ASEAN economic integration (K. Panuwat)

Association of Southeast Asian Nations or ASEAN was initially established in 1967 because of the fear of communism from China, so the five original member, Indonesia, Malaysia, Philippines, Singapore, and Thailand, formed up this association in order to prevent the spreading in communism across South East Asia. As the time pass by, ASEAN started to move toward economic integration and improve ASEAN economic community(AEC) by setting the AEC blueprint as a goal into single market and production base. In the following paragraph, theoretical knowledge will be provided as well as the real outcome across ASEAN countries with personal opinion.

From the concept of four freedom of economic integration, key elements that construct economic integration are free movement of goods, free movement of labour, free movement of capital, and free movement of services and investment. The more freedom you have, the more integration you get and if we observe from the pie chart of level of economic integration, ASEAN is located in the lowest complexity compared to another country such as European countries and the United States. ASEAN is characterised by internal diversity because it consists of 10 different countries that have different economic, political, and income background. For instance, inequality within countries is a serious issues for several ASEAN countries. Even some ASEAN country have developed their socioeconomic condition but Myanmar still suffer from this problem and continue to decline in the past few year. With diverse economic bloc, it might be difficult for ASEAN to follow the process of economic integration with the diversity at the same time. However, if all member states are connected (deeper engagement) and well-cooperate within both their country and global partner, the ASEAN community will be stronger in the global market.

The topic that I found and it is interesting is ASEAN economic integration in practice. As mentioned from the previous paragraph that it is quite difficult to implement theoretical integration within ASEAN, the real outcome might be different from the ideas. Taking AEC labour as an example, a free flow of skilled labour was introduced to encourage ASEAN countries to transform into single market. 8 different skilled professionals in the member countries can apply for their occupation in another ASEAN countries, but they have to complete with domestic entry regulation of that country first. The process toward free flow of skilled labour has been slow and inconsistent because of several reasons such as difficulties in domestic policy, technical obstacles, and political issues. Besides, mutual recognition is different across several countries, especially education which can lead to the occupation.

On the contrary, most of migrant workers within intra-ASEAN is different from AEC goal toward to labour now that most migrant worker are non-professional or unskilled worker and it is continuing to rise in the future. Therefore, today's intra-ASEAN migration inflow is different from aspiration toward the free flow of skilled labour, ASEAN countries have to concern more about other different factors to improve this issue in the future.

Impact of COVID-19 (Ajarn Kiriya)

COVID 19 epidemic has globally impact on every country in almost every sector such as economic, tourism, domestic business and international businesses. As ajarn Kiriya mentioned in the class that COVID19 outbreak does not cause the imbalance of the economy system but because of exogenous sanitary shock (social distancing) in the current situation create the impact to another sector such as production, transportation or even supply chain in the system. Most of the borderland that usually use for transportation has been closed in order to prevent the spreading of virus. With this reason, COVID19 interrupted manufacturing, transportation and effect demand and supply in the real world.

From the figure 2 in the slide, it describes estimated drop in aggregate working hours by region, and shows that in the second quarter of 2020 the United States and European and central Asia has an increasing in percentage drop in working hour. I believe that because the spreading of the coronavirus in that region has increased rapidly in the short period of time, so government in those country might have to implement serious method to limit the number of infected people by lowering working hour. However, COVID19 does impact on overall world economy, as we can see from the graph by Thai labour solidarity committee, this epidemic also create large impact on 2020 GDP growth forecast, Global FDI in 2020-2021, Good trade barometer and unfortunately airline revenues loss forecast.

As we can observe from the guest speaker who is an official guide that expert in Asia. Her career as a local guide also effected from current epidemic now that government restricts number of tourists in Thailand and it definitely hurts the domestic tourism sector in Thailand. Even though Thai government support 5,000 baht per month cash subsidy for 3 months to workers who affected by COVID19 epidemic but most of them still suffer from current situation. She said that most of her colleagues has to improve their skill by both self-studying and online-studying in order to apply for a new job. Some of them even start their own small business and gig job such as bakery, street food, Grab driver or even food delivery to survive in current period. It is quite challenging for her career but she said that what she can do is improve her skill and try to cope with current situation.

I believe that tourism sector in Thailand will be better shortly after government decided to ease lockdown policy, and it encourages people to travel more around Thailand because people want to relieve their stressfulness from quarantine period and work from home mode, so they can be able enjoy their freedom outside their house. Moreover, government also support domestic tourism and stimulate domestic travel by providing e-vouchers through e-payment channel (Paotung application) and also setting the promotion with hotel to boost Thai tourism.

To sum up, COVID-19 pandemic created several negative impact to all countries around the world. Some country implement strong policy and take precaution to control the outbreak of coronavirus. This situation is the public externality for every countries to be aware of. The policy that currently being use might or might not be effective in the future because this situation is unpredictable and never happened before. As long as every country raise awareness of their citizen and be ready to face the next outbreak, this situation will be under controlled and consequently better global financial market.