

Monday, 1st July 2019

In this class, we have a speaker Mrs. Punpilas Ruangwisut from Bank of Thailand, providing more details related to CLMV and BOT connectivity, and BOT's regional connectivity. In the first part of class, we discussed general statistics and data related to CLMV. Whilst Vietnam is the largest country in CLMV in terms of population and GDP, Lao PDR is the smallest. Myanmar still needs to develop an institutional framework as it only recently opened its economy. The talk discussed the regional connectivity of Thailand, with a focus on three goals: stability, development, internal excellence, with an emphasis on lowering transaction costs, more convenient payment methods, and more opportunities to invest in other ASEAN countries. In terms of BOT's role in the financial sector development facilitating trade and investment, BOT focuses on enhancing efficiency through flexibility of relaxed regulations, safety in encouraging formal channels, and lowering costs. Furthermore, they hope to increase financial literacy and synchronise regulations. Applying financial frameworks to Thailand and ASEAN, the importance of connectivity, sustainability and future-orientation is highlighted. The speaker said that Thailand must strengthen its cyber networks, resilient to cyber threats, promote the use of local currencies in order to create cross-border retail payment linkages, and pursue sustainable finance by improving financial inclusion and adopting technology. Thailand's way forward is through more liberalisation and emphasising on Thailand's Chair priorities.

I found it interesting when the speaker discussed CLMV's economic development policy in relation to political stability. She mentioned Myanmar and Cambodia's multi-party democratic system, and Laos and Vietnam's single-party, communist system, as well as China's relationship with ASEAN. Politics really holds a strong connection to economic development – and the speaker mention of “soft power” of China made me reflect on political strategies CLMV and ASEAN countries use in order to influence relations with other countries.

I disagree with the speaker on this 4point – that China uses predominantly “soft power” to influence politics, especially nowadays. Soft power, in my opinion, is more about attraction: shaping preferences of other countries to perceive to appealing aspects of the home country. This is through persuasion, “compelling narratives”, attractive values, cultures and foreign policy. I feel like many western developed nations have quite a “negative” perspective of China, with values considered as “anti-democratic” and against “human rights” – with coercive forces and an unrelenting government and military. I believe China is more skilled in this concept of “sharp power” – global media influence, academia, think tanks, moulding ideas “in the sense that they pierce, penetrate, or perforate the political and information environments in the targeted countries”. For example, Chinese firms are able to co-produce films in Hollywood (if Hollywood producers wanted to penetrate the Chinese market, for example), meaning that they have control over what controversial subjects they’d like to avoid – such as Taiwan, Tibet, Falun Gong, Uyghurs etc. A recent news of Chinese researchers banned from cooperating with US researchers by Trump, it shows the growing influence China has around the world (and perhaps the growing xenophobia expressed by the US President).

Wednesday, 3rd July 2019

Today, we talked about the Sustainable Development Goals and its importance in relation to the future. First, we discussed SDGs in terms of a global context – there are 17 goals, 169 sub-goals, and 244 indicators, focusing on 5Ps: people, prosperity, peace, planet, and partnership. The 17 goals span from poverty eradication to mental health, free and equitable primary and secondary education to removing discrimination against women, safe and affordable drinking water to food security. Placed in a regional context, ASEAN's SDG focus is on poverty eradication, infrastructure and connectivity, sustainable management of natural resources and sustainable consumption. ASEAN still has a lot to work on, especially since it is at its industrial stage – LGBTQIA+ still doesn't have rights, education quality can be improved, and a huge issue of haze because of burning and deforestation in Cambodia and middle Thailand. "Sustainable development" is the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" – with a split between weak sustainability and strong sustainability. Whilst strong sustainability hopes for all cumulated negative externalities to be eliminated in the long-run, with zero externalities, no degradation in natural capital, and earth in a steady-state, weak sustainability emphasises on maintaining society's current consumption pattern, with input varied and substitutable by technological and financial capitals.

We then discussed the three pillars of sustainability: economy, environment, and society. I found the activity we did in class, applying the three pillars to what we think Thailand will look like in ten years, very interesting. In that, I got to see what the Thai students thought about Thailand's current situation and what can be considered a "realistic" goal. For example, many thought that the traffic jam and congestion situation would not improve too much in the future – though there are hopes that the government will increase the quality of public transport infrastructure. LGBT civil partnership rights in Thailand has been discussed since 2018, and something that they hope that, in ten years, would be legally accepted. For the environment, we hoped for better innovation to treat deforestation and water pollution. Waste management is also currently a huge issue in Thailand, with million tonnes of waste going into the sea every year – separating trash and sorting it into recyclables, compost, and landfill could be a good method in diminishing the amount. Economically, it is fascinating to hear that the students think that the politics will still be the stable – that it is difficult to find stability and avoid

corruption. There is, however, positivity in that those under the extreme poverty line of 1.90USD will be less, and skilled labour will increase.

We then discussed a brief history of sustainability – from the first Universal Declaration of Human Rights to avoid a new World War in 1948 and Rachel Carson’s “Silent Spring” in 1962, an advocacy against the use of DDT pesticides as it destroyed the ecology of the area, to the 1992 Rio de Janeiro creation of the UN Framework Convention on Climate Change and 2007 IPCC Intergovernmental Panel on Climate Change. With the amount of progress, we’ve had so far, it still shocks me when faced with climate change deniers.

During this section of the class, it made me reflect on Trump’s “I don’t believe it” – a “climate change sceptic” that advocates for heavy industry coal usage, pulls out of the Paris international climate agreement, cuts the US Environmental Protection Agency, and calls climate change a *hoax*. These multiple slanders against science and facts is a regression of truth. And yet, on the other side of it, there is Greta Thunberg and her heavy advocacy, Prince Charles in his attempt to convince Trump of his idiocy, and “The Guardian’s” switch of rhetoric – from “climate change” to “climate crisis”, “global warming” to “global heating” – in order to push an urgency and immediateness of the situation we are in today, something that I myself have begun to adopt. I don’t understand how opinions can be so divided when there exists plain proof of the damage we’ve inflicted on our planet – how can Trump so lazily name “climate change” a hoax created by China when the global temperature shows a rapidly upward trend, even after taking into account the climate cycle? I think it is crucial and I am so appreciative that courses related to sustainable economics is being taught at a time like this. There is oftentimes a trend where, for a country to clamber out of its “low-income” status, they must undergo heavy industrialisation that leads to heavy negative externalities. I wonder if this must always be considered the “trend”, and whether there exist other forms of development that can allow a country to economically prosper, but also allow for a clean environment. This is something I will continue to mull on today.

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Thursday, 4th July 2019

I really enjoyed today's class. The speaker, Dr. Amonthep Chawla, was really engaging and knowledgeable of the CLMV region – I feel like we all appreciated him spending five hours of his time with the workshop today. First, he gave a general overview of the CLMV region – comparing population, currency stability, GDP growth rates and external debt. We also discussed current accounts, how 6% of Thailand's GDP is from a current account surplus due to heavy capital flows of tourist entering the country. This leads to more foreign reserves and therefore higher purchasing power – making the Thai Baht the strongest currency in this region. We then discussed the East-West Economic Corridor from Thailand to Central Vietnam. In Laos, there are a lot of tax benefits and natural resources that makes Laos a strong attraction for FDI, with China being their main investor. For Vietnam, they are the country with the most Special Economic Zones, with 313 SEZs. Now, there is a lot of investment into Hanoi, whereas before focus of FDI and tourism is around the Ho Chi Minh area due to the political atmosphere of North Vietnam. Even now, the culture of North and South Vietnam differs strongly, and I find that very compelling. Now, Vietnam moved slightly away from textiles and footwear, into the industry of electrical products, like phones and phone parts.

We then discussed Thai exports to neighbouring countries. He mentioned how 25% of Thailand exports are to the ASEAN region – but a huge discrepancy between CLMV and ASEAN 5. 10 – 20 years ago, out of all the exports to the ASEAN region, 90% goes to ASEAN5 and only 10% goes to CLMV, whereas now it is nearly a half-half split. I think this says a lot about the development of the CLMV areas – it is now expanding and a growing market advancing in the world. We discussed exports to CLMV from Thailand, most with the method of border trade in products such as refined fuels, beverages, beauty products, air conditioner, automobile parts and more. In terms of investments, outward FDI pattern of Thai production shows that there exists a labour scarcity, and many products have reached a mature stage of the product cycle. GSP is also expiring, with an ageing population. It is interesting to learn that 80% of foreign workers in Thailand are of Burmese nationality (80%), and how motorcycle businesses prefer selling to Burmese workers because they can charge a higher price and be paid in cash.

My favourite part of the class was when Dr. Amonthep Chawla briefly applied game theory concepts to the US-China trade war. He mentioned how US and China are in a prisoner's dilemma situation, where they are trying to find a Nash Equilibrium where they both end up in a win-win situation – as a trade war means that a loss in comparative advantage and higher costs. The tit-for-that mentality between US and China trade right now only means both sides lose. However, I think that whilst I agree that both sides are at a disadvantage, and that both Trump and Xi can hold a zero-sum mentality, I believe that US has more leverage over China. China relies heavily on its exports, and whilst a lot of US domestic firms are harmed because of higher costs, I believe the Hua Wei bans, steel tariffs, and more hurts China more than US is hurt. Through bargaining by negotiation, I hope that US and China can reach an equilibrium agreement where both sides agree on a win-win situation. I find it fascinating, also, how Vietnam and other ASEAN countries are at an advantage because of such a trade war between two of the world leading economies. The heightened rivalry means that firms offshores their production into Vietnam, instead of the higher costs in China now. Also, with China's strong relationship in Vietnam due to its socialist rule, this propels their relationship stronger. This allows the ASEAN region to attain more FDI, and therefore grow.

Also, I was shocked to realise how fast things change. This class, Dr. Amonthep made me realise that time is brief and fickle and the economic sphere is everchanging. Vietnam, Thailand and Singapore are soon to face an ageing population, oftentimes leading to slow growth and a smaller labour force. The projection for 2050 shows that 37% of Thailand's population will be above the age of 60, 27.9% of Vietnam. The speaker also mentioned that how a lot is unpredictable with how fast innovation is growing right now – in 50 years, there is a possibility that many jobs will be replaced by robots, and the skills we have will need to adapt to the society I am. He talked about how the workspace is at a volatile, shifting state, and we need to always be able to mould to the changes that occur. I felt existential in class, and I appreciated his advice to the students in class.

Friday, 5th July 2019

On Friday, we went on a trip to the Thai-German Institute and the Eastern Economic Corridor of Innovation, both of which I found fascinating. It was a little disappointing that the talks were held in Thai, as the content seemed very compelling, but the gadgets, projects, and environment in both places were stunning and all-in-all an exciting trip. Being able to witness Chonburi and its differences with Old Bangkok was also fascinating, and I really enjoyed this trip.

I really enjoyed the concept of the Thai-German Institute, with a goal in advanced skill-training for gaining competitiveness in the era of Thailand 4.0. With a plethora of cool machinery and gadgets, the institute facilitated Thailand's goal in transferring into Industry 4.0, specialising in automation, robots, and CUSING technology. Graduating university, we often leave the classroom-learning setting with theory-based knowledge – the institute bridges this gap between theory and practical skills, helping mould university students suited for the workforce. Sometimes, companies would fund their employees to the institute to attain specific skills.

I felt extremely excited to be able to witness some of the machines workers would utilise – the very high-tech and specific knowledge necessary to maintain and man the machines is profound. For example, looking at the M2 cusing machine – a new “tried and trusted system technology of CONCEPT Laser systems” that aids the processing of radioactive and potentially dangerous raw materials such as titanium and aluminium alloys. Witnessing the measurement technology was fascinating – the precision necessary when creating a product is untrusted to the human eye, and yet the machine was able to create the precise sizing. Even if a gear was 0.01mm off accuracy, the whole machine would break apart. This made me the importance of small things in the big picture, how sometimes, a meticulousness is important in completing a task. We got to witness some of the products, such as the “oil pump housing”, which I found really cool because of its light weight despite it being quite large in shape. A machine to do what a human cannot – I feel like these sentiment can lead to the growing fear that workers have where automation may replace human – after all, our minds are often unreliable and therefore we are flawed, lacking the perfect reliability

in doing a task that a machine may have. It made me consider why the identity of *Homo Sapiens* may become extremely important in the future – what makes us different than machines – our empathy? Our imagination? Our reasoning?

We then visited the EECi, East Economic Corridor of Innovation. It has a goal to “foster innovation capability”, established as an “innovation hub” to support 6 distinct industries: modern agriculture and biotechnology, biofuels and bio-chemicals, high performance battery and modern transports, automation, robotics and intelligent electronics, aviation and space, and medical devices. Stepping into the periphery, and entering the perimeter of the graduate school honestly made me feel as if I’ve entered Iron Man’s *Stark Industries* – with its modern architecture and tended grass. But the coolness did not stop there – listening to a translation of the talk, it again emphasised the importance of Industry 4.0, and the role of EECi in Thailand in driving not just innovation – but *sustainable* innovation. They have many cool projects that I found interesting, from the Map Ta Phut Port, High-Speed Trains and Double-Track Rail Lines, to the U-Tapao International Airport.

I found the Laem Chabang Deep Sea Port project especially interesting because Hong Kong itself is sea-based in importing and exporting. I am curious how they can expand and increase efficiency of the deep-sea port, with so many cargo boxes and issues of congestion. According to my research, the deep seaport included an implementation of a “single rail transfer operator (SRTO)”, renovating for a larger port, and improving internal traffic problems. Through a public private partnership (PPP), the hoped-for year of completion is in 2025, improving the Ro-Ro terminal, constructing a coastal terminal and improving innovation to allow for 4 million containers each year. Many projects are initiated in this university, and I find it so inspiring how it is focused on sustainable development and technological innovation – two crucial subjects for our world right now.