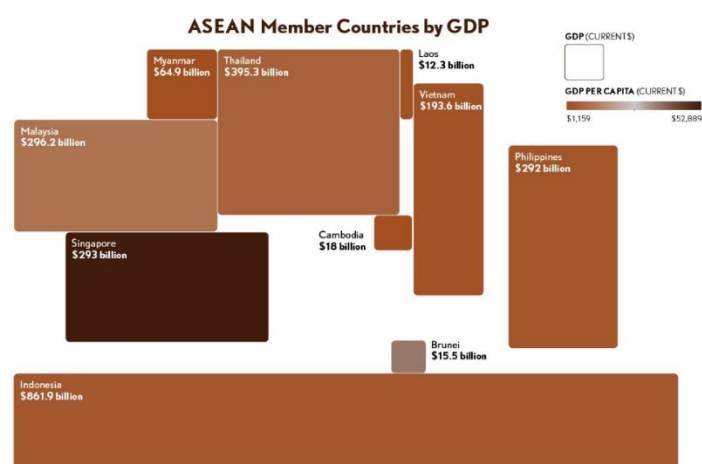


20.06.19: ASEAN Origin, Evolution and Economy

Association of South East Asian Nations: One Vision, One Identity, One Community. Today in class we had a thorough discussion of the development and history of the ASEAN region. In the fear that a domino effect would begin in Thailand and spread towards the rest of South East Asia, this led to the 1967 Bangkok Declaration during the Cold War – on August 8, the first form of ASEAN established. Frequent and selective negotiations throughout the years, this developed towards the ASEAN Free Trade Area (AFTA) with trade liberalisation, encouragement of market-based economies, regional integration and harmonisation of customs. From 2003 to 2015, AFTA shifted to AEC – the ASEAN Economic Community, attempting to close development gaps. ASEAN’s history and becoming highlights the importance of the concept where “the whole is greater than its parts” – how being part of ASEAN mutually benefitted each individual party, with comparative advantages lowering costs in trade, and creating a formidable competitive power to the world markets.

Our class also discussed how the ASEAN economy grew throughout the years – establishing themselves as the 7th largest economy in 2014 and 3rd largest in Asia. In 2016, it cumulated to be 3.4% of world GDP, with CLMV having a 6% growth rate from 2010 – 2017. ASEAN has gone through many years of industrialisation, and then de-industrialisation towards the service sector.



“ASEAN: The Association of Southeast Asian Nations.” Council on Foreign Relations, Council on Foreign Relations

Though this led to heavy economic growth, it also widened the income gap, with the service sector earning 90% of the country’s income. In general, ASEAN has a positive trade balance – but the percentage of imports exceed exports (20.3% to 14.1%) in trade with China, showing

the influence China has with ASEAN. After some research, I found an interesting map illustrating ASEAN member countries' GDPs and GDP per capita – thought it expresses a strong visualisation of the ASEAN market strengths.

Currently, I believe that a prominent problem that Thailand faces would be the ageing population and decreasing labour force. With the growth of the Thai economy but ageing population, this could lead to a huge vacancy and high demand for labour – a need that may not be able to be met. However, this can be reconsidered. ASEAN allows very easy migration and immigration into in-group countries, meaning that migrants from Thailand's neighbouring countries can aid filling the gap. Although there may be issues such as migrants may be more unskilled or less productive – they can bring a lot of benefits to the economy, and GDP may expand.

I feel like current challenges that the ASEAN region could face would be finding agreement against the plethora of varying cultures, traditions, values – from constitutional monarchies to one-state leadership, democracy, and authoritarianism. For example, on Rodrigo Duterte's ruling method of the Philippines and his crackdown on drug-trafficking and treatment of Rohingyas in Myanmar – ASEAN countries hold a diversity of contrasting opinions on issues regarding human rights. With not only political diversity, but also geographical diversity – ASEAN surrounding the South China Sea, current growth of geopolitical assertions from China led to disagreements on how to address such issue. Going into the future with US-China tensions simmering into a flame, ASEAN may be cornered into taking stances. Whilst the integrated market allowed for mutual benefits, it is also a form of mutual representation – ASEAN has to take a stance representing 8 diverse countries, something that may become a challenge in the future.

21.06.19: Cambodia Economy

Today, Mrs. Lay Chanrasmey, the Counsellor and Deputy Head of Mission at Royal Embassy of Cambodia, leader of Political Affairs and Bilateral Relations in ASEAN came to talk to us about Cambodia, and Cambodia-Thailand relations. She said that the Prime Minister considers Thailand and Cambodia to be “sister and brother” – sharing not only borders but similar cultures, languages, and a long, intertwined history. Mrs. Lay outlined many bilateral mechanisms to facilitate Thai-Cambodian relations – from Joint Commissions to General Border Committee, Joint Cabinet Retreat to JBC, all of which aiming to sustain a strong economic, social, educational and cultural relationship with one another. She discussed an interesting point of tourism – how more Cambodian tourists visit Thailand than Thailand tourists visit Cambodia, because of cheap and quality medical check-ups, and job opportunities. There has also been a growth of educational cooperation – from 2005 until now, there had been a growth of scholarships provided to Cambodian students to study in Thailand (around 2124 scholarships). The border is a highly contentious issue – but with the recent peace, there are 7 international and bilateral check-points to enter the country.

The economy of Cambodia is growing – as a part of CLMV and ASEAN, Cambodia’s GDP per capita sustained a 7% growth from 1995 until 2018. Though Cambodia still has a large agricultural sector, a large part of their economy is based on the textile industry. I find Thailand and Cambodia’s bilateral trade data insightful – Cambodia tend to have larger imports (7,621 million USD in 2018) from Thailand, than exports (767 million USD in 2018) into Thailand. To facilitate trading, better infrastructure had been built – a train that links Cambodia and Thailand in order to fill the “missing link” that allows for increase in border trade volume and connectivity. By creating checkpoints that were dedicated to just trucks and trade, heavy congestion from tourism can be avoided. Joining the CLMV aids Cambodia in development,

nine priorities focusing on different sectors of the economy (improving industry, agriculture, energy, transportation etc.), investment, and human resource development. Lastly, she speaks of ACMECS was developed, complementing the CLMV in promoting growth that can be sustained.

I found Mrs. Lay's talk compelling – a brief overview of Cambodia's relations with Thailand and ASEAN. However, it was during to Q&A session where I felt that she got more in depth. Asking her about the 2008 border disputes, with the issue of Preah Vihear Temple and territorial heritage claims at its heart, I felt her reply to be quite diplomatic. Asking her how it affected Thai-Cambodia relations and their economies specifically, she says that it definitely affected tourism and caused uncertainty within the Thai and Cambodian relations, but have been since solved and at peace. Although I mainly agreed with what she said, I thought her response sounded slightly biased towards peace and slightly off-representing the situation. I realised that the border dispute at that time began because of two large reasons: Cambodia listing Preah Vihear as their World Heritage Site, and the then-political “yellow vests” that entangled this issue with Thai's own political conflicts. I felt like Mrs. Lay illustrated Thai-Cambodian relations to have always been quite harmonious and cooperative, but that may not have been always the case. Overall, I believe her presentation was engaging and thoughtful (though perhaps a bit too diplomatic – but after all, she *is* a diplomat!), and was very grateful for such an opportunity to learn from her.