

Monday, 22nd July 2019

Today, we had a guest speaker Prewprae Chunrum coming from the Ministry of Commerce, discussing CLMVT strategy and information related to ASEAN and ASEAN-related countries as well. We first had a summary of CLMVT FDI, talking about key investors and industry – for example, in Myanmar, South Korea invests 48% of FDI, with strong industries in the mining and transportation industry, heavily extracting raw materials and natural resources. We then discussed new FDI trends – something I found very interesting, knowing that Thailand only allows foreign workers to have less than 50% of equity. Thai business owners need to be the majority, to have more decision-making power. There are a lot of future challenges in the CLMVT area: geopolitical stability, challenges of governance, changing demographics with ageing society and diminishing labour force in Japan, Thailand and China. We focused on an interesting aspect related to Japanese immigration laws; whilst Japanese has a heavy issue with growing dependents with a top-heavy population pyramid, they also have strict restrictions on immigration policy – migrants cannot fill the vacancy that Japan is facing. An example would be in the nurse industry – Philippines has a strong medical nurse sector, and Philippine-Japanese FTA can be possible if not for Japan's strict laws. Moreover, although the Japanese population are all highly-educated, many women who study abroad go back to Japan and become housewives because of culture, taking a lot of potential labour demographic away from the labour force.

I found it very interesting when the speaker discussed about the Japanese model of Foreign Direct Investment: when they come, they bring all supply chains, logistics, and branches necessary. They would not use Thai banks or Thai consulting firms, rather, they would import all their workers into Thailand from Japan. It made me realise that FDI may not directly improve the economy and employment of a country, and made me reflect this upon China's FDI model (which is too, quite similar). When investing in Kenya, for example, to build the railway, China exported workers from its own country instead of using Kenyan workers, generating no new employment opportunities. In cases like these, it is also difficult for cultural integration, and may even lead to social conflicts and distrust between an out-group community and the in-group population. I also wondered the balance between giving foreign investors majority shares over holding majority control. With Thailand's policy where

51% of a foreign business must be owned by a Thai (Joint Venture, or Merger and Acquisition), this may chase off a lot of FDI opportunities. On the other hand, giving foreign businesses majority control would mean that Thai investors and the Thai economic scope may lose political and decision-making power in a firm. There is a trade-off between the two, and I wonder what the most optimal level is.

We then talked about Industry 4.0 and Global Value Creation – the importance of nano-tech, neuro-tech, green-tech, fem-tech, digital-tech (big data, internet of things), and bio-tech (chemicals, substance, stem cells, agricultural technology). Innovation is crucial in creating value for the world, and the growth of technology strongly contributes to productivity in a country. After, we discussed Thailand's strategy in ASEAN region. With a strategic location, surrounded by neighbouring China and the rest of ASEAN, strong economic policies that tend to be long-term and stable, Thailand 4.0, and Thailand plus one strategy, Thailand has a lot of opportunity for growth in the future and a lot of strategic path. Finally, we discussed China and its "One Belt, One Road" initiative, as well as the China-US trade war, two very contentious and talked-about topic in the current moment. Xi's 1 trillion-dollar plan will lead to stronger soft and sharp power, coordinating policy, constructing infrastructure, investment, and expanding trade.

Although it was only briefly mentioned, the speaker talked about Industry 5.0, and the idea of a circular economy. Doing a little research, I found it interesting with its focus on sustainability, minimising waste, where outputs such as emissions and wastes are minimised by recycling, remaking and reusing inputs. Therefore, resource-use and consumption can be monitored and maintained and does not leak into the damage of the environment. I found this concept very interesting, because economy is often measured through monetary value, but in this case it thinks of how to sustain a community in all aspects, where people consumer sustainably.

Tuesday, 23rd July 2019

Today, our speaker discussed Myanmar, its history, politics, society, culture and economics. When writing this essay, I immediately encountered the question: should I call the country Myanmar, or Burma? The speaker mentioned that the difference lies in many complex aspects, some of which including pre vs post-colonisation, Burma referring to a specific ethnic group (Burmese) whereas Myanmar refers to everyone in the country. First starting with the historical background, with its period of colonisation from 1824 – 1948, its three wars in between, the Divide and Rule Policy (dividing a country in order to de-unify the locals. With attempts to democracy and military interventions, Myanmar settled with military as the legitimate “stabiliser” of the country. In 1974, the Socialist Constitution by the Burmese Socialist Program Party led to a “Burmese Way to Socialism” – they believed in neutrality. Whilst democracy is not effective, communism not an option, they used Buddhism as a way to run the country since their independence. However, in 1988, there was an uprising by the people. Aung San Suu Kyi formed the National League of Democracy, ending in a mass murder that led to a promise of new elections.

Learning about this made me think about the “Saffron Revolution”, something I know very little about but was always interested in. Doing some research, I realise these were economic and political protests that took place in 2007 in Myanmar, sparked by the military’s decision to remove subsidies on fuel, leading to a sudden doubling of prices. Though in the form of nonviolent resistance, the protests ended with around 30 dead (though the numbers are disputed), and 1,000 detained or arrested (again, disputed). The protests escalated with Buddhist monks on September 2007, where the military junta and monks began to clash. I found it the most surprising when the Buddhist monks withdrew spiritual services to the military – something quite horrible considering the religiousness of Burma. Whilst tensions thickened, this finally imploded with the junta crackdown, where deaths and killing began to occur, going on for a year until September 2008.

Learning about this made me realise the amount of dissatisfaction and oppression within Burma at that time – with the military dictatorship and political repression, the protests escalated so quickly.

The speaker then discussed democratisation of Myanmar into a parliamentary government – with a bicameral system of the legislative branch: An Upper House and the Lower House, as well as a judicial branch. Reforms came politically, a government that is elected, release of political prisoners, etc., economically, more FDI laws, economic development plans and anti-corruption law, socially, improving human rights and removing censorship. Still a lot of challenges are present, especially with ethnic minorities and sexual assault incidents by the Burma Army since 2010. Another focus by the speaker is on political institution and order, including a deep focus on the constitution. There are many controversies still current: the power of the military in appointing Ministers of Defence, Home Affairs etc., the president can choose judges, and no supervision over the military by anyone outside. The political parties are another issue: there is the NLD (centralised, new generation, Aung San Suu Kyi), USDP (coherence, military-dominated, lack of credibility). He then discussed economic aspects, with new SEZs, connectivity, strategies that include loans and assistances.

I found the last section to be the most interesting: social cohesion and peace process. Oftentimes, I hear about the Rohingya “ethnic cleansing”, and Aung San Suu Kyi’s role (or lack-of) in the issue from an international perspective, and I was excited to learn about it from someone who has heavy expertise in the literature and understanding. With a lot of ethnic conflicts – the rise of Buddhist fundamentalism, heavy assault towards Rohingya women, social harmony seems like a far-reaching goal to me. Although Suu Kyi oftentimes voiced herself out towards democracy and is a symbol of peace and equality, I wonder why she always kept quiet when it comes to the Rohingya crisis – is it because of the need to placate the government in order to get into power?

Thursday, 25th July 2019

Today, we had two guest speakers. The first, Mr. Pariwat Kanithasen, is part of the Bank of Thailand working on Payment Systems. He talked about ASEAN integration and border trade. I liked how he structured the presentation: “AEC From Above: “Imagined” integration through international agreements”, and “AEC From Below: Real-life integration through cross-border activities”, a juxtaposition between aspirations for AEC and its reality. He first described AEC as a “work in progress” – most diverse economic grouping not only in terms of per-capita GDP but also population and markets. Looking at ASEAN from 5 perspectives: goods, services, investment, labour and capital, we can see where ASEAN is at in its current situation versus where it wants to be. Currently, tariffs were successfully lowered to 0% (some exceptions), but non-tariff barriers still remain as important obstacles. Service-wise, there is slow progress due to regulations on foreign ownership that restricts and de-incentivises foreign investment. Most investments come from abroad, from non-ASEAN countries such as China, Japan, and South Korea. There are shallow commitments to increasing skill in labour, and capital-wise, flows are more free but there are no plans for a single currency. However, there are still a lot of challenges restricting the path towards ASEAN’s aspirations. In terms of goods, there are still administrative barriers and non-tariff barriers, such as fees collected at checkpoints, and infrastructure for transportation (such as roads) still pose as an issue. Services and investment, there are a lot of shadow economies and informal markets, examples being in casinos. Though there have been increase movement of people across the border – what type are they? Workers? Tourists? Each bring in different kinds of revenue, and do not necessarily contribute strongly to trade. Capital still faces questions related to how to transfer funds, and the informal system of Hawala.

In class, the guest speaker asked a question I thought was quite interesting. He asked about other economic groupings around the world, in which we answered EU and NAFTA being the two most known. I’ve never considered comparing the situation and dynamic of western economic groupings to ASEAN, and the question he posed made me consider inter-country relationships within the groups. I found it fascinating to know that the richest country vs the poorest per-capita GDP in ASEAN is 60 times, with EU only 16 times (between Bulgaria and Luxembourg). Population and markets, ASEAN

differs from Brunei (0.4 million) to Indonesia (237 million). Although we learnt a lot about ASEAN countries and their relationships, we did not go into detail in learning about ASEAN as a single entity – does it have a secretariat like the EU does? Does it have an equivalent to the European Commission? It also made me reflect on conditions for a common currency. With EU and its Euro, the diversity of ASEAN prohibits it from attaining a single currency – and perhaps for the better. After all, a single currency is the strongest only at its weakest link – and ASEAN’s diversity of economy performance means that it is risky to hold a single currency. An example with the Euro would be Greece’s economic challenges, showing the riskiness of a shared currency in ASEAN.

For the second class of the day, we had a guest speaker discussing China and its current situation. When talking about the US-China Trade War, she put it in the perspective of a “technology war”, which I found interesting and true. With Huawei, 5G, the significance of know-how and IP rights, and Weixing’s (Tencent) huge influence, U.S. and China are head-to-head in attaining clout through technology. We learnt about China’s history, with the Big Push Strategy, Cultural Revolution, Great Leap etc. shaping China’s current political framework. We also discussed the social credit system, something I found so terrifying with its scope and amount of knowledge the system knows about you. And yet, I find it interesting that many people do not really care, and privacy is not a prime issue for a lot of Chinese citizens. We then talked about urbanisation and development, the One Belt One Road Initiative, high speed train and infrastructure links, and China’s relationships with CLMV. With Laos, it was interesting to learn that most streets are invested by Chinese firms in exchange for land-use permission; Myanmar and Cambodia both provide really cheap factors of production. I thought that China and Vietnam would have a good relationship, or at least an understanding as they are both under socialist systems – but the guest speaker mentioned that their relationship is not so good due to historical reasons, perhaps the Third Indochinese war.

Friday, 26th July 2019

Today, Dr. Januar Hakim from Laos came in to talk about urbanisation in CLMV, its challenges and opportunities. We first looked at how its history shaped its current socioeconomic and spatial features. For example, during colonial exploitation in the 1800s – 1950s, a lot of resources were extracted away from CLMV, leading to a rise in port cities and rural-urban migration. On the other hand, during wars and conflicts from the 1950 – 1980 period, instability and stagnant development led to a depopulation of urban areas to other cities. Whilst the world moved towards high value production, global capital, service industry and more use of information, the ASEAN region emphasised on connectivity, harmonised policies, security improvement and higher cross-border trade. He presented drivers of urban growth, including government policies and strategies (using incentives to encourage urban development), regional cooperation (increasing connectivity, tourism, joint ventures and decreasing barriers of entry), infrastructure (increasing length and volume for more productivity of investments), foreign investment (provides more employment opportunities and can lead to multiplier effects), and rural-urban migration (for higher standards of living and wages). He then discussed descriptions for each CLMV country, talking about Cambodia's strong performance in the garment, tourism, paddy and construction industry, Laos' economic reforms and resource-richness, Vietnam's 1986 Doi Moi and its shift away from central planning to decentralisation of authority.

I enjoyed learning about the spatial features of CLMV and its geographical growth. Whilst during the territorial shifts, there were many transient capital cities. In the colonial era, this led to the rise of port cities and migration to cities – but then when there was war, there were huge depopulations of urban areas. And finally, during the political and economic transformation, there was rapid urbanisation, growth of border towns and urban sprawl. I find that extremely compelling, to learn about the movement of individuals within a country and its dynamics during a period of time. As our project focused a lot on rural-urban migration, I found it interesting to hear about a situation where there were heavy loads of urban-rural migration (oftentimes nowadays, urban-rural occurs when cities become more congested or polluted, but not as frequent as other forms of migration). Many depopulated to look for safety, and

it reminded me of Vic Nac Tunnels in Vietnam, where women and children escaped bombings during the Second Indochinese War, to underground tunnels.

We then discussed key trends and challenges for CLMV in relation to urbanisation. Here, we discussed uncontrolled spatial development, poverty, lack of financing for infrastructure, ineffective governance, non-inclusive development, climate change, and “green” urban growth. Whilst CLMV has an extremely close history, with colonisation and fight for independence, all four are shifting towards heavy economic growth and development. Vietnam exists as the most advanced currently, Myanmar the least with its long isolation from the rest of the world. With its developments comes a lot of changes in spatial distribution of towns and urban areas, and with rapid rural-urban growths, this leads to rapid urbanisation to urban areas.

I found it interesting when the lecturer discussed uneven growth – with growth clusters and large urban areas that lead to rural counterparts. In Vietnam, there are two urban poles of Hanoi and Ho Chi Minh City, Cambodia with Tak May and Kandal provinces, Myanmar Yangon, Bago, Mawlamyine, and Laos with Vientiane – primary cities that have agglomerated and grown in size. It made me consider inclusive growth and sustainable development – whether it is truly possible to have growth that includes a whole country without leaving anyone else behind. From past history and experiences, economic growth almost always came in Deng’s form of “让一部分人先富起来”, or “let some people get rich first”, and then once its reached a point, a country then looks into development. It would be extremely effective and productive if growth can benefit everyone, and yet I cannot perceive any ways in which to do so. It also made me think of Vietnam and its current growth, how it seems like an urban polarisation between North and South with Hanoi and HCMC. The geographical shape of Vietnam is extremely fascinating to me, paired alongside its history, I’m curious how the two cities developed so quickly, and whether their development styles differ from one another.