

Reaction essay : Asean Economic Integration

Khun Pariwat's lecture

Economic integration is freedom of movements of goods and services, investment, labor and capital traded among countries across borders. Economic integration has different levels the more freedom the more integration for example ASEAN is free trade level because ASEAN members have freedom of movements of goods and services while the European Union is at economic union level because members of the EU use the same currency. ASEAN is the world's most diverse economic integration because of differences among members in terms of population, markets, income and economic infrastructure.

From my point of view, ASEAN should stay in the free trade phase of level of economic integration so we don't have to face problems like the European Union where they have common currency, common tax rates and common monetary and fiscal policy which will become a burden to countries with higher development having to help underdeveloped countries with their fiscal transfer or debt.

In practice ASEAN trade uses cross-border trade as a means of transportation of goods and labor. For border trade there are formal and informal trade where informal trade is when you transfer goods without going through the government official but the goods are still legal such as fruits. Among the four borders of CLMV Thailand is most active with Malaysia. Other than tariffs that are generally zero among ASEAN members there are non-tariff:rules/regulation exist in practice along borders. Investments that exist at the border are mostly illegal casinos and illegal movement of people(labor) that is still a problem for ASEAN cross-border trade.

Reaction essay : Covid19 Labor & CLMVT

Aj. Kiriya's lecture

The COVID-19 pandemic is having a negative impact on CLMV economies through their dependency on foreign-sourced revenue from tourism. From p'June (tour guide) interview the tourism sector is highly impacted by the pandemic and the lockdown, about 82,000 guides became unemployed after the lockdown. CLMV economies rely on its tourism sector so covid situation impacts this sector directly since tourists cannot travel around anymore. The border between CLMVT countries also on lockdown it stopped migrant worker to cross border.

Worldwide the estimated percentage drop in working hours are 4.5% and 10.5% in the 1st and 2nd quarter of 2020 respectively which is equivalent to 130 million full-time jobs lost. Most jobs cannot apply for the social security funds. Workers are not affected equally because different sector have been impacted differently. The sector that is impacted by covid19 the most is the wholesale and retail trade.

In my opinion many sector should learn to adjust to the new normal because the post covid situation going to slow down the economy for quite a while maybe until next year so in order to survive the pandemic not only the government need to come up with policy to boost economy and tourism but the business sector itself need to learn to operate in the new normal situation as well