors who enter the formal agreement with on-demand company to provide services to company's client.

Lastly, the policy discussion and recommendation from my opinion is that the current policy is already good but it is not enough, if I am the policy inventor, I would also exercise the lockdown of country but earlier than when the current government does during the lockdown period, the government should help the economy sector by subsidy on online transaction such as online shopping to create flow of cash. After the lock down period is over, there should be policy to control the pandemic that is more conscious to people such that every time people leave their house they have to put the protection on.