

Positioning the
ASEAN
Community

in an **Emerging Asia:**
Thai Perspectives

Kavi Chongkittavorn
Termsak Chalermphanupap
Suthad Setboonsarng
Apichai Sunchindah

Compiled by the Department of ASEAN Affairs,
Ministry of Foreign Affairs of the Kingdom of Thailand

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Authors Kavi Chongkittavorn
Termsak Chalermphanupap
Suthad Setboonsarng
Apichai Sunchindah

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Foreword

31 December 2015 marks a grand new chapter of ASEAN history as the grouping officially becomes a Community, the culmination of a process that has taken almost 50 years since ASEAN was established in Thailand through the ASEAN Declaration, also known as the Bangkok Declaration, in 1967.

There is much to be proud of and celebrate as an ASEAN citizen: peace and stability have been maintained in our region, making steady socio-economic development possible. However, expectations have also risen from the peoples of ASEAN, our external partners, and the international community. The ASEAN Community must thus continue to evolve to meet the needs and aspirations of its peoples and the challenges ahead.

At the 27th ASEAN Summit in Kuala Lumpur in November 2015, the ASEAN Leaders not only announced the formal establishment of the ASEAN Community, but also the new Vision and Blueprints for the ASEAN Community compiled in one book called ASEAN 2025: Forging Ahead Together. This is basically ASEAN's roadmap for the next ten years, which is in line with global efforts to achieve the Sustainable Development Goals, international peace and security, and human security for all.

In implementing ASEAN 2025: Forging Ahead Together, all ASEAN Member States must redouble their commitments and efforts to consolidate the ASEAN Community. The ultimate goal is to ensure that the benefits from ASEAN integration are felt on the ground, making ASEAN relevant and accountable to its peoples.

With this in mind, the Department of ASEAN Affairs, Ministry of Foreign Affairs of the Kingdom of Thailand invited four Thai ASEAN experts from the non-governmental sector to offer their thoughts and recommendations on how ASEAN should position itself and move forward in a shifting geopolitical and geoeconomic landscape, while ensuring tangible benefits to the peoples of our region. Our selected authors have vast experience working with ASEAN and closely follow the developments in the region. It is our hope that this book will offer stimulating “food for thought” to policymakers, government officials, students and educators, as well as other stakeholders of this evolving ASEAN Community of ours.

Jakkrit Srivali
Director-General
Department of ASEAN Affairs
Ministry of Foreign Affairs of the Kingdom of Thailand

Project Background

The idea to publish a book on Thai perspectives regarding the post-2015 ASEAN Community came about in 2014 after the ASEAN Leaders announced the development of a new vision of ASEAN through the Bandar Seri Begawan Declaration on the ASEAN Community's Post-2015 Vision in 2013. As part of Thailand's preparation to become a part of a dynamic, people-centered, and outward-looking ASEAN Community, the Department of ASEAN Affairs, Ministry of Foreign Affairs of the Kingdom of Thailand initiated this project in order to gather fresh perspectives and policy recommendations from Thai experts outside the government circle.

To this end, four Thai experts on ASEAN were invited to join the project and contribute their ideas. These experts include Mr. Kavi Chongkittavorn, a veteran journalist and former Special Assistant to the ASEAN Secretary General from 1995 to 1996; Dr. Termsak Chalermphanupap, Research Fellow at the ASEAN Studies Centre of the ISEAS-Yusof Ishak Institute and former Director of Political and Security Cooperation, ASEAN Secretariat; Dr. Suthad Setboonsarng, board member of the Bank of Thailand and former Deputy Secretary-General of ASEAN from 1997 to 2000; and Mr. Apichai Sunchindah, development specialist and former Executive Director of the ASEAN Foundation.

In drafting the publication *Positioning the ASEAN Community in an Emerging Asia: Thai Perspectives*, the Department of ASEAN Affairs organized a seminar on "Thai Strategic Visions towards the ASEAN Community 2015 and Beyond" on 28 July 2014 in Bangkok. This forum provided a platform for the four experts to engage with over 100 participants comprising academia, civil society organizations, and public and private sector to ensure that the views and concerns of all stakeholders are well taken into account. Such dialogue was continued by the four experts throughout 2014 and 2015.

With the launching of the ASEAN Community in 2015 and the new Vision of the ASEAN Community from 2016 to 2025, it is hoped that the independent ideas and initiatives of the four Thai experts can help make a contribution to the evolving ASEAN Community for the benefit of the peoples of Southeast Asia and beyond.

Department of ASEAN Affairs
Ministry of Foreign Affairs of the Kingdom of Thailand

Note: The views expressed in this book represent the personal views of the authors and do not necessarily represent or reflect the official views of the Department of ASEAN Affairs, Ministry of Foreign Affairs of the Kingdom of Thailand.

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The authors would like to express their deepest gratitude to Ambassador Arthayudh Srisamoot for initiating this project in 2014 when he was the Director-General of the Department of ASEAN Affairs. His vision was to have four Thais, who were openly recruited to the ASEAN Secretariat in the early to mid-1990s and continue to follow ASEAN activities closely, share their insights and suggestions for the ASEAN Community beyond 2015. We also would like to thank the Director-General of the Department of ASEAN Affairs, Jakkrit Srivali, for his generous support.

The original plan was to launch the book before the ASEAN Summit in April 2015 in order to provide inputs for the preparation of the ASEAN Community's Post-2015 Vision, but its publication was unfortunately delayed. As such, it was launched immediately after the official establishment of the ASEAN Community on 31 December 2015. We hope that it will be useful to policymakers, officials, educators, and the general public, as they help forge ahead together toward ASEAN 2025.

We are grateful for the patience and support of many officials at the Ministry of Foreign Affairs, particularly Mrs. Thippawan Supamitkitja, Director of ASEAN Strategy and Cooperation Division; Ms. Surada Monatrakul, First Secretary; Ms. Pawinrat Mahaguna, Third Secretary; Ms. Charitra Techasawat, Third Secretary; Ms. Thiranat Sucharikul, Third Secretary; and Mr. Thananaj Siriyakul, Project Officer at the ASEAN Strategy and Cooperation Division. Without their cooperation, this project would not have been possible and this book not published. We also sincerely thank Fidelity Ventures Asia for its role as the administrator of this project.

This book gives four different perspectives on ASEAN. It is a reflection of our collective experience on ASEAN, as ASEAN Secretariat officers and in other capacities on ASEAN matters. Despite over 100 years of our combined working experience with ASEAN, the authors still feel like four blind men describing an elephant. So, we request your kind forbearance on any shortcomings. We accept full responsibility for them and would appreciate your feedback.

Table of Contents

	page
Foreword	3
Project Background	4
Acknowledgement	5
Chapter 1	7
Future Challenges of Thailand’s and ASEAN’s External Relations <i>By Kavi Chongkittavorn</i>	
Chapter 2	25
Toward a Better Understanding of the Political-Security Community in ASEAN <i>By Termsak Chalermphanupap</i>	
Chapter 3	49
A Strategic Approach for the Next Era of ASEAN Economic Cooperation <i>By Suthad Setboonsarng</i>	
Chapter 4	81
Thailand and ASEAN Beyond 2015: The Socio-Cultural Challenges and Opportunities <i>By Apichai Sunchindah</i>	
Biography	
Mr. Kavi Chongkittavorn	104
Dr. Termsak Chalermphanupap	105
Dr. Suthad Setboonsarng	106
Mr. Apichai Sunchindah	107

CHAPTER 1

Future Challenges of Thailand's and ASEAN's External Relations

By Kavi Chongkittavorn

I. Introduction

The world is in flux. The end of the Cold War has brought a new international environment with more engagements between state and non-state players. The US is no longer in the position to project its power as it once had. The rise of China and others such as the European Union (EU), Russia, and India are adding diplomatic weights in shaping the future security environment in East Asia. The sudden appearance of the self-proclaimed Islamic State (IS) with nearly one thousand fighters from Southeast Asia joining the one-year group has shaken the region's social fabric to the core. From now on, a hegemonic power would not be able to set trends and lay down frameworks in a multi-polar global community. The era of globalization and increased digital connectivity have enabled engagements and interactions among all players at all times and at all levels—local, regional, international—in a ubiquitous manner. Quite often the countries in the region have been caught unprepared by abrupt political developments, coupled with growing expediency in diplomatic policies and practices. This new strategic landscape yields both opportunities and challenges that Thailand and ASEAN can seize.

II. Thailand's New Synergized Strategy toward ASEAN and Beyond

Thailand as a key member of ASEAN must respond in a timely manner to the new security landscape. At this juncture, the country's policymakers urgently need a new grand narrative of how Thailand can fit in and benefit from this situation—with fresh perspectives based on reality. One important factor impinging upon Thailand's response must be based on domestic strategic evaluation as well as the overall framework outlined in the new ASEAN Community Vision 2025 and the ASEAN Political-Security Community Blueprint 2025. The two assessments must be synergized. That would be the most suitable pathway for Thailand to pursue an independent foreign policy that protects the country's and ASEAN's core interests. As such, Thailand's longstanding diplomatic finesse would come into play in conducting the country's and ASEAN's diplomacy in the ASEAN post-2015 period.

In formulating future strategies, Thailand should adopt a two-tier approach. The first tier focuses on key major powers and international institutions, divided into three distinctive groups—a) the US and China; b) the European Union (EU), Japan, Russia, and India; and c) sub-regional organizations and UN-related agencies and international entities. The second tier focuses on specific transnational challenges, which would help locate concerned players in searching for solutions or easing tensions. The two-tier approach at times could be morphed into one unified pathway as key major powers would have to get involved in pivotal global challenges, such as terrorism and extremism, climate change, irregular migration, the South China Sea disputes, among others. Regardless of the engagements based on bilateral ties or issue-oriented cooperation, it is imperative that ASEAN centrality must be maintained at all costs.

Individually, each ASEAN Member State must contribute to the strengthening of ASEAN centrality. Whenever possible, Thailand should align its position with ASEAN on transnational issues for which the grouping has forged a consensus. For those lacking common positions, Thailand needs to tread a fine line in ways not to jeopardize the grouping's bargaining power and solidarity.

Thailand's role as the country coordinator for the ASEAN-China Dialogue Relations from 2012 to 2015 is a good case in point. With its excellent friendship with China, the coordinator was able to convince both ASEAN and China to continue their working group's meetings as well as senior officials' consultation. From July 2012 to 5 August 2015, Thailand held eleven meetings altogether—seven at the working group level and four at the senior officials level. It was the most active coordinating period which has brought about much needed progress on confidence-building measures as enshrined in the Declaration on the Conducts of Parties in the South China Sea (DoC), agreed in 2002. Even though the three-year coordinating role ended in early August 2015, Bangkok should be proud that it was instrumental in convincing both sides to agree on the Second List of Commonalities, which would serve as a framework for negotiating the content of the proposed Code of Conduct for the South China Sea (CoC).

On 29 May 2015, Thailand held a special international conference to highlight and discuss the plight of the Rohingya boat people. A total of seventeen countries took part in the conference, along with representatives of donors and international organizations. The conference touched upon various aspects of irregular migrant workers coming from the Bay of Bengal and identified areas and measures to be pursued both at the regional and international levels. Thailand's "bridge-building" role is useful as it can bring all concerned stakeholders under one roof to tackle common issues.

In order to effectively take up the role of bridge-builder (which is an important element in Thailand's campaign to become a member of the United Nations Security Council for the year 2017-2018), Thailand must urgently reexamine its traditional diplomatic practices of "blending with the wind" and "strategic ambiguity". For over a century, Thailand, then known as Siam, used these combined strategies to stay independent and escape colonization and subjugation by Western powers. Today, the country continues to deploy the very same strategies as if the international environment remains static. However, what proved to be successful in the past might not be suitable for the current circumstance. Being a bridge-builder, it is essential for Thailand to be clear about its positions and policies regarding transnational issues.

In two cases—the South China Sea disputes and what some have called the Rohingyas crisis—Thailand's positions are clear and well understood without the exercise of deliberated ambiguities. Thailand hopes that through the conclusion of a Code of Conduct for the South China Sea, ASEAN and China would be able to work together for mutual benefits in joint development projects. Later on, when both sides reach the comfort level to tackle sensitive issues such as sovereignty, ASEAN as a whole must render its full support to engage the disputing parties in resolving their differences peacefully.

Thailand views the Rohingya displaced persons as a regional challenge, requiring regional cooperation in searching for a solution—without blaming one single country. Other ASEAN colleagues perceive it quite differently—as a domestic problem with regional implications. The naming and shaming promptly caused recalcitrance from Myanmar and other key players.

As the only country in the region without the experience of being colonized, Thailand has the propensity to stay in the middle ground by taking into consideration interests of all stakeholders. In response to the new strategic environment, Thailand should adopt clear positions on priority challenges that the country and ASEAN colleagues have identified under their various blueprints and various ASEAN-led security fora. Given its unique geographical location, Thailand naturally can serve as the hub of ASEAN connectivity, linking South Asia and Northeast Asia as well as continental and maritime Southeast Asia. Thailand cannot remain vague and non-committal on key transnational issues as a timely response and policy coordination would better serve the country's and ASEAN's interest.

1. First Tier : Key Major Powers and International Institutions

A. ASEAN Copes with the US and China

According to the 2015 US National Military Strategy, it is clear that both Russia and China are perceived as security threats to the US military presence in the Asia-Pacific. The US strategic thinking minced no word stating that the current rebalancing effort is to counter China's growing influence within the region and the rest of the world. However, by boldly identifying the grouping's two powerful Dialogue Partners as security threats to the US, Washington has sent a strong message to ASEAN and its Leaders that they also need to contemplate deeply its future strategic thinking and alignment. From the ASEAN perspective, the China-US relations is the most important and their well-being is crucial for the community-building process in ASEAN.

When ASEAN was established in 1967, the world was under the Cold War with clearly defined friends and foes—the free world against the communist world. That kind of division has now blurred as the communist countries have all adopted capitalist mode of economic production and development. At present, friends and foes can change their preferences quickly in reacting to fluid political situations and defined national interests. Within the region, ASEAN which is acquainted with the US-led economic and security order, is now confronting a new reality which is no longer totally under Washington's influence as before.

This new circumstance has been propelled by the rise of China which has consistently challenged the US-dominated regional and international systems. Since 2013, China has come up with quite a few security frameworks. One of them is China's New Security Concept for Asia which was presented by President Xi Jinping in May 2014. A year earlier, China also proposed to ASEAN its comprehensive security framework known as Treaty of Good Neighborliness, Friendship and Cooperation. For the time being, ASEAN has been lukewarm toward these collective security plans, fearing it would undermine ASEAN centrality. The grouping is more familiar with the US military strategy of forging alliances and working together through US established command and control.

Beyond the ASEAN frameworks, China has been working hard to present itself as an alternative security provider by establishing its own security-wide discussion platform known as the Xiangshan Forum, which enters its seventh year with an annual conference in China. The forum challenges the longstanding Shangri-La Dialogue held annually in Singapore, which used to be the only non-governmental premium security-wide dialogue forum for major powers to discuss global trends and regional problems.

China's several economic proposals have better resonance in the region. Beijing's transcontinental infrastructure projects with the Silk Road Economic Belt and 21st Century Maritime Silk Road, popularly known as "One Belt, One Road", are still works in progress. Overall, these projects have been welcomed in the ASEAN region even though they would need more time to bear fruits. In international finance, China has already challenged the existing financial order dominated by the World Bank, the International Monetary Fund (IMF), and the Asian Development Bank (ADB). The operationalization of the 57-member Asian Infrastructure Investment Bank (AIIB) and its loan giving practices in the future would serve as an indicator whether the China-led economic order would have the capacity and high standards to follow international practices of good governance, transparency, and accountability.

China is part of the ASEAN-led negotiations on the Regional Comprehensive Economic Partnership (RCEP) with other ASEAN Member States and some Dialogue Partners: Japan, the Republic of Korea, India, Australia, and New Zealand. The conclusion of the Trans-Pacific Partnership (TPP), the US-led free trade bloc, would directly impact on the speed of the RCEP negotiations, which are expected to be completed in 2016. Thailand needs to push ASEAN and the six Dialogue Partners to conclude the RCEP deal as soon as possible.

Meanwhile, the Obama Administration continues to rejuvenate his three-year-old rebalancing policy toward the Asia-Pacific. Indeed, the elevation of the ASEAN-US Enhanced Partnership to a Strategic Partnership in 2015 and a proposed Special ASEAN-US Summit in early 2016 show how far ASEAN-US relations has progressed. For the time being, Washington has chosen four areas to highlight—enhancing security, expanding prosperity, fostering democratic values, and advancing human dignity. There has not yet been any tangible outcome of this strategy. With China's advances in the security sphere in the Asia-Pacific, the US needs to sharpen its focus on derivable security measures through increased collaboration with ASEAN.

As the region's oldest US ally, Thailand's role in bolstering the US position could have been augmented if not for the restrictions imposed by US laws that followed the power seizure in May 2014. In the absence of normal Thai-US interactions, several countries including China have used this unique opportunity to strengthen and upgrade strategic ties with Thailand as never seen before. Thai-Chinese defense cooperation is the biggest beneficiary.

To maintain its prime position in the region, the US has spoken out over the freedom and safety of sea lines of communication in the South China Sea throughout the first half of 2015, which has quelled some of ASEAN's anxieties at the time of increased tension in the high seas. However, there is one caveat. While ASEAN is grateful for Washington's strong rhetoric, they fear that the US could dominate the narratives of the ongoing situation in the disputed maritime zone. In the long run, ASEAN would not allow Washington's strong rhetoric to undermine the grouping's position as well as bargaining power when dealing with China.

Beyond politics, Obama's economic struggle proves equally severe. He has to win the approval of the Republican-dominated Congress to ensure the long-term success of the TPP. The AIIB's success has increased pressure on American lawmakers to back the TPP framework out of concern that without the long-awaited new free trade deal, US influence in the international trading system, especially in the context of East Asia, would be greatly diminished.

This new economic and political polarized landscape will pose a huge dilemma for Thailand and ASEAN unless the US and China manage to reach an understanding of the so-called new type of major powers' relations and what it means to them. Thailand which has close relations with both the US and China is caught in the middle. Bangkok has no desire to side with any power, let alone the US and China, and would not allow itself to be dragged into the arena of the superpowers' confrontation. In this connection, Thailand must work with other ASEAN Member States to further boost ASEAN centrality in the face of growing external pressure and uncertainty. Indeed, Thailand's initiative in developing ASEAN's strategy on enhancing its centrality in the face of the changing regional environment, which was endorsed through the "Revised Work Plan on Maintaining and Enhancing ASEAN Centrality" by the ASEAN Foreign Ministers in 2015 in New York, is one concrete example of such efforts.

B. Maximizing Relations with the EU, Japan, India, and Russia

Given a more fluid strategic environment in the region, ASEAN must strengthen further its relations with the EU, Japan, India, and Russia. Even though the EU is one of the oldest Dialogue Partners of ASEAN (formalized in 1977), their relations have not been fully utilized. For over two decades, ASEAN-EU relations were restrictive due to disagreement over the political situation in Myanmar. The lack of the EU's unified approach toward ASEAN was also a main attribute. After a six-year delay, the EU finally acceded to the Treaty of Amity and Cooperation in Southeast Asia in 2012—the only international organization to do so, following intense groundwork prepared by Thailand as ASEAN Chair in 2008-2009. In 2015, the EU finally came up with a foreign policy distinctively

geared toward ASEAN, concentrating on issues of mutual interest, especially maritime security; transnational crime; counter-terrorism; connectivity; business, trade, and investment; mediation and reconciliation; climate change and environment; and disaster management.

In response to latest regional challenges, ASEAN and the EU also pledged to work closely to tackle irregular migration and trafficking in persons *vis-à-vis* the need for comprehensive regional responses, including those related to addressing the root causes as well as providing assistance and protection to those in need. In addition, with the Paris Agreement on climate change concluded in December 2015, both sides must accelerate their cooperation, especially in changing excessive and wasteful patterns of resource use through holistic life-cycle approaches which are part of sustainable consumption and production. Collaborative researches between ASEAN and the EU on climate change and its impacts on agricultural practices and small-scale production in this part of the world must also be encouraged.

The ASEAN-EU ties have now become more strategic and comprehensive—a far cry from the previous fragmented policies and ad hoc approaches. Most importantly, the EU has reiterated its support for ASEAN centrality in the evolving regional architecture and expressed its appreciation for ASEAN's contribution to promoting dialogue and cooperation for peace, security, stability, and prosperity in the region. As the new country coordinator for the ASEAN-EU Dialogue Relations, Thailand has already proposed the setting up of mechanisms to follow-up on action plans agreed by both sides. In addition, in order to promote ASEAN centrality in its external relations, Thailand initiated the development of a new ASEAN strategy to work toward the upgrading of the ASEAN-EU Dialogue Relations to a strategic level.

Given this new impetus, the EU should continue to work on free trade agreement with ASEAN as a group as soon as possible. At this juncture, it is conducting negotiations separately with seven of the ASEAN Member States. In turn, in the near future ASEAN should seriously consider the EU's wish to join the East Asia Summit (EAS), the leaders-only region-wide security forum. Further delay could be detrimental as ASEAN tries to bring in an extra balancing wheel to the EAS process. The European bloc should be allowed to take part in the EAS. Given its political weights in global politics, the EU participation on the basis of mutual respect would strengthen ASEAN centrality.

Within the region, Japan and India have made their presence felt in ASEAN in different ways—with new dynamic leaders and policies emanating from Tokyo and New Delhi respectively. Their new policy orientations are putting ASEAN in the global

scheme of things, especially on strategic matters. Japan and India are prepared to use their combined strengthened relations to counter the Chinese and Russian influence in Southeast Asia. As democracies, Japan and India also share similar norms and values and have of late turned to promote the rule of law and good governance.

The future of ASEAN-Japan relations will remain strong but more diversified, moving toward more strategically-oriented cooperation in addition to the already close economic and investment ties. Two ASEAN Member States—Viet Nam and the Philippines—have begun a series of high-quality maritime security cooperation with Japan including patrol and surveillance boats—something unheard of previously. Indonesia has also beefed up its maritime defense capacity with Japan’s assistance following the declaration of the “Global Maritime Fulcrum” after President Joko Widodo took over the leadership of the world’s third largest democracy in October 2014. Undoubtedly, as maritime security cooperation continues to top the ASEAN agenda, additional maritime activities with Japan would likely increase. In the months to come Japan and India, a rising maritime power, will certainly play a broader security role in the region. Bilaterally, India has already expanded maritime security cooperation with the Royal Thai Navy in intelligence exchanges and coastal surveillance. Other ASEAN Member States are expected to follow suit. Thailand must serve as a conduit for India to strengthen overall cooperation with ASEAN.

While ASEAN welcomes Russia’s increased enthusiasm on warming up their relationship, the grouping is still searching for an appropriate modality that would befit Russia’s strategic status as one of the world’s most powerful nuclear weapon states. Russia is planning to commemorate the twentieth anniversary of friendship with ASEAN; an ASEAN-Russia Summit is already scheduled for the second quarter of 2016. Moscow will use this opportunity to improve trade and security relations with ASEAN. In the past one year, Russia was extremely active in its efforts to break the economic sanctions imposed by the West by wooing the ASEAN Member States. Export of energy, science and technological know-how, and other high-value knowledge would enable Russia to deepen its ties with ASEAN.

The grouping has welcomed Moscow’s desire to contribute to the regional architecture by taking up and subsequently forming a working group to study the Action Plan for Elaborating Security Architecture in the Asia-Pacific Region proposed by Russia in 2013. This was not the first time. Throughout ASEAN-Russia relations, Moscow has consistently come up with a collective security concept that could be interpreted by some as weakening the alliances between the US and Australia, Japan, the Republic of Korea, as well as some ASEAN Member States. It remains to be seen how Russia’s security engagement would play out in the future. President

Vladimir Putin has yet to participate in any ASEAN-led forum at the summit level with one exception—as a guest at the inaugural East Asia Summit in 2005 in Kuala Lumpur. In addition to the Russian proposal, China, Indonesia as well as India also have their own regional security plans for ASEAN to consider.

C. Sub-Regional and Regional Organizations and UN Institutions

Thailand is part of Mekong's lower riparian countries comprising Myanmar, Lao PDR, Cambodia, and Viet Nam. It is also active in the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) which focuses on poverty eradication, human resource training, and tourism. Except Viet Nam, all these members share common borders with Thailand. Most of which remain undemarcated. These two sub-regional groupings along with the Mekong River Commission must be given top priorities as parts of the policies toward neighboring countries.

Thailand can assist these countries in moving toward sustainable development with a focus on green technology and integrating with the broader ASEAN community-building process. Improving the standards of living and bridging the development gaps in these countries will greatly enhance Thailand's border security and the well-beings of the ASEAN Community. With its 5,432-kilometer-long land border with Myanmar, Lao PDR, Cambodia, and Malaysia, Thailand must formulate multi-year strategies to manage border areas, coupled with programs to alleviate poverty in the CLM countries and expand the network of connectivity with them. The air, land, and sea linkages between Thailand and the CLMV countries represent a new benchmark in their cooperation. Through third parties such as Japan, China, and the US, Thailand can initiate programs that would strengthen their human resource development and capacity.

Another less well-known sub-regional cooperation framework, the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) must also be discerned. Whatever progress this growth triangle can achieve would add to the strengthening of the ASEAN Community.

ASEAN-UN relations has become intertwined after the Joint Declaration on Comprehensive Partnership between ASEAN and the UN was adopted in 2011. Since then, their cooperation has been strengthened. It now covers broad areas, taking into account the post-2015 ASEAN community-building process and the UN's 2030 Agenda for Sustainable Development. Indeed, the endorsement by ASEAN and the UN in 2015 of Thailand's approach in building complementarity between the ASEAN Community Vision 2025 and the UN's Sustainable Development

Goals will help enhance the ASEAN-UN partnership as well as highlight the pivotal role played by UN agencies in Thailand including the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP). Furthermore, ASEAN and the UN can further strengthen their cooperation in the political-security pillar—addressing transnational threats such as maritime security, violent extremism, international terrorism, trafficking in persons, and people smuggling.

Thailand and ASEAN can play an important role in promoting regional peace and stability. Bangkok's peacekeeping experience in Cambodia, East Timor, Burundi, and South Sudan, including those of ASEAN Member States such as Malaysia and Indonesia, would be useful should the grouping decide to set up an ASEAN peacekeeping force in the future. Thailand and like-minded ASEAN Member States must push other ASEAN Member States to fly the ASEAN flag whenever the grouping takes up UN-sponsored peacekeeping operations and other activities. The UN's continued support of the newly formed and soon to be operationalized ASEAN Institute for Peace and Reconciliation would help ASEAN improve its capacity to prevent and manage conflicts and post-conflict situation.

Besides the aforementioned groupings, ASEAN has to pay attention to the cooperation among the BRICS members. ASEAN can benefit from various areas of BRICS cooperation especially in finance, agriculture, trade, transnational crime, health, and education. The recently established New Development Bank could be a pivotal source of funding for future infrastructure and sustainable development projects in ASEAN. Most importantly, Brazil and South Africa have expressed keen interests to become future Dialogue Partners of ASEAN, following China, Russia, and India.

2. Second Tier : Specific Challenges of ASEAN

A. The Rise of the Self-Proclaimed Islamic State

By mid-2015, nearly 1,000 young fighters from Indonesia, Malaysia, and the Philippines have joined the self-proclaimed Islamic State (IS) in Syria and Iraq. ASEAN must now take concrete actions in a comprehensive manner. Although there is no Thai national joining the IS as of now, Thailand must cooperate with ASEAN Member States in drawing up measures, including counter narratives to prevent self-radicalization among the youth in ASEAN.

When the rise of IS was discussed at the ASEAN Summit in Nay Pyi Taw in 2014, ASEAN issued four statements in less than four months—a record in responding to a specific challenge—reiterating its determination to fight against violent extremism and promote moderation. With 47 percent of Muslim population

among the 625-million ASEAN citizens, the grouping must form sustainable and effective policies to prevent its citizens from joining the IS, thereby stemming extremism and militancy. That would mean political, socio-economic, and other issues must be addressed in a holistic and sustainable manner. The role of civil society, youth organizations, and media—social media in particular—are pivotal and must be looped in. Otherwise the ASEAN governments' efforts would be in vain.

For the time being, the cooperation among ASEAN Member States is limited to intelligence exchanges and some training. More diversified cooperation should be encouraged. For instance, Singapore has a good program on deradicalization of extremists. Indonesia and Malaysia are engaging in interfaith dialogue with various moderate Muslim groups. Yet, Thailand is struggling with its own preventive measures to ensure that the IS ideology would not penetrate into its southern provinces.

Given ASEAN's diversity and non-interference principle, it is difficult to keep track of their nationals working and studying in the Middle East. As far as the violent extremists are concerned, it is crucial that the ASEAN Embassies and in particular ASEAN Committees in countries in the Middle East coordinate with one another to exchange information of whereabouts of their students. A common ASEAN approach is also essential to obtain accurate information about ASEAN students studying in respective Middle East or African countries. Such information sharing is important to the better understanding of the profiles of the ASEAN students. Malaysia, Indonesia, as well as Thailand are concerned with the potential dangers posed by returned fighters, fearing that they would use their existing networks locally and abroad to recruit and train new members across the ASEAN region. At the moment, the grouping does not have a monitoring mechanism to follow the movement of these returnees.

No doubt, today the rise of young ASEAN extremists is the grouping's biggest challenge. For ASEAN to be effective, the issue must be addressed as an ASEAN challenge so that common strategies could be adopted. Malaysia has promoted the Movement of Moderates which serves as a vehicle to promote the voice of moderation. However, half of the grouping is more active than the other half. Indonesia, Malaysia, Thailand, the Philippines, and Singapore have their counter-extremism plans but still lack close cooperation; the existing cooperation is restricted only to technical aspects. Other ASEAN Member States are being used as transit points for extremists to come to other countries in the region. Given the current porous borders and ineffective control of foreign nationals seeking entries which allow undetected border crossing, some ASEAN Member States have the potential to eventually serve as an incubator of radical elements, especially those returned fighters.

B. Irregular Migrants and People Smuggling

Each year before the arrival of monsoon season in July, there would be boatloads of asylum seekers from Bangladesh and Myanmar sailing toward the south to Thailand, Malaysia, and Indonesia through the Andaman Sea and the Bay of Bengal. Their aim is to look for better lives and opportunities. They are Muslims living along the Bangladeshi-Myanmar border. However, not all of them are economic migrants; some of them are victims of region-wide human trafficking rings. Internationally, they are known as irregular migrants. Continued political pressures coupled with conflicts between the Buddhist and Muslim communities in Rakhine State, Myanmar have caused an exodus of asylum seekers throughout 2015. The outflow of Muslims, popularly called Rohingyas, has caused outcries throughout the world, prompting the frontline states such as Thailand, Malaysia, and Indonesia to respond both individually and collectively.

Thailand has nearly half a century of experience in handling millions of asylum seekers and displaced persons from Southeast Asia. It has learned valuable lessons engaging with the international organizations and community regarding the status of asylum seekers and long-term commitment. Bangkok wants to ensure that any solution must be long-term, sustainable, and comprehensive. On 29 May 2015, Thailand hosted a special international meeting¹ to tackle this challenge head-on. Senior officials from seventeen countries covering affected countries and international organizations spent a whole day exchanging views and offering recommendations. The meeting came up with seventeen-point recommendations concerning protecting people stranded at sea, comprehensive prevention of trafficking in persons, and addressing the root causes in at-risk communities. This was followed by a second meeting in December in Bangkok. Now, the ASEAN Leaders have to concretize these suggestions. At this juncture, there is a strong sense prevailing that ASEAN Member States can no longer avoid discussing the plight of the Rohingyas. Thailand must take the lead to persuade all countries concerned to forge a common solution.

C. Cooperation on Climate Change

Now that there is the Paris Agreement, in which 195 nations have agreed on how to respond effectively to climate change—to keep a global temperature rise well below two degrees Celsius above pre-industrial levels and if possible to strive for 1.5 degrees Celsius. To accomplish this noble aim, it is imperative for ASEAN Member States to think of new ways to further cut the use of coal and oil in the coming years to reduce carbon dioxide emissions. Along with the new challenges, ASEAN must

¹The Special Meeting on Irregular Migration in the Indian Ocean

also implement all targets identified in the Sustainable Development Goal 13 which focuses on climate change measures to be integrated into national policies, education system, institutional and human resource capacity building.

Currently, ASEAN is caught in a dilemma because it does not have a common strategy. The ASEAN Leaders have been issuing several statements on climate change and sustainable development since 2007 up until the present time. They have so far managed to stress on common positions toward a global solution to the challenge of climate change and pledged to create an ASEAN Community that is resilient through national and regional plans of action. However, the outcomes of their pledges are still marginal as they lack concrete actions. As the ASEAN economic integration intensifies, the negative impacts of climate change would be exacerbated. Since most people in the region are farmers living under US\$2 a day, they have to depend on natural resources and forestry. Just one degree rise in the global temperature would have the potential to destroy rice crops and other agricultural products, which would impact on the economic lives throughout the region.

Thailand has to set an example in devising a framework of integrated policies and actions related to climate change mitigation and adaptation. At present, its Climate Change Master Plan 2015-2050 is aimed at supporting climate change preparedness of the Thais to ensure sustainable socio-economic development in accordance with the Philosophy of Sufficiency Economy. Past focus has been on sectors highly at risk and exposed to natural and livelihood vulnerabilities, such as small-scale agriculture and traditional fishing. This Master Plan can be a model to prevent and mitigate climate change risks for neighboring countries such as Myanmar, Cambodia, and Viet Nam which share similar environment. Furthermore, as a member of ASEAN, Thailand must also ensure that ASEAN implements agreed action plans to mitigate the damages caused by climate change. Some of the key actions are as follows: increasing awareness and participation of the ASEAN citizens on climate change issues, promoting efforts to develop an ASEAN Climate Change Initiative, enhancing human resource development, and encouraging all stakeholders to address the impacts of climate change.

D. Promoting ASEAN Food Security

More than the ASEAN Leaders would like to admit, food security is one of the biggest challenges for ASEAN. Fortunately, several ASEAN Member States such as Thailand, Viet Nam, Malaysia, Myanmar, the Philippines, and Indonesia are considered among the world's top exporters of food commodities. Unfortunately, the intra-ASEAN trade in agricultural products is still low in comparison with other commodities due to protectionism and lack of product specialization within the region. As part of the economic integration, ASEAN Member

States must promote food security as the top priority as their middle income groups expand. The demand for food security would be higher and would impact trade transactions in ASEAN.

Although the overall implementation of the ASEAN Economic Community Blueprint has a score of 92.7 percent, the ASEAN cooperation on food security is still found wanting. In the coming year, there will be positive trends in food security as liberalizing measures are being taken or considered by various trading blocs such as the TPP, the World Trade Organization (WTO), and the Asia-Pacific Economic Cooperation (APEC).

Thailand as the world's fourteenth largest food exporting country must demonstrate to ASEAN Member States that it can reconcile its national self-sufficiency plans with the regional food security. In the past two years, Thailand has been calling for an ASEAN strategy to ensure sustainability of its agriculture and food supply as well as to better the livelihood of farmers. Therefore, it is necessary for ASEAN Leaders to make food security an integrated part of the ASEAN Community's Post-2015 Vision. A secured community is a community with a shared food security vision.

3. Thailand's Role in Pushing for ASEAN Centrality

Being situated at the heart of Southeast Asia, Thailand knows its strategic value very well as it constantly calls for the strengthening of ASEAN centrality. Without it, ASEAN would not have the kind of bargaining power with the Dialogue Partners the grouping has enjoyed. At present, ASEAN is under huge pressure from major powers wanting to spread their influence at the expense of others. Therefore, the grouping must assert itself and take up a leadership role to prevent confrontation among them.

ASEAN is now caught between two security frameworks—one is American-centric and the other is Chinese-centric. Of course, the US has long been associated with security in the region after World War II. The American military presence has guaranteed peace and stability for over half a century. In the case of China, its rise was fast and quite extensive. Beijing moves quickly in all avenues especially when other powers are facing domestic hurdles both in terms of politics and economics. China has thus seized the opportunity to offer the region all sorts of economic links and cooperation.

China has a clear strategic view of the region in the future. Beijing hopes it can assert its influence and be recognized by the US power in the region. At the moment, China has been able to put money where its mouth is. The overwhelming support of the AIIB was unprecedented. It serves as a testimony of how China can win big in the global stage with sensible ideas.

However, as a key member of ASEAN, Thailand feels that ASEAN has to take the lead and balance its relations with both the US and China. ASEAN is the only acceptable balancing wheel for the two major powers. As such, Thailand's non-paper titled "ASEAN's Centrality and Strategic Approach to the Future of Regional Architecture" was well received because it came at the right time. The paper recommends that ASEAN needs to maintain internal centrality with better thinking and decision before engaging with the outside world. ASEAN that can timely make a collective decision on key global issues would serve as a reminder of the leadership role of ASEAN. The grouping will use the recommendations in the Thai non-paper as part of ongoing efforts to strengthen ASEAN centrality in all ASEAN fora. Indeed, the ideas of the paper, as incorporated in ASEAN's Revised Work Plan on Maintaining and Enhancing ASEAN Centrality, have been endorsed by the ASEAN Foreign Ministers in 2015.

The only way for ASEAN to cope with the intensification of US-China rivalry is to promote ASEAN centrality. The security outlook of the Asia-Pacific region in the coming years is heading into uncharted waters as the US is determined to promote and sustain its global leadership. Today, the US is not only up against Russia, the all-time adversary, but also a rising China, the all-weather player. This emerging strategic chess game provides both challenges and opportunities for ASEAN to reflect deeply on its strengths and weaknesses in engaging major powers. At the global level, the US will continue to advance a rules-based international order that promotes peace and security through strong alliances and partnerships, forge diverse coalitions, and take the lead in UN-related and other multilateral organizations.

The latest US strategic thinking is directly in response to China's assertive economic and security policies under President Xi Jinping, which have suddenly shaken existing regional and international orders. The establishment of the 57-member AIIB, with unusually strong backing from the West, is indicative of the current state of China *vis-à-vis* US economic influence throughout the world. It is a work in progress. It remains to be seen how the ongoing US-China competition, euphorically known as the new type of major powers' relations, will play out in the security and strategic realms in the future. Make no mistake, the Asia-Pacific region would be the laboratory of their fierce contestation.

Diplomatically speaking, the US Government has often reiterated its support for China's peaceful rise and also encouraged the country to become a partner in development and the broader global community. But at the same time, Washington also came out with strong rhetoric against Beijing, especially on its claims in the South China Sea of being "inconsistent with international laws." With major powers upping their ante toward each other, it is a good opportunity for ASEAN to

maintain its centrality to ascertain that these deep-rooted threat perceptions would not at any time break into open conflicts or harm the grouping's community building.

For ASEAN, the stake is high as it exists as an ASEAN Community in the post-2015 period. Any rupture between US-China relations would impact its community-building process and economic integration. From the ASEAN perspectives, from now on their mutual mistrust would be further deepened as the pattern of confrontation and collaboration continues and diversifies but without opting for open conflicts. Their cooperation at the regional and international levels would be high on rhetoric but limited on actions due to their different approaches and value systems.

At this point, with stronger US-China rivalry, ASEAN is moving quickly to consolidate its consultative process and structure as well as forge a common regional security agenda at the highest level. The ASEAN senior officials have agreed that it is now the time to sharpen its role and focus on strategic matters at the EAS. In previous engagements, ASEAN Leaders were left very much to themselves to speak on issues of their concern. The lack of coordination and consultation among ASEAN Member States on key regional issues has weakened ASEAN centrality—with or without common voices.

So far, several recommendations have been made to improve ASEAN centrality in the EAS including the setting up of a Sherpa system to coordinate views and set agenda among ASEAN Leaders and their Dialogue Partners. A longer session focusing on exchange of views among Leaders is being considered in addition to an informal retreat. Officially, they meet for three hours average and break out for bilateral summits. The EAS Chair will have a stronger mandate to speak for ASEAN as a whole. The ongoing efforts to review the EAS and promote ASEAN centrality show that the grouping is more active and creative.

It is clear—only ASEAN centrality that is stronger and strictly non-partisan can have far-reaching mitigating impacts on superpowers' rivalries. ASEAN can stay united and ahead of the curve or be pushed down into the alley as pawns in the power struggle for influence and supremacy.

III. Policy Recommendations

1. During the transitional period, Thailand must set forth a diplomatic framework that spells out clear sets of priorities and action plans toward ASEAN and major powers.
2. Thailand must vigorously promote strategic trust with neighboring countries, especially those with unsettled common border demarcations, in a comprehensive manner.
3. Thailand must represent the voices of small and developing countries as well as advocate gender equality in international organizations, especially the United Nations. Thailand's chairmanship of the Group of 77 in 2016 is a unique opportunity to accomplish this.
4. Thailand should strengthen its role as "a bridge builder" for a dialogue process, for preventive diplomacy among ASEAN and Dialogue Partners, as well as for specific challenges that may arise to promote peace and stability in the region.
5. Thailand should strengthen internal security governance and border management in high-risk areas both on land and at sea as parts of continued efforts to strengthen the ASEAN Community and promote region-wide connectivity.
6. Thailand should increase overall capacity of concerned defense agencies and officials on maritime security to preserve the country's marine resources and protect its sovereignty.
7. Thailand should be developed as a center to combat transnational crime on land and at sea as well as a center for regional humanitarian assistance and disaster management.
8. Thailand should improve official and civilian capacities to conduct joint cooperation with regional and international forces from near and far in all areas.

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1. Information related to ASEAN activities comes from the ASEAN Secretariat's website.
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CHAPTER 2

Toward a Better Understanding of the Political-Security Community in ASEAN

By Termsak Chalermphanupap

Imagine Southeast Asia without ASEAN. It may be difficult because ASEAN has been in this region for 48 years now. Without ASEAN, it is conceivable that peace, security, and prosperity in Southeast Asia may not be part of the regional normal the way we have all taken them for granted nowadays.

Just look at Northeast Asia. Over there, regional cooperation is still at its infancy. The trilateral cooperation among China, Japan, and the Republic of Korea (RoK) is an offshoot from the ASEAN Plus Three process.¹ It still excludes the Democratic People's Republic of Korea (DPRK), Mongolia, and Chinese Taipei. Consequently, the deadlock over the DPRK's nuclear weapon program remains dangerously unstable and unpredictable. Mongolia is largely left to fend for itself. Chinese Taipei is walking a tightrope of appeasing Beijing while trying to defend fundamental freedoms by relying on US security protection. Meanwhile, other problems left behind by history, particularly island disputes and contrasting perceptions of World War II, continue to haunt the Chinese, the Japanese, and the Koreans and have soured relations between their government leaders.²

Southeast Asia would have faced the same problems – if not worse – had there been no ASEAN to help promote regional cooperation and build mutual confidence among Southeast Asian nations, since our region is also full of problems left behind by history. Regionalism was unknown to Southeast Asians until after World War II. A detour here to go back in history can help us better appreciate the present, and perhaps see the invaluable contribution of ASEAN.

Southeast Asians were rather unfriendly toward their neighbors. Throughout history they fought one another to plunder and subjugate weaker nations and enslave their

¹The Trilateral Cooperation Secretariat was established in Seoul on 1 September 2011. Leaders of China, Japan, and the RoK started meeting with ASEAN Leaders in December 1997. Their annual meeting has given rise to the ASEAN Plus Three process.

²Foreign Ministers of China, Japan, and the RoK met in Seoul on 21 March 2015 and agreed to arrange a Trilateral Summit at the earliest opportunity. This was supposed to be an important political breakthrough. Leaders of these three Northeast Asian countries started having an annual Trilateral Summit in 2008. But the one scheduled in Seoul in May 2013 had to be cancelled because of the rising tensions between China and Japan over their dispute over Diaoyu/Senkaku islands. Similarly Japan and the RoK have a hot dispute over Takeshima/Dokdo islands. Moreover, Tokyo has declined to directly apologize to Seoul over the enslavement of a large number of Koreans as “comfort women” during the Second World War.

peoples. The Siamese ancient capital of Ayutthaya fell to the Burmese invaders twice, in 1569 and 1767. The last major war between the Siamese and the Burmese, known as the Nine Army War, was fought in 1785—just three years after the establishment of Bangkok as the new capital of the Siamese.³

The bloody history of Southeast Asia has left behind in the minds of successive generations many negative stereotypes of their Southeast Asian neighbors. They tend to distrust and dislike one another, mostly because of mutual ignorance and narrow-minded chauvinistic upbringing. This was why Western colonial powers found easy pickings in Southeast Asia on their way to opening the Chinese and Japanese markets.

The first to fall were islands of the Philippines in 1565 under the Spanish rule. Next were islands in modern-day Indonesia, taken over gradually by the Dutch East India Company starting in 1603; the entire Indonesian archipelago then came under official Dutch colonial rule in 1800. East Timor was colonized by the Portuguese in 1769. In the nineteenth century, the British colonial rule came through the East India Company to take control of Brunei, Burma, Malaya, and Singapore. At the same time, the French seized Cambodia, Laos, and Vietnam as their protectorates. After the Spanish defeat in the Spanish-American War in 1898, the Philippines went under the US rule until 1946.

Only Siam miraculously escaped colonization. But freedom came at a huge price. Siamese kings had to cede to the British and the French colonial powers about 782,800 square kilometers of Siamese territories or about 60 percent of the Siamese kingdom's land area.

During the Second World War, Southeast Asians were once again divided. Most were occupied by Japanese forces. Thailand officially collaborated with Japan. At the same time, the underground Seri Thai (Free Thai) Movement worked with the Allies in sabotaging Japanese military presence in the Thai kingdom. Some nationalists in Burma, the Dutch Indies (Indonesia now), and the Philippines sided with the Japanese in fighting against their Western colonial masters in the hope for independence and participation in Japan-led Greater East Asia Co-Prosperity Sphere.

After the Second World War, distrust continued to divide Southeast Asians during the subsequent Cold War. Communist insurgencies destabilized most of the newly-independent Southeast Asian nations and Thailand. Thailand and the Philippines joined the US-led Southeast Asia Treaty Organization (SEATO)⁴ to

³Siam changed its name to Thailand on 24 June 1939.

⁴SEATO's eight members were Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the UK, and the US. It was established in 1954 and disbanded in 1977.

contain and resist the spread of communism and contain China in the process. Thailand hosted the SEATO Headquarters in Bangkok, at the same site where the Ministry of Foreign Affairs of Thailand is now located.

The British assisted Malaysia and Singapore in suppressing the communists as well as in dealing with the aggressive nationalism of Indonesian President Sukarno during the Konfrontasi (Confrontation) in 1963-1966. Indonesian military setback in the Konfrontasi led to the downfall of President Sukarno and the bloody purges of his supporters in the Partai Komunis Indonesia (PKI, Communist Party of Indonesia) in 1965-1966, which in turn led to the emergence of General Suharto as a new Indonesian strongman who ushered in the “New Order”.

In the meantime, Malaysia and Singapore could not get along politically. Singapore was forced to leave the Federation of Malaysia on 9 August 1965. Even after the departure of President Sukarno and the end of the Konfrontasi, Malaysia and Singapore remained wary of Indonesia. The British had to provide Malaysia and Singapore with additional security support through the establishment in 1971 of the Five Power Defence Arrangements (FPDA), involving Australia, Malaysia, New Zealand, Singapore, and the UK in defense cooperation to deter Indonesia. A subtle British objective in the FPDA was to build mutual confidence between Malaysia and Singapore.

During the Vietnam War in the early 1960s-1975, Thailand and the Philippines sent troops to fight alongside US troops in trying to shore up South Vietnam. Thailand and the Philippines also hosted US air and naval bases from which US forces launched their attacks against North Vietnam and the Viet Cong.

The fall of Saigon on 30 April 1975 marked the end of the Vietnam War. The two Vietnams were unified under the Socialist Republic of Viet Nam on 2 July 1976. However, peace in mainland Southeast Asia remained elusive as ever. First came the horrific reign of terror of the Khmer Rouge in Cambodia from April 1975 to January 1979, in which at least two million Cambodians perished in the “Killing Fields”. This was followed by the Vietnamese invasion of Cambodia on Christmas Day of 1978 and Vietnamese occupation of the war-torn country until the Paris Peace Accords of 23 October 1991.

China attacked northern Viet Nam from February to March 1979 in a fierce border war in which Deng Xiaoping, leader of the Communist Party of China, intended to teach the Communist Party of Viet Nam a lesson to stop being “naughty” and to withdraw from Cambodia. But Viet Nam, with strong Soviet military support, managed to withstand the Chinese attacks and refused to leave Cambodia. Each side reportedly had over 20,000 casualties, either killed or wounded, in the first-ever large-scale fighting between two communist states.

Over the years, there were a few other bloody conflicts in Southeast Asia. In January 1974, China captured the Paracels from South Vietnam. The Paracels, which the Chinese call Xisha and the Vietnamese call Hoang Sa, remains under Chinese control nowadays but Viet Nam considers it an unresolved dispute of sovereignty. China clashed with Viet Nam in Johnson South Reef in the disputed Spratly Islands on 14 March 1988. Ha Noi later reported more than 60 Vietnamese sailors killed in the incident.

Indonesia invaded East Timor in December 1975 and incorporated the territory as its 27th province. About 20,000 East Timorese were killed in the independence struggle with Indonesian forces during the 24 years of Indonesian occupation. The independence referendum on 30 August 1999 ended the Indonesian rule. The UN Transitional Administration in East Timor governed the country until 20 May 2002 when East Timor regained independence under the new name of “Timor-Leste”.

Thailand was involved in border clashes with Lao PDR from December 1987 to February 1988 because of their dispute over three border villages near Ban Romklao in Thailand’s Chatrakarn District of Phitsanulok Province, opposite Lao PDR’s Botane District. Similarly, Thailand clashed with Cambodia over a disputed area near the historic Khao Phra Viharn border temple, intermittently in October 2008, and from February to May 2011.

Some of the bilateral disputes in Southeast Asia have been resolved in a peaceful manner. They include the Khao Phra Viharn border temple dispute between Cambodia and Thailand, which the International Court of Justice (ICJ) in 1962 ruled belongs to Cambodia. In the Malaysia-Indonesia dispute over Ligitan and Sipadan islands in the Celebes Sea, the ICJ in 2002 ruled in favor of Malaysia. In the Malaysia-Singapore dispute over Pedra Branca, Middle Rock, and South Ledge, the ICJ in 2008 played safe by giving Singapore Pedra Branca, Malaysia Middle Rock, and let the two countries negotiate their new maritime boundary in order to settle the question of sovereignty over South Ledge. Myanmar settled its maritime boundary dispute with Bangladesh in the Bay of Bengal through the International Tribunal for the Law of the Sea (ITLOS) in March 2012.

Most recently, in January 2013, the Philippines filed a case in ITLOS against China’s controversial nine-dash line of massive and ambiguous claims in the South China Sea. The Chinese nine-dash line encloses about 90 percent of the South China Sea. It also overlaps with maritime claims of Brunei Darussalam, Malaysia, the Philippines, Viet Nam, and Chinese Taipei.

Other disputes left behind by history in Southeast Asia include overlapping claims over Ambalat continental shelf in the Celebes Sea between Indonesia and Malaysia; over the Greater Sunrise in the Timor Sea between Timor-Leste and Australia⁵; and over Sabah between Malaysia and the Philippines. At the government-to-government level, Kuala Lumpur and Manila have discreetly put Sabah on the diplomatic back burner. But at the local people-to-people level, Sabah has remained a simmering dispute. In March 2013, about 200 armed men who called themselves the “Royal Army of the Sultanate of Sulu” infiltrated into Sabah and clashed with Malaysian security forces. The Philippine intruders wanted to press the claim of their Sulu Sultan over Sabah.

There are also serious internal domestic security problems in the Philippines’ Mindanao; in Thailand’s deep south; in Indonesia’s West Papua and Papua; and in Myanmar border regions where ethnic Kachin and Kokang rebels are still fighting government troops despite the ongoing negotiations on a national ceasefire agreement.

All in all, Southeast Asia is fraught with security problems and “trust deficits”, as Dr. Marty Natalegawa, the ex-Foreign Minister of Indonesia, would say. The establishment of ASEAN on 8 August 1967 was a visionary solution, a courageous collective self-help effort in restoring peace and strengthening security in Southeast Asia. So far, ASEAN may not have resolved all security problems in Southeast Asia. But against all odds, ASEAN has not flopped. On the contrary, after 48 years ASEAN is advancing its community building beyond 2015.

I. Regionalism in Southeast Asia

Before ASEAN, Southeast Asian countries had had little experience in regional cooperation. They did participate in some broader international cooperation processes, notably the UN Economic Commission for Asia and the Far East (ECAFE, established in 1947), which is now the UN Economic and Social Commission for Asia and the Pacific (ESCAP)⁶; the Colombo Plan (1950); and the Asian Development Bank (1966).

Within Southeast Asia, the Mekong Committee, established in Bangkok with the UN’s support by Cambodia, Laos, South Vietnam, and Thailand in 1957, has a relatively

⁵Timor-Leste sued Australia in both the ICJ and the International Court of Arbitration over alleged Australia’s bugging of Timor-Leste’s Parliament and Prime Minister’s Office during their bilateral negotiations on exploitation of petroleum resources in the Greater Sunrise field in 2004. Timor-Leste wants to nullify the 2006 revenue-sharing agreement because of the unfair advantage Australia had obtained through spying.

⁶ECAFE moved its headquarters from Shanghai to Bangkok in January 1949 in the wake of the unfolding communist takeover of China. ECAFE changed its name to ESCAP in 1974 to reflect its broadened mandate and geographical scope.

low profile in managing natural resources in the lower basin of the Mekong River. The Mekong Committee changed its name to the Mekong River Commission (MRC) in 1995. So far, two other riparian countries, Myanmar and China, have declined to join; they have participated in some MRC activities merely as Dialogue Partners and Observers.

Two lesser-known and failed regional processes in Southeast Asia were the Association of Southeast Asia (ASA), established in July 1961 by the Federation of Malaya, the Philippines, and Thailand. It folded within two years because of rising tensions between Malaya and the Philippines over their Sabah dispute. The other was MALPHILINDO, formed in July 1963 by the Federation of Malaysia (including Singapore), the Philippines, and Indonesia. MALPHILINDO lasted just about one month; it was scuttled after Konfrontasi erupted. Not surprisingly, Manila sympathized with Jakarta, chiefly because of the Philippines' objection to the inclusion of Sabah into the Federation of Malaysia.

Therefore, when Thai Foreign Minister Dr. Thanat Khoman tried in mid-1960s to revive regional cooperation in Southeast Asia, he faced formidable odds. Few believed he would be able to achieve anything. Indonesia had just endured the massacres of PKI members, in which the estimated death toll was around 500,000. Singapore broke away from the Federation of Malaysia under acrimonious circumstances. The Philippines was facing a serious communist insurgency in the New Society era under the dictatorship of President Ferdinand Marcos. And Thailand, too, was struggling with a serious communist insurgency and spillover pressure from the escalating Vietnam War. Yet, Indonesia, Malaysia, the Philippines, and Singapore sent their representatives⁷ to meet with Dr. Thanat Khoman in Bangkok and in a seaside resort in Bang Saen, Chonburi Province in early August 1967. On 8 August, they announced in their joint declaration in Bangkok the establishment of a new regional grouping called the Association of Southeast Asian Nations (ASEAN).⁸

The five founding Member States of ASEAN appeared to have different reasons for forming ASEAN. Indonesia wanted a regional stage for the new leadership of President Suharto to mend fences with Malaysia and Singapore and to rebuild a new and peace-loving national image. Malaysia hoped ASEAN could help reduce tensions

⁷The five "Founding Fathers" of ASEAN are Indonesian Foreign Minister Adam Malik, Malaysian Deputy Prime Minister Tun Abdul Razak, Philippine Foreign Affairs Secretary Narciso R. Ramos, Singaporean Foreign Minister S. Rajaratnam, and Dr Thanat Khoman. Tun Abdul Razak became Prime Minister of Malaysia from 1970 to 1976. Secretary Ramos' eldest son, Fidel V. Ramos, became the President of the Philippines from 1992 to 1998. Born in 1914, Dr Thanat Khoman is the remaining Founding Father of ASEAN.

⁸For the text of the ASEAN Declaration, which is also known as the Bangkok Declaration, go to the website of the ASEAN Secretariat at www.asean.org

with Indonesia after Konfrontasi and with the Philippines over Sabah. Singapore needed ASEAN to help secure peace with Malaysia and Indonesia so that it could concentrate on nation-building after its traumatic separation from the Federation of Malaysia. The Philippines and Thailand were more concerned about communist insurgency and the escalating war in Vietnam than any potential threat from Indonesia. Both had the security assurance of SEATO and subsequently became non-NATO allies of the US in 2003.

At first, China and the Soviet Union dismissed ASEAN as just another pro-US, anti-communist grouping. But soon afterwards, China found ASEAN a useful ally in opposing the Vietnamese occupation of Cambodia during the 1980s. At the 24th ASEAN Ministerial Meeting (AMM) in Kuala Lumpur in July 1991, Chinese Foreign Minister Qian Qichen met with ASEAN Foreign Ministers and agreed to explore ASEAN-China cooperation. Also invited by the Malaysian host was Soviet Deputy Prime Minister Yuri Maslyukov. Subsequently, China and the Soviet Union (and the Russian Federation after 1991) became Consultative Partners of ASEAN and took part in founding the ASEAN Regional Forum (ARF) in 1994. China and Russia, as well as India, became Dialogue Partners of ASEAN⁹ in 1996.

Southeast Asia happens to be one of the few regions in the world where all the major external powers claim to have some strategic interests. Hence, one of the cardinal principles of ASEAN is on sharing collective responsibility among ASEAN Member States in maintaining peace and security and in promoting prosperity. Another fundamental principle is non-interference of external powers in national domestic affairs of individual ASEAN Members States. The five founding ASEAN Members States affirmed in their ASEAN Declaration that “all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned”

Non-interference, non-use of force, peaceful settlement of disputes, and the peace-oriented principles were subsequently incorporated into the Treaty of Amity and Cooperation in Southeast Asia (TAC). The Treaty was signed by ASEAN Leaders at the First ASEAN Summit in Bali on 24 February 1976. The Treaty now has 32 High Contracting Parties.¹⁰

⁹ASEAN has ten Dialogue Partners: Australia, Canada, China, the EU, India, Japan, the RoK, New Zealand, Russia, and the US. Pakistan is a Sectoral Dialogue Partner (without any regular Summit or meeting of foreign ministers). The UN is also a cooperation partner of ASEAN with regular Summit and annual meeting between the UN Secretary General and ASEAN Foreign Ministers on the sidelines of the opening session of the UN General Assembly in New York. Papua New Guinea is a Special Observer.

¹⁰Ten ASEAN Members States, ten ASEAN Dialogue Partners, Bangladesh, Brazil, France, the DPRK, Mongolia, Norway, Pakistan, Papua New Guinea, Sri Lanka, Timor-Leste, Turkey, and the UK. Norway is the newest High Contracting Party to accede to the Treaty on 1 July 2013.

Without hesitation, Brunei Darussalam joined ASEAN in early January 1984 soon after gaining independence from the British. The ASEAN membership has given the tiny Sultanate (with population of only 200,000 at independence) the crucial assurance of respect for its sovereignty from all larger ASEAN Member States. Viet Nam joined ASEAN in July 1995, thereby ending the ideological divide in Southeast Asia; ideological differences would no longer be a divisive factor.¹¹ This was further reinforced by the entry of another communist state, Lao PDR, and Myanmar in July 1997. The last to join ASEAN was Cambodia in April 1999.

In March 2011, Timor-Leste submitted an official application to join ASEAN. The application has been under consideration of a working group set up by the ASEAN Coordinating Council (ACC), which consists of all the Foreign Ministers of the ten ASEAN Member States. The keen interest of Timor-Leste in joining ASEAN could be seen as a vote of confidence in ASEAN and its community-building endeavor.

II. Community Building in ASEAN

In the wake of the debilitating Asian financial crisis of 1997, often referred to as the “Tom Yum Koong crisis”, ASEAN Leaders unveiled the ASEAN Vision 2020 on 15 December 1997 to guide more systematically the regional cooperation in ASEAN in the approaching new millennium. Their goals included a concert of Southeast Asian nations to realize the Zone of Peace, Freedom and Neutrality (ZOPFAN); a partnership in dynamic development for closer economic integration; a community of caring societies; and an outward-looking ASEAN.¹²

At the Ninth ASEAN Summit in Bali on 7 October 2003, ASEAN Leaders announced in the Bali Concord II their commitment to build an ASEAN Community on three pillars: the ASEAN Security Community (ASC)¹³, the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).¹⁴ While the initial target year was 2020, ASEAN Leaders agreed at the Twelfth ASEAN Summit in Cebu, the Philippines on 13 January 2007 to accelerate community building by five years to 2015.

¹¹ASEAN is one of the few regional groupings in the world outside the UN system in which communist governments work actively with non-communist counterparts. The Shanghai Cooperation Organization (SCO, established in 1996) is another such exceptional entity.

¹²See text of the ASEAN Vision 2020 at www.asean.org/news/item/asean-vision-2020

¹³The ASC was subsequently renamed the ASEAN Political-Security Community (APSC) in the Roadmap for an ASEAN Community 2009-2015.

¹⁴See text of the Bali Concord II at www.asean.org/news/item/declaration-of-asean-concord-ii

More importantly, ASEAN Leaders also agreed at the Cebu Summit to embark on the drafting of an ASEAN Charter to serve as a new and legally-binding instrument to build the ASEAN Community. Subsequently, the ASEAN Charter was signed by ASEAN Leaders in Singapore on 20 November 2007. It could be considered as a “gift” to the ASEAN peoples on the 40th Anniversary of ASEAN. The ASEAN Charter entered into force on 15 December 2008 under Thailand’s ASEAN Chairmanship.

New community-building measures were developed to form three new Blueprints for the APSC, the AEC, and the ASCC. Together with the Work Plan II on the Initiative for ASEAN Integration (IAI), they constituted the Roadmap for an ASEAN Community 2009-2015.¹⁵ The IAI is a policy of ASEAN to narrow development gaps and to prosper thy neighbors.

1. Understanding the ASEAN Community 2015

ASEAN Leaders announced in their Kuala Lumpur Declaration of 22 November 2015 the “establishment” by 31 December 2015 of the ASEAN Community. It is pertinent to emphasize here that community building in ASEAN will not end at the end of 2015. Community building is a long-term continuing process. Do not expect any “Big Bang” transformation of ASEAN at the stroke of midnight on 31 December 2015. Most probably, there will be few visible changes around us by that time.

Community building will continue beyond 2015. In fact, ASEAN Leaders also agreed at the 27th ASEAN Summit in Kuala Lumpur last November, on the new Vision and Blueprints for 2016-2025 for Member States to intensify their efforts in “forging ahead together” toward the ASEAN Community 2025.¹⁶

Another important point to bear in mind is the fact that the ASEAN Community is being built on three pillars. It is unwise to focus on only the AEC and overlook the APSC or the ASCC, or both. The common understanding in ASEAN is that all the three communities must be developed in tandem for ASEAN Member States with small economies, little foreign trade, and low capability to attract FDI will not benefit much from the AEC. However, they can still benefit from political and security cooperation under the APSC. More populous ASEAN Member States (Indonesia with over 252 million; the Philippines, 100 million; and Viet Nam,

¹⁵The Roadmap is available for download at www.asean.org/resources/publications/asean-publications/item/roadmap-for-an-asean-community-2009-2015

¹⁶See summary of ASEAN 2025 at www.asean.org/news/asean-statement-communicues/item/asean-2025-at-a-glance. The new Vision and Blueprints are also available at www.asean.org/resources/publications/asean-publications/item/asean-2025-forging-ahead-together

92 million) will benefit more from human development and human security functional cooperation activities in the ASCC. In return, these larger Member States are required to open their huge domestic markets to business people, traders, and investors from their smaller but economically more developed neighbors.

One crucial but often overlooked aspect of community building in ASEAN is the need to create the ASEAN identity and to instill in all ASEAN peoples the belief in sharing a common destiny. In order to achieve this, more attention and more resources must go into narrowing development gaps in the ASEAN membership, reducing economic and development inequality, and enhancing regional harmony and solidarity. A very tall order for this highly diversified region to fill indeed.

Table 1: ASEAN Basic Indicators

	Land Area (km2)	Population (2014 million)	GDP (2013 US\$ billion)	GPD Per Capita (2013 US\$)
Brunei	5,765	0.45	16	38,563
Cambodia	181,035	15.5	15	1,006
Indonesia	1,860,000	252.0	868	3,475
Lao PDR	236,800	7.0	11	1,660
Malaysia	330,250	30.0	313	10,538
Myanmar	676,570	54.0	57	1,100
The Philippines	300,000	100.0	272	2,765
Singapore	714	5.5	297	55,182
Thailand	513,120	67.0	387	5,779
Viet Nam	331,050	92.0	171	1,910
ASEAN	4.4 mil	623.45 mil	\$2,407 billion	

Table 2: Additional ASEAN Indicators

	Foreign Trade (2013 US\$ billion)	Human Development (UNDP 2013 Index)	2014 Survey by Transparency International (175 countries, 100 = full mark)
Brunei	15.0	30 th	38 th 60
Cambodia	18.3	136 th	156 th 21
Indonesia	369.2	108 th	107 th 34
Lao PDR	5.9	139 th	145 th 25
Malaysia	434.0	62 nd	50 th 52
Myanmar	23.4	150 th	156 th 21
The Philippines	119.1	117 th	85 th 38
Singapore	783.3	9 th	7 th 84
Thailand	478.2	89 th	85 th 38
Viet Nam	264.8	121 st	119 th 31
ASEAN	\$2,511.2 billion		

2. Rationale for Community Building

There are many good reasons for ASEAN Member States to upgrade their regional cooperation into the community-building stage. Economic advantages from the more integrated AEC are easy to see. Just look at the aggregate figures in Table 1 and Table 2 above.

ASEAN's combined land area is about 4.4 million square kilometers, which is the world's eighth largest after Russia, Canada, the US, China, Australia, Brazil, and the EU. In combined population, ASEAN had more than 622 million in 2014 (likely to be more than 630 million in 2015), making it the world's third largest after the Chinese and the Indians, and larger than the EU (507 million) and the US (322 million). In combined GDP, ASEAN's US\$2,407 billion in 2013 was the fifth largest in the world after the EU, the US, China, and Japan. The average GDP per capita in ASEAN in 2013 was about US\$3,700, which was better than in India (US\$1,410) but lower than in China (US\$6,500).

In international trade, ASEAN's trade volume in 2013 reached US\$2,511 billion, which made ASEAN the world's fourth largest trader after the US, China, and Germany. ASEAN is also one of the world's top tourist destinations, attracting 89 million of tourist arrivals in 2012, which was higher than France (83 million), the US (66.7 million), Spain (57 million), and China (57 million).

Combining the ten member markets into one ASEAN market and production base, the AEC constitutes a significant player in the world economy. This is why China, Japan, the RoK, Australia and New Zealand, and India have free trade agreements with ASEAN. They are also negotiating with ASEAN Member States on a complex Regional Comprehensive Economic Partnership (RCEP). China and Japan are keen to invest in transport infrastructure to promote ASEAN connectivity and at the same time to cash in on the growing ASEAN regional market.

Nowadays, Southeast Asians face new transnational security challenges that can sometimes seriously threaten human security. The outbreak of the mysterious Severe Acute Respiratory Syndrome (SARS) in late 2002 is a case in point. Then came the avian flu of various types. Individually, governments in Southeast Asia were certainly unable to cope with and protect its people from the highly contagious diseases. But collectively in ASEAN, and with the support from ASEAN's friends and partners, ASEAN governments managed to overcome the unprecedented massive public health threats.

Moreover, Southeast Asia is also prone to massive natural disasters. The December 2004 tsunami in the Indian Ocean rim, the May 2008 Cyclone Nargis in Myanmar, and the November 2013 Typhoon Haiyan in the Philippines were among the worst natural disasters in the 21st century. Again, a single government may not be able to provide sufficient humanitarian assistance to its people to mitigate the disaster impact. But ASEAN can help mobilize resources and humanitarian assistance from the international community.

Other longer-term issues and chronic security problems affecting human development and human security, such as climate change and global warming, depletion of marine resources, environmental pollution and transboundary haze pollution, illegal migration, poverty, narcotics, trafficking in persons, etc., all require closer regional cooperation in ASEAN. ASEAN has put in place numerous engagement processes and mechanisms to mobilize external support to tackle these issues more effectively, which no single government in Southeast Asia can match.

If ASEAN Member States do not continue to intensify political cooperation, sooner or later the old problems left behind by history will create new troubles. Unresolved border and territorial problems can spoil friendly ties between neighbors. Past examples include the cases of Thailand-Lao PDR (Ban Rom Klao), Thailand-

Cambodia (Khao Phra Viharn), and Malaysia-the Philippines (Sabah). Latent distrust and racial sensitivities like in the case of Malay majority vs Chinese minority in Malaysia could create a spillover and adverse repercussion to Malaysia-Singapore relations because Singapore's population is 70 percent ethnic Chinese.

In times of security trouble, without ASEAN individual countries in Southeast Asia would have to seek help from external powers. Heavy security dependence on external powers will disunite Southeast Asian countries and possibly lead to a new cold war. Their freedom and self-determination would be lost once again, just like during the colonial era, the Second World War, and the Cold War.

III. Contribution of the ASEAN Political-Security Community

1. Southeast Asia without Weapons of Mass Destruction

Peace, security, and stability in Southeast Asia do not just emerge naturally. They are unnatural conditions in the region with numerous diversities. They have to be created and maintained by ASEAN Member States' concerted political cooperation efforts, based on peace-oriented principles and common purposes.

Southeast Asians do not have to worry about any nuclear Armageddon, unlike those who are on the Korean Peninsula. But few Southeast Asians know about the 1995 Treaty on the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ). The commitment to prohibit having or deploying nuclear weapons has been incorporated into the ASEAN Charter. Also included in the ASEAN Charter is the commitment to keep Southeast Asia free of all other weapons of mass destruction (WMD).

Fewer Southeast Asians know that in the SEANWFZ Treaty there are provisions for regional cooperation on peaceful use of nuclear energy and technical cooperation with the International Atomic Energy Agency (IAEA). ASEAN Energy Ministers have set up the ASEAN Nuclear Energy Cooperation Sub-Sector Network for information sharing. In recent years, a new ASEAN entity called the "ASEANTOM"¹⁷, initiated by Thailand, has emerged to promote cooperation among regulatory bodies on atomic energy in ASEAN governments. These initial moves will have long-term advantages, especially when ASEAN Member States start building nuclear power plants. Viet Nam, in fact, has a national program to build up to ten nuclear power plants by 2030. However, in the wake of the March 2011 Fukushima nuclear power plant disaster in Japan, Viet Nam has delayed the start of constructing its first two nuclear power plants from 2015 until 2020. Indonesia, Malaysia, the Philippines,¹⁸ and Thailand all have studied the

¹⁷ASEAN Network of Regulatory Bodies on Atomic Energy

¹⁸The Philippines actually was the first in Southeast Asia to build a nuclear power plant in the early 1980s in Bataan, about 50 kilometers west of Manila. The downfall of President Marcos in February 1986 and the Chernobyl nuclear power plant disaster in April 1986 led to a decision of the Aquino Administration not to operate the Bataan nuclear power plant.

feasibility of nuclear power plants. Now, even Singapore would no longer dismiss nuclear power as a future option for energy security in spite of its relatively small land area.

In other words, within the next few decades, Southeast Asians will have to live with or live near nuclear power plants. Nuclear safety and nuclear security will then become a new collective human security concern in the ASEAN Community. Such looming security challenge will have to be addressed at the ASEAN level.

2. Sovereignty Equality in ASEAN

ASEAN Member States come in different sizes of population and land area. They have different levels of development, as can be seen from the UNDP Human Development Index in Table 2. They also have different political systems and different degrees of government transparency, as also shown in Table 2. However, when they come in ASEAN, they are all sovereign equals, with equal say on all ASEAN policy matters and equal responsibilities. These include equal contribution to the annual operating budget of the ASEAN Secretariat.¹⁹

Sovereign equality in ASEAN is crucial to smaller nations such as Brunei Darussalam and Singapore, which are situated next to much larger neighbors like Indonesia and Malaysia. The principle of sovereign equality has also led to the ASEAN Way of making policy decision based on consultation and consensus. This would not lead to the most idealistic or best ideas. Rather, it tends to settle for the least objectionable ones, which even the most reluctant and least-prepared member can accept to go along. Nevertheless, consensus keeps every ASEAN Member State happy and enables them to stay for the long-term. Keeping all Southeast Asian nations in the ASEAN fold is after all ASEAN's most important reason of existence.

The peace-oriented principles advocated by ASEAN have gained international acceptance, as witnessed in the growing list of non-ASEAN States acceding to the TAC (ten in ASEAN plus 22 from outside of the ASEAN region). Consultation and consensus have also been adopted in the Asia-Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), and the East Asia Summit (EAS).

Now ASEAN is using the same peace-oriented principles in engaging China on the South China Sea. These principles have been incorporated into the 2002 Declaration on the Conduct of Parties in the South China Sea (DoC). Unfortunately, ASEAN lacks the authority to ensure full compliance of the DoC. China is not deterred by the DoC from undertaking massive land reclamation works in disputed areas in the South China Sea in recent years. This is why ASEAN Member States want to speed

¹⁹In 2015, the annual budget is about US\$19 million; each member government, rich or poor, contributes an equal share of US\$1.9 million.

up the drafting of a Code of Conduct in the South China Sea (CoC), and to realize it at the earliest opportunity as a new legally-binding agreement with China on how to avoid tensions and manage disputes in the South China Sea. Yet, China prefers a more cautious approach, going step-by-step and working on a CoC through careful consultation and consensus. The Chinese have apparently learned to make good use of the consensus principle to their advantage.

Through the ARF²⁰, ASEAN provides a useful venue for security dialogue and cooperation to build international understanding and mutual confidence. However, the goal of advancing the ARF to the next stage of preventive diplomacy remains out of reach, largely because of political diversities among the ARF participants and concerns about interference by Western powers.

ASEAN has further enhanced its external security engagement through the process of the ASEAN Defence Ministers Meeting Plus (ADMM-Plus). Initiated in 2010, the ADMM-Plus now features a biennial meeting between the ten ASEAN Defense Ministers and their counterparts from eight Dialogue Partners (except Canada and the EU). It also includes practical cooperation among defense officials and military officers from the eighteen countries in six joint working groups on maritime security, counter-terrorism, military medicine, humanitarian assistance and disaster relief, peacekeeping operations, and humanitarian mine action (demining)—resulting, among others, in the establishment of an ASEAN Centre of Military Medicine in Thailand.

IV. Understanding ASEAN Centrality

The evolving security architecture in the Asia-Pacific has attracted a great deal of attention. Discussions on this complex issue often involve scrutinizing the role of ASEAN and questioning ASEAN centrality. Many outsiders dismiss ASEAN centrality as irrelevant or, worse, caricaturize it as ASEAN's self-delusion of omnipotence. Therefore, it is important to get a better understanding of what ASEAN centrality is all about.

ASEAN centrality has four basic components, of which the most visible is in ASEAN's leadership and management of its growing external engagements. However, the more important part of ASEAN centrality is inside ASEAN—it is the ongoing community-building endeavor to increase more weights to ASEAN. Both ASEAN's external engagements and community-building efforts are supported by the third component of ASEAN centrality, which is the institutional framework of ASEAN based on the ASEAN Charter. The most important part of ASEAN centrality, albeit

²⁰The 27 ARF participants are the ten ASEAN Member States, the ten Dialogue Partners, Bangladesh, the DPRK, Mongolia, Pakistan, Papua New Guinea, Sri Lanka, and Timor-Leste. The ARF is one of the new multilateral processes outside of the UN system to which the DPRK belongs.

least visible one, is the political will, the shared responsibility in ASEAN, and the collective commitment to ASEAN of all ASEAN Member States in enhancing regional peace, security, and prosperity.

1. External Component of ASEAN Centrality

The ASEAN Charter prescribes ASEAN centrality as an ASEAN principle in external relations in Article 2 Paragraph 2 (m). ASEAN centrality calls for active, efficient, constructive, non-discriminatory, and forward-looking leadership of all dialogue and cooperation processes that ASEAN has initiated. They include ASEAN+1 with ten Dialogue Partners and the UN, the ASEAN Plus Three (China, Japan, and the RoK), the ARF, the EAS²¹, the ADMM-Plus²², and the Expanded ASEAN Maritime Forum (EAMF).²³ The ASEAN Member State chairing ASEAN in a given year hosts and chairs these meetings. All participants accept the ASEAN Way of making policy decision based on consultation and consensus. ASEAN can rightfully claim the role of the primary driving force in managing these external engagements.

ASEAN also engages other regional groupings such as the South Asian Association for Regional Cooperation, the Pacific Alliance, the Shanghai Cooperation Organization, the Economic Cooperation Organization, and the Gulf Cooperation Council (GCC). In recent years, ASEAN has found good prospects in pursuing close ties with the GCC, which consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. Most of these Gulf States have oil wealth which can contribute to infrastructure investments in the ASEAN region.

At the sub-regional level, ASEAN Member States that are Mekong River riparian states (Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam) have development cooperation with China and the Asian Development Bank (ADB) in the Greater Mekong Sub-regional Economic Cooperation, with India in the Mekong-Ganga Cooperation, and with Japan, the RoK, the US, and other “Friends of the Lower Mekong”²⁴. In addition, Cambodia, Lao PDR, Thailand, and Viet Nam are in the MRC. A pertinent question here is how to make these Mekong cooperation entities

²¹Eighteen EAS participants are ten ASEAN Member States and eight Dialogue Partners, excluding Canada and the EU.

²²The ADMM-Plus comprises of the same eight Dialogue Partners who are also in the EAS. However, it is simply a coincidence that the same eight Dialogue Partners are participating in both the ADMM-Plus and the EAS. Membership in the ADMM-Plus was determined in 2006-2007, whereas the decision to expand the EAS to include Russia and the US was made in 2010.

²³All the EAS participating countries are also participating in the EAMF.

²⁴At the Fourth Meeting of Friends of the Lower Mekong in Nay Pyi Taw on 11 August 2014, the “Friends” of Mekong included Australia, the EU, Japan, the RoK, New Zealand, the US, the ADB, World Bank, and the Secretary-General of ASEAN.

and initiatives complement one another, and to avoid wasting time and resources on overlapping efforts.

Myanmar²⁵ and Thailand are active in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), which includes Bangladesh, Bhutan, India, Nepal, and Sri Lanka. Indonesia and the Philippines are prime movers in the West Pacific Forum (WPF), which involves Australia, New Zealand, Papua New Guinea, and Timor-Leste.²⁶

ASEAN Member States have been participating in the ASEM, the Non-Aligned Movement, the Asia Cooperation Dialogue, the World Trade Organization (WTO), the UN, and so on. Seven of them (excluding Cambodia, Lao PDR, and Myanmar) are participating economies in APEC. In fact, the Philippines chaired APEC in 2015. Indonesia is a member of the Group of Twenty (G20) and the ASEAN Chairman (it was Malaysia in 2015), accompanied by the Secretary-General of ASEAN, is invited regularly as guest at the G20 Summits.

ASEAN centrality requires ASEAN Member States to try to speak with one unified voice when defending ASEAN and advancing ASEAN interests in international meetings. In the UN, for example, the ASEAN New York Committee, composed of Permanent Representatives to the UN from the ten ASEAN Member States, meets regularly to compare notes and coordinate their positions on UN issues. In the WTO, the coordination is done by the ASEAN Geneva Committee formed by the Ambassadors to the WTO from ASEAN Member States.

ASEAN considers the growing popularity of the TAC as an international endorsement of its peace-oriented principles. Dr. Marty Natalegawa, when he was still the Foreign Minister of Indonesia (2009-2014), proposed internationalizing the TAC principles in a new Indo-Pacific treaty of amity and cooperation to overcome what he considers as “trust deficits” in the Asia-Pacific. Other Member States advocated selective multilateralization of the TAC.

ASEAN centrality in external relations can also be seen in four major aspects: membership of an external engagement process, modality, agenda, and outcome documents. ASEAN Member States develop the terms of reference of a new external engagement process and determine which countries will be invited to participate. They become the gatekeepers in charge of allowing additional participants to join after the process has been launched.

²⁵Myanmar hosted the Third BIMSTEC in Nay Pyi Taw on 3-4 March 2014, where BIMSTEC Leaders agreed to set up the BIMSTEC Secretariat in Dhaka and to appoint Mr. Sumith Nakandala from Sri Lanka as its first Secretary-General.

²⁶Timor-Leste chaired the WPF in 2014 and Papua New Guinea chaired the WPF in 2015.

The modality of ASEAN is sometimes referred to as the “ASEAN Way”, which includes basic principles and practical standard operating procedures. Sovereign equality, non-interference in each other’s domestic affairs, peaceful settlement of disputes, non-discrimination, and goodwill in cooperation are the basic principles in ASEAN. Standard operating procedures in ASEAN include chairing meetings by the ASEAN Chair Country, respecting and supporting the ASEAN Chairman, making policy decision based on consultation and consensus, and minimizing operating expenditure through, among others, the low level of institutionalization.

The ASEAN Chair Country usually hosts all important external relations meetings²⁷ and sets the agenda, in consultation with all others concerned. ASEAN issues such as narrowing the development gaps and implementation of the Master Plan on ASEAN Connectivity, would often feature prominently in these meetings. Outcome documents are usually drafted first by the ASEAN side and circulated to external parties concerned for their comments and suggestions.

In Jakarta, the Committee of Permanent Representatives to ASEAN (CPR), comprising the ten Permanent Representatives (PRs) of the ten ASEAN Member States, is ASEAN’s frontline in engaging ASEAN external partners on a day-to-day basis. The PRs interact with a growing number of Ambassadors to ASEAN. At last count, 82 countries and the EU have accredited their Ambassadors to ASEAN. The US, Japan, China, the RoK, Australia, New Zealand, and India have set up their Permanent Missions to ASEAN in Jakarta headed by their respective resident Ambassadors to ASEAN. The EU became the eighth Dialogue Partner to set up a Permanent Mission to ASEAN in Jakarta. Only Canada and Russia have yet to follow suit. The growing number of Ambassadors to ASEAN and Permanent Missions to ASEAN are welcome as political support of the international community for ASEAN and ASEAN centrality.

In external economic engagements, ASEAN is the driving force in the RCEP negotiations. The goal is to create new synergies among the ten ASEAN economies with their free-trade-area counterparts from China, Japan, the RoK, India, and Australia and New Zealand. The RCEP is widely seen as ASEAN’s solution to end the unhealthy

²⁷Occasionally, ASEAN Leaders go out of the ASEAN region to meet their counterparts for a special meeting. They met the RoK President Park Geun-hye in Busan from 11-12 December 2014 for the ASEAN-RoK Commemorative Summit to celebrate the 25th anniversary of the ASEAN-RoK Dialogue Relations. ASEAN Defense Ministers met with the US Secretary of Defense Chuck Hagel in Hawaii on 1 April 2014 for a special informal meeting. They also went to Beijing to meet with Chinese Defense Minister in December 2015.

rivalry between China and Japan; China preferred pursuing the ASEAN Plus Three FTA, whereas Japan advocated an East Asia Economic Community under the EAS framework. If successfully created, the RCEP can rival the emerging Trans-Pacific Partnership (TPP) led by the US and Japan. Four from the ASEAN side are parties to the TPP Agreement: Brunei Darussalam, Malaysia, Singapore, and Viet Nam.

In finance, ASEAN Member States, China, Japan, and the RoK have created a pool of US\$240 billion for currency swap under the Chiang Mai Initiative Multilateralization (CMIM). But the ASEAN Secretariat was deemed incapable of managing the highly complicated CMIM. Thus, the ASEAN Plus Three Macroeconomic Research Office was established in Singapore to do the job. So far, this regional financial safety net has not yet been tested.

ASEAN and its Member States have been quite successful in attracting the attention of the international community and the support from their external partners. Canada and the EU want to join the ADMM-Plus and the EAS. Others want to join the ARF. The UN wants to undertake more cooperation activities with ASEAN. Now, Norway has become a Sectoral Dialogue Partner of ASEAN and Timor-Leste has applied for the ASEAN membership. Ex-Secretary-General of ASEAN Dr. Surin Pitsuwan describes the success as the “ASEAN’s convening power”. When ASEAN initiates a new engagement process or cooperation activity, several external partners come and support ASEAN because, according to Dr. Surin Pitsuwan, they know and appreciate the fact that “ASEAN is welcoming all and threatening none.”

However, ASEAN and its Member States cannot be complacent. Publicly, many foreign leaders and ministers would routinely praise ASEAN and voice support for ASEAN centrality. They can accept ASEAN centrality by default because ASEAN is the least objectionable convener of dialogue and cooperation. But privately, they and their senior officials might still harbor some doubts about the viability of ASEAN centrality and the unity of ASEAN Member States in the wake of intensifying power rivalries in and near Southeast Asia. Beyond the ASEAN region, ASEAN centrality would often encounter doubt and disdain. Mr. Kevin Rudd, when he was Prime Minister of Australia, dismissed ASEAN centrality in his short-lived initiative to establish a comprehensive Asia-Pacific Community. His grand idea did not gain international traction because Australia lacked the “convening power” that ASEAN has.

ASEAN and its Member States must be vigilant in strengthening and improving ASEAN centrality with innovative leadership and thoughtful external engagements. At a minimum, ASEAN centrality within the ASEAN region must be tenaciously defended and advanced for international recognition. External powers must be persuaded to believe that ASEAN centrality will make Southeast Asia peaceful, stable,

and prosperous. When ASEAN and its Member States expand the scope of their external engagements, they must pay due attention to legitimate strategic interests of all their external partners. They must accept the fact that ASEAN is just one of the many players in this multi-polar international community. Outside of Southeast Asia, ASEAN must earn international support for ASEAN centrality with careful action and consistent adherence to peace-oriented principles.

2. Internal Aspect of ASEAN Centrality

Active and efficient ASEAN management can win external recognition for ASEAN as the primary driving force in Southeast Asia. To make such recognition long-lasting, ASEAN must increase its own weights through meaningful community building beyond 2015. This is a crucial internal dimension of ASEAN centrality in order to gain acceptance of ASEAN centrality by design.

As a combined one ASEAN market and regional production base of over 630 million people, the ASEAN Community is the world third largest market after China and India. A more integrated ASEAN market through increased infrastructure connectivity and harmonization of rules, regulations, and laws will enhance the ASEAN economic competitiveness and attractiveness for trade, service, and investment.

Harmony and unity will increase political and diplomatic weights of ASEAN, and enable ASEAN to speak with one authoritative voice, especially on Southeast Asian affairs. By the year 2022, ASEAN will have its “common platform” to formulate “a more coordinated, cohesive, and coherent ASEAN position on global issues of common interest and concern”.²⁸ Then ASEAN will be in a better position to contribute as a responsible global player on important global issues.

One of the crucial strategic challenges facing ASEAN is how to continue to play its constructive role in maintaining regional peace and harmony in Southeast Asia in the wake of rising China and the US rebalancing to Asia. Obviously, China and the US are competing for ASEAN attention and affection. As a group, the ten ASEAN Member States need not and should not take sides, although individually some of them may be pro-US and others pro-China. Their most pragmatic and safest common stand is to be pro-ASEAN.

Therefore, ASEAN Member States should continue to enhance ASEAN centrality and build a successful ASEAN Community beyond 2015. A strong, unified, and prosperous ASEAN Community can cope with the dynamics of great power rivalries. It can also help shield its individual members from excessive external pressure, making it unnecessary for any of them to take sides and antagonize any external powers.

²⁸See the Bali Concord III of the Nineteenth ASEAN Summit, issued in Bali on 17 November 2011.

In community building, ASEAN centrality requires Member States to give due importance to ASEAN, with goodwill in exercising equal rights of the ASEAN membership, and fulfill all obligations in ASEAN with best national efforts. In the ASEAN Charter, Article 5 Paragraph 2 says “Member States shall take all necessary measures, including the enactment of appropriate domestic legislation, to effectively implement the provisions of this Charter and to comply with all obligations of membership.”

All ASEAN Member States are obliged to ratify without delay and implement all ASEAN agreements signed by their Leaders and Ministers. Better still, they should also adjust their national policy to keep it in line with what they are doing in ASEAN at the regional and international levels.

Nowadays, national sovereignty is no longer absolute, especially when a country interacts with others in the international community, in the UN, and in ASEAN. Every ASEAN government must fulfil all obligations arising from the ASEAN Charter and ASEAN agreements. ASEAN Member States need to develop a good balance between national interests such as sovereignty and ASEAN common interests. In the long-run, these interests should complement one another. After all, ASEAN common interests are determined by ASEAN Member States through the painstaking consultation and consensus.

3. Institutional Support

To sustain and enhance its role as the premier regional player in Southeast Asia as well as an emerging global player, ASEAN needs efficient and coherent institutional support and more resources. This is the institutional part of ASEAN centrality.

At the 25th ASEAN Summit in Nay Pyi Taw in November 2014, ASEAN Leaders endorsed a long list of recommendations from the High Level Task Force on Strengthening the ASEAN Secretariat and Reviewing the ASEAN Organs. It remains to be seen how much actual implementation of the recommendations will happen and bring concrete positive results. Implementing these recommendations will involve investing more resources—something some ASEAN governments are quite reluctant to do.

The key ASEAN bodies that deserve urgent support are the CPR, the ASEAN Secretariat, the ASEAN Foundation, and the ten ASEAN National Secretariats. These are the ones handling ASEAN affairs on a full-time basis.

Unfortunately, ASEAN is an organization with very limited resources. It has very limited resources to fund development cooperation projects, let alone to invest in major infrastructure construction. Financial responsibility in ASEAN is, as a rule, equally shared by ASEAN Member States. How to mobilize more resources remains a difficult question in ASEAN's quest to strengthen its institutions, particularly the ASEAN Secretariat.

4. Political Will and Commitment to ASEAN

In the new Vision and Blueprints, Member States aspire to build and realize by 2025 the ASEAN Community that is “rules-based, people-oriented, people-centered”. The phrase “people-oriented, people-centered” indicates some subtle but fundamental difference within the ASEAN membership. At least one ASEAN Member State is reportedly not yet ready to see the ASEAN Community becomes a full-fledged “people-centered” organization, in which ASEAN peoples will have more say in community building and the future direction of the ASEAN Community.

ASEAN will be as strong as its Member States want it to be. If they truly believe in sharing a common destiny in ASEAN, then they must be serious about community building and fulfill their shared commitment and collective responsibility to ASEAN. In this regard, it is imperative that they promptly ratify and implement all the ASEAN agreements their Leaders and Ministers have signed. They must also comply in good faith with the ASEAN Charter.

Moreover, they should provide more resources to strengthen ASEAN institutions, especially those that are handling ASEAN affairs on a full-time basis. They should take serious steps toward creating the ASEAN common platform on global issues, which is supposed to be put in place by the year 2022. Also at the Nay Pyi Taw Summit in November 2014, the ASEAN Communication Master Plan was adopted. ASEAN Leaders agreed that every Member State shall implement it promptly. The strategy of the Master Plan is to drive home the point that ASEAN is a “Community of Opportunities”.

If and when more ASEAN peoples see this point, they may pay more attention to ASEAN affairs. They may even monitor more closely whether ASEAN governments are implementing ASEAN agreements. Then new political will would increase to stimulate effective implementation and compliance. This could lead to new resolve in Member States to mobilize more resources for ASEAN.

The future of ASEAN is in the hands of not only ASEAN Leaders, their Ministers, and senior officials, but also the ASEAN peoples. One of the innovations in the ASEAN Community Vision 2025 is to make ASEAN documents and ASEAN processes more accessible to stakeholders. However, the ASEAN peoples need to make use of this and discover ASEAN. They will find that they can have a role through learning more about ASEAN and its post-2015 community building. Furthermore, they need to understand and appreciate ASEAN's contribution to peace, security, and prosperity in Southeast Asia. This is what a people-centered ASEAN Community is all about.

CHAPTER 3

A Strategic Approach for the Next Era of ASEAN Economic Cooperation

By Suthad Setboonsarng¹

I. Introduction

Since its inception in 1967, ASEAN has been an effective platform for economic cooperation. It also has been critical in the region's response to the changing economic environment during the industrialization period in the 1970s-1990s and the adjustments to the financial crisis in the late 1990s. In preparation for the 21st century, ASEAN created the ASEAN Community to consolidate these achievements into a tangible legal framework of rules and regulations and goodwill into trusted partnerships.

Now the ASEAN Community has been established. Starting in 2016, ASEAN will deepen its engagement with stakeholders to implement the agreed upon rules and regulations to further consolidate the region into one economy. Together, ASEAN and its partners will use the same platform to strengthen the economic development in Asia and the rest of the world.

As this effort continues, new challenges are emerging. The global financial crisis and subsequent recovery of the developed economies in the next decade will accelerate the rise of Asia and define a tri-polar world comprising the US, the EU, and Asia. The population dynamics in Asia will induce non-traditional security issues, especially food, energy, and human security. The application of information technology in connecting businesses and social communities will bring forth cyber security issues.

Beyond 2015, ASEAN must focus on the strategic utilization of ASEAN in engaging stakeholders outside of Southeast Asia to build an Asia-wide institution to ensure peace, prosperity, and sustainability in the region and beyond. This process will also require the private sector to take the lead in mobilizing economic cooperation.

¹This chapter was jointly prepared with Mr. Chayut Setboonsarng, a researcher and writer on national and regional politics, economics, and foreign affairs. He is currently a consultant at APCO Worldwide, a strategic communications and stakeholder engagement advisory firm.

II. New Regional and Global Environment

A new regional and global structure is emerging with a greater role for Asia. The region will be the substantial source of global economic growth in the coming decade and the ASEAN Community will be a foundation for the imminent integration of Asia, with the ASEAN mechanisms encompassing key players in Asia and other major global players.

This section highlights major global trends and how they will impact ASEAN. The next section will discuss the potential role of the ASEAN Community in mitigating risks and making the most of new opportunities. The final section will make strategic policy recommendations for Thailand and ASEAN to consider.

The four major trends that will affect ASEAN are changes in the global economic structure, population dynamism, technological advances, and scarcity of resources.

1. Changing Global Economic Structure

The 2008 global financial crisis that emanated from the United States' subprime mortgage crisis and European sovereign debt crisis stimulated the growth of Asia's share of the global economy from 27 percent of global GDP in 2000 to 31 percent in 2015. In the next five years, 45 percent of global growth will come from Asia. Asia's share of global GDP will increase to 34 percent with the US and the EU sharing 23 percent and 21 percent, respectively, as per the latest IMF's World Economic Outlook.

Table 1: Changing Share of Global GDP

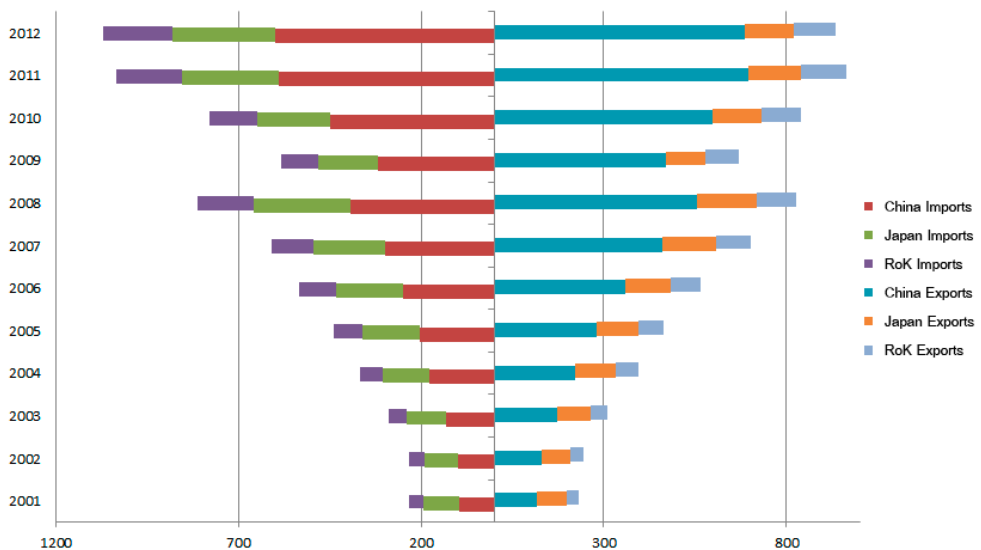
Region	2000	2015	2020*
ASEAN+6 ²	27%	31%	34%
USA	23%	24%	23%
EU	26%	22%	21%

Source: Forecast from IMF, World Economic Outlook, October 2015
See Annex: Table A1: Contribution to Global GDP Growth

²Plus six countries include Australia, China, India, Japan, the Republic of Korea, and New Zealand.

In the coming decade, the US and the EU will become more inward-looking as they recover from the economic downturn, while Northeast Asia (China, Japan, and the Republic of Korea) will be forced to expand to new markets, especially to the rest of Asia where the potential market is large. As a consequence, intra-Asian trade will accelerate compared to the last decade.

Figure 1: Trade Flow between Northeast Asia and the Rest of Asia



Source: Calculated from the Trade Map Database, International Trade Center

This is confirmed by their economic strategies. For example, China has adopted the One Belt One Road strategy; Japan has put further effort into the Greater Mekong Sub-region (GMS) to link the Pacific Ocean with the Indian Ocean; India has announced that it would “Act East” and build road networks to adjoin ASEAN. To support the construction of the required infrastructure of various regional projects, China led the establishment of the Asian Infrastructure Investment Bank (AIIB). These developments will make ASEAN the junction of Northeastern, Southern, and Western Asia.

2. Population Dynamics

Population is both a strength and challenge for Asia. Asia currently accounts for 62 percent of global population. In the next five years (by 2020), the global population will increase from 7.21 billion to 7.63 billion, with 50 percent of this growth coming from Asia. Of which 30 percent or about 140 million will come from South Asia. However, population in Northeast Asia will grow by only 40 million during this period. It would thus need to import workers or export capital to invest in South Asia where the pool of labor is large, or to Southeast Asia where the natural resources is rich, infrastructure is good, and the potential growth is high.³

Slower population growth in the developed countries brings about an aging society issue which is occurring in ASEAN and more severely in East Asia.⁴ The percentage of senior citizens in ASEAN will increase from seven percent in 2015 to twelve percent by 2030, while in Northeast Asia the number is closer to 12.9 percent in 2015 and 20.6 percent by 2030. In contrast, this growth in South Asia is small, from six percent to nine percent during the same period. This is not an issue that one country can resolve unilaterally, but one that requires a regional solution.

Another emerging trend in Asia is urbanization, where the urbanization rate is over 50 percent.⁵ As farm workers leave their farms to seek fortunes in the city, they become consumers of food instead of producers, compounding the impact on food supply. This could precipitate a larger food security issue. The restricted agricultural trade regime would need to be revamped to find an efficient solution to this challenge.⁶

With the increase in the construction of connectivity infrastructure, new towns and cities will be established around these areas. For example, the economic potential of the North-South and East-West Economic Corridor will attract the movement of more than ten million people in the coming decade.⁷

As a result, there will be a rapid rise in urban middle class in Asia. Asia will have the fastest growth in the middle class population in the world. It is estimated that by 2020, 54 percent of the world's middle-class will be in Asia-Pacific. By 2030, it will reach 66 percent.⁸

³See Annex - Table A2: Source of Global Population Growth

⁴See Annex – Table A3: Proportion of Population Above 64 Years Old and Dependency Ratio

⁵See Annex - Figure A1: Global Urban Population

⁶For more on the effects of urbanization on agriculture, see David Satterthwaite, Gordon McGranahan, Cecilia Tacoli, “Urbanization and its implications for food and farming.” Published 16 August 2010. DOI: 10.1098/rstb.2010.0136 The Royal Society. <http://rstb.royalsocietypublishing.org/content/365/1554/2809>

⁷See Annex - Figure A2: Simulation of Population Density in 2025

⁸See Annex – Table A4: Global Middle Class Size and Distribution

In summary, the population in Asia will be increasing quickly and they will be moving into urban areas. New cities will be created and scattered around the new infrastructures of connectivity. With proper management to employ the new group of workers, the middle-income segment will grow rapidly in Asia, serving as the next global market destination. However, if these people are not allowed to move across borders legally, unregulated migration will become a significant global challenge.

3. Technological Advances

There are many new technologies in the pipeline waiting to be unleashed. The current global economic slowdown will increase the demand for new inventions to serve new groups of consumers.

Digital technology will continue to revolutionize businesses, governments, and social processes in the 21st century. ASEAN had a slow start, but has quickly caught up with the rest of the world. To support the growth of the region in the future, there is a need to improve the accessibility of this infrastructure to meet the increasing demand to shore up the rapid regional growth. Inequitable access will further widen the development gap and digital divide; ASEAN should therefore establish an ASEAN broadband superhighway for the region.⁹

The development in biotechnology and nano-technology will also greatly benefit ASEAN's food and material industries and help consolidate its place in the global market. As the exporter of food, ASEAN needs more biological technology to increase production as more farmers leave the agricultural sector and become consumers in urban centers.

4. Scarcity of Natural Resources

The increase in population and consumption will put pressure on the finite natural resources, especially land, water, minerals, and the ecosystem. On top of this are the erratic weather patterns, changes in sea levels, and the uncertain implications of climate change.¹⁰

The impact of climate change has been felt, but its exact magnitude and timing are not clear. This is especially true when observing the impact of global warming and the irregularity of weather on food production, which would be acute in Asia where about 58 percent of global population lives. The International Rice Research Institute

⁹An In-Depth Study of Broadband Infrastructure in the ASEAN Region, UN-ESCAP, August 2013. http://www.unescap.org/sites/default/files/Broadband%20Infrastructure%20in%20the%20ASEAN%20Region_0.pdf

¹⁰See Annex - Figure A3: Uncertain weather patterns in Asia and the World

(IRRI) found that the ongoing rate of global warming will affect twenty percent of the prime rice cultivation area.¹¹

In summary, the recovery of global economy from financial crisis is still fluid, but what is certain is the rise of Asia. However, to get Asia to be the engine of sustained growth will take hard work. Asia has its own challenges; its population is an asset but could also be a liability. Technology is moving fast and Asia has to keep up with the rest of the world. Resources are scarce and demand is outpacing their supplies, especially for non-renewable resources. Asia should take the lead in changing the mindset on how the world should better utilize and manage our limited resources.

III. Implications for ASEAN

A smooth rise of Asia and transformation of global economy needs to be managed and coordinated. No single country can do this, not even China. ASEAN has played an important role in bringing major players together to resolve economic, political, and social issues. There have been many accomplishments, but it may not be enough for the future.

The new regional and global environment has at least five major implications for ASEAN to consider:

1. Managing Major Global Players

The rise of Asia, or more precisely, the resurrection of Asia, involves all other major players including the EU, the US, Russia, and the Middle East. This process has to be managed properly to avoid missteps and wasteful confrontations.

ASEAN is the foremost institution and mechanism that can manage this process. Given the accelerated pace change, ASEAN has to prioritize and focus on activities that ASEAN can derive benefits from. There are activities that other stakeholders can benefit from using the ASEAN institution. Those issues and stakeholders should be identified and provided with an appropriate incentive framework in working with ASEAN.

¹¹Climate change will increase the level of sea water which will flood about twenty million hectares of rice cultivation (about 12.5 percent of total rice cultivation area), mostly in India, Bangladesh, and Viet Nam. It will also increase the salinity of water and the increase in night-time temperature will reduce rice yield. Overall, impacts are the reduction of about fifteen percent of total production (or about 67.5 million tons of milled rice -Authors). <http://irri.org/news/hot-topics/rice-and-climate-change>

2. Positioning in the New Trade Route

As ASEAN resumes its pre-colonial period position as the economic junction between Northeast Asia and the rest of Asia including South Asia and the Middle East, ASEAN has to provide appropriate hard and soft infrastructure and a capable workforce to accommodate this activity.

While it is delightful to see goods and services going through the region, the challenge is creating substantial benefits from being a transit point. This would involve negotiations with the big players in the world market. If each ASEAN Member State or business entity negotiated individually, they would be at a disadvantage. History has taught us many lessons, especially, during the colonial period. However, unlike the past, ASEAN now has the ASEAN Community as a platform to engage all stakeholders in economic, social, and political-security agenda.

3. Harnessing a Dynamic Population

The rapid increase in population in the less developed countries coupled with an aging population in the developed countries will lead to an increase in migration. This will occur on two layers: urban migration and the movement of people from less developed to developed countries. This pattern will be enhanced by the improvement of connectivity and spread of labor market information. ASEAN is an attractive destination for migrants due to the abundance of food, hospitable people, and high growth potential.

ASEAN needs to develop a cohesive plan to absorb the migration of labor within the region and from other Asian countries. All parties stand to gain from a more integrated market. However, without proper management, the long-term economic and social cost of human trafficking, illegal workers, violation of human rights, and money laundering could proliferate and derail the progress of development.

4. Non-Traditional Security Issues: Catalysts for Cooperation

Non-traditional security issues give ASEAN the impetus for deepening cooperation. ASEAN Member States should choose an area of cooperation to take the lead, convene partners, and work together in solving the pressing non-traditional security issues of food, energy, connectivity, financial security, and inequality.

A. Food Security

There are four key factors that affect food production in Asia:

- Reduction of farm workers: this is caused by migration of farmers to urban centers, reducing the agriculture workforce;
- Reduction of land for food production: agricultural land is increasingly used for residential areas and other activities. Furthermore, the deterioration of land quality also leads to a decrease in arable land;
- Suppressed food prices: in order to keep the costs of living low, public policies generally favor consumers by suppressing prices of food and agricultural products;
- Rapid population growth: by 2020, population in Asia will reach 4.5 billion compared to 4.1 billion in 2013.

Food production, especially agricultural products, is geographically concentrated. Thus, a more sensible food policy and a proper trading arrangement are necessary to prevent this disaster. Balancing the supply and demand of food will need advanced technology, a change in food consumption behavior, and a proper trading arrangement. This calls for a concerted regional action because no single country can or should manage food security issue on its own.¹²

B. Security of Connectivity within and beyond ASEAN

Connectivity security refers to the stability, accessibility, and affordability of a network. In an interconnected world, connectivity security has become a global issue. In addition to traditional connectivity of air, land, and sea transportation, cyber security has also become critical. The stability and integrity of internet connectivity is as important as the stability of road connection, if not more.

There is a tendency to make this a national security issue, controlled and operated by the public sector, which has proven to be inefficient and ineffective. A more efficient way would be for the public sector to focus on making policy and allow the private sector to operate.

As connectivity involves more than one country, a cohesive cross-country effort is needed. It is important to align the rules and regulations across the region as well as coordinate with the private sector in the operation.

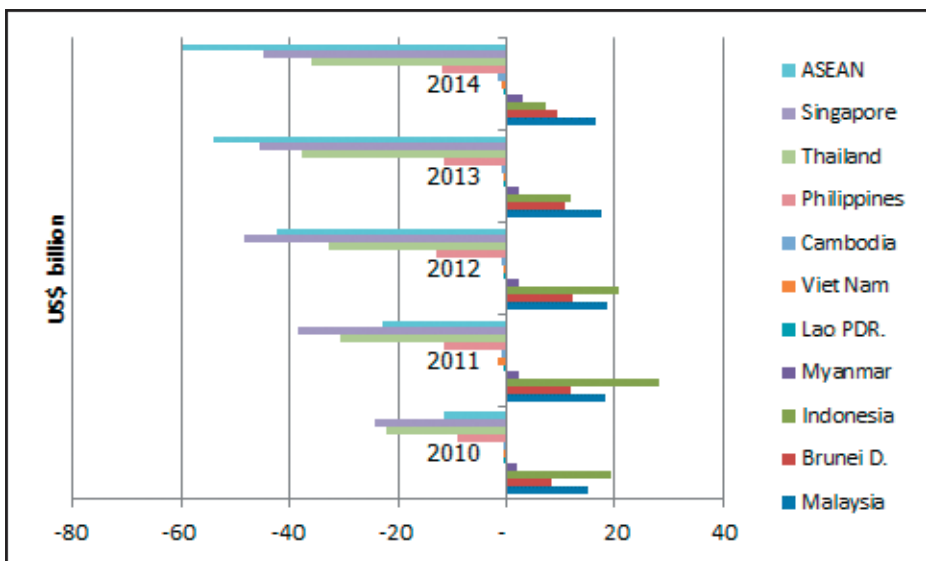
¹²Setboonsarng, Suthad, *Getting the Price of Rice Right: Episode II*, in *Sustainable Economic Development: Resources, Environment and Institutions*, edited by Balisacan, A.M., Chakravorty, U., and Ravago M.V., Elsevier, UK, 2015.

C. Energy Security

ASEAN is a net importer of energy and the deficit is growing to almost US\$ 60 billion in 2014 (See Figure 2). Thailand is the second largest net importer after Singapore. The four energy surplus countries, namely, Malaysia, Brunei Darussalam, Indonesia, and Myanmar, will need large investments and new fundings to meet the rapid increase in domestic demand.

A closely integrated regional energy infrastructure and market would increase the efficiency of production, distribution, and consumption of energy in the region and greatly enhance energy security. The ASEAN Power Grid (APG) and the cross-border transmission arrangements, for example, would allow surplus countries such as Lao PDR and, in the near future, Myanmar, to sell electricity to the rest of the region at a lower cost.

Figure 2: Trade Balance of Mineral Fuels, Oils, Gas, Coal, Electricity, etc., in ASEAN



Source: Compiled from Trade Map, ITC, UNCTAD.

D. Financial Security

The global financial market remains volatile. Some measures deployed to stabilize the current round of global financial crisis such as the quantitative easing (QE) measures used by the US, Japan, and the EU will create more uncertainty in the future when they unwind.

The nightmare scenario of the 1997 financial crisis is still fresh in the minds of the ASEAN Member States. ASEAN and East Asia was helpless during the crisis. The aggressive currency exchange speculation, which has not been outlawed, remains a viable tool for attacking currencies in developing countries. The East Asian economies responded to the crisis with various mechanisms such as the Manila Framework Group and the Chiang Mai Initiative Multilateralization. The ASEAN Plus Three Framework institutionalized financial cooperation into the bodies such as the ASEAN+3 Finance Ministers' and Central Bank Governors Meeting. Further commitment to regional financial cooperation, early warning systems, and enhancing financial literacy is needed to strengthen financial security and resilience in the region as well as to mitigate risks and manage crises.

E. Inequality

In the recent history of many ASEAN Member States, the root cause of political uncertainty can be traced back to social inequality – unequal income, unequal treatment under the law, and uneven access to public services. Once problem erupts, the political consequence is pervasive and often takes many years to bring the economy and society back to peace and normalcy. This process has intensified with improved access to information and the prevalence of social media networks. Social inequality strongly correlates with political instability.

Traditional tools such as taxation for social welfare have proved to be insufficient. With a more integrated economic and social system under the ASEAN Community, ASEAN needs a new and more appropriate governance system that allows better allocation of wealth generated from economic growth. Greater direct participation from stakeholders is critical, with the private sector at the core of the solution.

5. Deploying New Technological Advances

As a group, ASEAN's performance in technological competitiveness is still low. In order to move out of poverty and the middle income trap, technology and innovation are essential. Harnessing information technology is the current global trend. However, ASEAN still needs solid technological advances in order to move the region forward.

Information technology helps solve the issues of access to information. ASEAN needs to improve the capability of the region and produce the necessary technology for the future of the region.

In summary, ASEAN has an important role to play in the new global environment. While the challenges brought about by nature seem to have known solutions that can be acted upon unilaterally or multilaterally, but man-made challenges especially the financial crisis and cybercrime are becoming more difficult to manage.

IV. New Era for ASEAN Economic Cooperation

To position ASEAN in the dynamic future environment, ASEAN should gear the ASEAN Economic Community (AEC) toward establishing the following:

1. World-Class Economy by 2025

There are five components of a world-class economy that ASEAN should consider:

- An average GDP per capita of US\$ 8,000 by 2025 (and US\$10,000 by 2030);¹³
- Income of poorest five percent should be US\$3,650 by 2030, that is US\$10 per day;
- Human Development Index (HDI) should be above 0.80;
- Universal access to health care, electricity, and internet; and
- Computer and financial literacy.

2. Global Strategic Partner

ASEAN is centrally located between the Pacific and the Indian Ocean and has served as the junction of trade and economic activities throughout history, especially, during the peak of Chinese and Indian civilizations. During those years, individual Southeast Asian countries formed relations with major global players and at times these countries were pitched against each other as evident in the colonial period.

¹³In 2014, the average GDP per capita in ASEAN is US\$3,937. Based on IMF World Economic Outlook, this will increase to US\$5,374 by 2019. If ASEAN continues to grow at the same rate as between 2014 to 2019, ASEAN will have a GDP per capita of US\$7,920 by 2025 and above US\$10,000 by 2029.

With the new global economic and geopolitical environment, ASEAN should proactively engage global players to help optimize the utilization of resources, including the advantage of geography and location, by positioning the region as a strategic partner for major global industries.

3. Resilient Region

Non-traditional security issues are dominating the global agenda and will become even more intense in the near future. With regard to security of food, finance, energy, connectivity, and inequality, ASEAN should work toward the following goals:

A. Establishing a Center for Food Security Cooperation in Asia by 2025

The threat on food security in Asia is imminent (discussed in Section III above). ASEAN, as a net exporter of food, should exert its comparative advantage by offering to be the focal point for food security in Asia.

The food industry in ASEAN should be mandated to work together in helping the government ensure the increase in food supply at competitive prices. Through an efficient logistics management and a free flow of food trade from ASEAN to the rest of Asia, Asia would attain a higher degree of food security.

A special arrangement for food trade should be developed under the Regional Comprehensive Economic Partnership (RCEP), for example, to allow ASEAN investors to invest in the distribution of food in other countries with a green lane arrangement for a group of food products in exchange for a guarantee of supply that addresses the food security issue.

The ASEAN Plus Three Emergency Rice Reserve (APTERR) should be expanded and empowered to oversee this initiative. The accession of India, Pakistan, and Bangladesh should be explored to increase the coverage of rice production in the scheme.

B. Creating a Secure Asian Financial System

The growing volatility in the world market, especially the fluctuation in exchange rates, has increased the risk of each transaction and discouraged economic activities. Asia is therefore the main destination of ASEAN trade and investment.

Intra-Asian trade has increased from about US\$ 2 trillion in 2001 to US\$ 8.5 trillion (about 60 percent of total Asian trade) in 2013. Most of the trade is denominated in US dollar and it is also used as the currency of settlement. With 38 percent of the global GDP, 60 percent of international reserves and growing intra-regional economic transactions, Asia should have a stronger role in the global financial system.

With the conclusion of the RCEP negotiations in 2016, the volume of intra-Asian economic transactions is expected to grow even faster in the future. Stronger financial cooperation in Asia is essential.

At the outset, Asia should aim to establish a seamless payment system and an Asian exchange rate system to provide certainty, reduce risks, and reduce the transaction cost of economic activities in the region.

The ASEAN Plus Three Finance Cooperation has already been working on these issues. To aid the process of financial cooperation, an exchange rate system should be targeted to be accomplished by 2025. Furthermore, adequate resources should also be granted to ensure the realization of these initiatives.

C. Establishing an Integrated ASEAN Power Grid System

ASEAN has both energy surplus and energy deficient countries. In the past, most governments assume the role of policymaker, regulator, and also operator. The conflict of interest in these roles brings about inefficiency in the system and contains the efficiency of ASEAN energy market.

Regional energy security can be greatly enhanced by an integrated regional energy market where intra-regional energy trade and investment are open to the private sector while the government provides the proper regulatory environment.

ASEAN should establish an integrated ASEAN power grid and system by 2025, building upon the current initiative and expanding to include other countries. The physical infrastructure of the transmission grid should be jointly owned by the designated entity assigned by ASEAN Member States. However, the operation should be auctioned out to the most competent operator (preferably a private operator) which assumes the full responsibility of the integrity of the system. The governments will focus on making policies and setting targets, creating rules and regulations to ensure conducive environment for energy development, and closely monitoring the performance of the system.

D. Initiating a Special Work Program on Connectivity Security

As a focal point for the movement of goods around and through the region, a reliable and secure movement of goods, services, and information will be required of ASEAN. The Master Plan for ASEAN Connectivity (MPAC) covers the physical infrastructure. The institutional connectivity emphasizes the harmonization of the governance system. A security aspect should be added to both physical and institutional connectivity, especially in cyber security.

To meet this expectation, ASEAN should initiate a work program on connectivity security under the East Asia Summit (EAS) and Asia Cooperation Dialogue (ACD), the two forums where major players are represented.

4. An Integrated Infrastructure System

To support the objective of an economic hub, ASEAN should develop an integrated infrastructure system. Existing government funding is not sufficient to build infrastructure in ASEAN. ASEAN should look for new innovative ways to fund these projects, especially, by engaging ASEAN citizens to take ownership of these facilities by listing these infrastructures projects in the stock market in ASEAN in order to raise necessary capital. By listing these projects, the region's capital market will be brought in to help finance these productive activities. It will also stimulate and expand the capital market in ASEAN.

Aside from the projects in the MPAC, there are other projects that should be considered:

A. Joint Economic Development Area at all Key Border Areas

The chokepoint of ASEAN integration will be at the border where goods and people move across territories. ASEAN needs to manage these chokepoints to ensure the smooth transition into an ASEAN Community.

ASEAN should set up cross-border economic zones or a Joint Economic Development Area (JEDA) with fully integrated physical and institutional infrastructures. These areas would be operated professionally by the private sector, regulated by the governments, and jointly owned by the governments and the private sector to create a seamless ASEAN.

Within the zone, all the agreements and regulations under the ASEAN Community would be applicable, especially the ASEAN Comprehensive Investment Agreement (ACIA), the ASEAN Framework Agreement on Services (AFAS), the Agreement on ASEAN Single Window (ASW), and the ASEAN Framework Agreement on the Facilitation of Goods in Transit (AFAGIT). Aside from the economic agreements, other agreements in the socio-cultural and political-security pillars should also be applied in the JEDA. Effectively, this creates cocoons of enhanced ASEAN Communities along borders.

Ownership, operations, policymaking, and regulatory functions of JEDA should be clearly separated to attain efficiency and adhere to the principle of good governance.

B. ASEAN Broadband Superhighway

ASEAN should establish an ASEAN broadband superhighway to improve the connectivity within ASEAN and also connect South and West Asia to Northeast Asia. The initial stages of the project may need contribution from the government budget. However, in the long-run, this region-wide infrastructure project should be jointly owned by ASEAN citizens in all countries through the capital market.

Like the JEDA, ownership and operations should be separated; the latter should be commissioned to the most competent professional operator. Meanwhile, an ASEAN regulators should be established to monitor and support the realization of this initiative.

C. ASEAN Single Window

With the increase in the volume of cross-border transactions under the AEC, the intensity of pressure will grow at the borders. The application of the ASW will essentially remove barriers and reduce the queue at the border checkpoints. There is an urgency to fully implement the ASW at the border in all countries, which will be mostly a bilateral exercise between adjacent countries. This should be included as an element in the Joint Economic Development Area proposed above.

Different government agencies (such as Customs, Food and Drug Administration, Plant and Animal Quarantine, etc.) should outsource their functions to JEDA to avoid duplication of functions and works.

5. A Rules-Based ASEAN

There will be more interaction and transactions among ASEAN nationals in the ASEAN Community. With more business deals and contracts there is bound to be an increase in disputes. The AEC Blueprint established 458 measures which are the core institution of the AEC.

The value of ASEAN agreements lie in the enforcement of commitment. For ASEAN to effectively perform the task as the future economic hub for Asia, it will need to make the ASEAN Dispute Settlement Mechanism (ADSM) function at an international standard. Without a credible dispute settlement mechanism, ASEAN agreements would carry little value.

Although it has been clearly spelled out in the ASEAN Charter, ASEAN Member States hesitate to implement the ADSM. Budget or resource constraints are poor excuses, which reflect the lack of commitment from Member States.

Given the specialization of the skills required and the need to adequately compensate the officers operating in this area, ASEAN should:

- Establish an independent ASEAN dispute settlement unit under the ASEAN Secretariat to execute this function. This unit should have its own source of funding, a combination of contribution from the private sector and through chargeable service fees; and
- The ASEAN Secretariat should outsource some functions, but continue to monitor the unit.

6. An Innovative ASEAN

ASEAN needs a new approach to manage the science and technology field. A special incentive system to promote joint science and technology endeavors should be created to reap the synergy of a larger regional market. At the same time, ASEAN should pool scarce and expensive resources in science and technology. For example, it can give special incentives and privileges to accredited ASEAN scientists and allow joint investment and utilization of laboratories. Therefore, ASEAN should establish an ASEAN scientist program to allow accredited scientists to travel and work in other ASEAN Member States with a special work permit or visa and income tax exemption.

Innovation in business management is the key to global business development. New business arrangements between the public and private sector will contribute to the future success of ASEAN in all aspects – economics, social, and political security.

In summary, given the future direction of the global economy, ASEAN should have a clear target in making the region an economic hub for Asia. The region has to be safe and secure with strong preventive mechanism to generate confidence from the business sector. To achieve that, ASEAN should establish infrastructures, physical and institutional systems of the highest standards, and build upon the achievements in the ASEAN Community (that is not only economic, but also social and political achievements). The private sector and ASEAN citizens should have a proper role in creating these infrastructures and take ownership to ensure that these systems run efficiently by having the private sector operate them while the government assumes a regulatory role.

V. How to Achieve these Targets

The benefit of ASEAN is the ability to work together as a group, which in turn needs a cooperative mindset. ASEAN centrality requires ASEAN to cooperate with each other and engage with third parties to create prosperity in the region. If individual ASEAN Member States decide to compete with each other by, among others, cooperating with external partners, it would be a disaster. Each ASEAN Member State needs to have the right mindset before venturing into the implementation of cooperative activities under the ASEAN Community.

Based on the cooperative solution, the main questions are “What are the benefits of working together?” and “How do we allocate these benefits and share costs to sufficiently satisfy all stakeholders?” The principle of good governance should be adopted and upheld.

In order to accomplish these targets, there are three key enablers:

1. Engaging the Private Sector

The future of ASEAN sees more participation of the private sector and individual citizens in the region-building efforts. ASEAN has a poor record of engagement with the private sector. One of the problems is the mismatch of expectations:

- The private sector wants to resolve immediate problems confronting them, which tend to be country specific. ASEAN bodies, such as the ASEAN Sectoral Ministerial Bodies or the ASEAN Summit, are not for resolving such issues. They are for policymaking and they will only decide on matters that are well studied;
- ASEAN decision-making bodies would like to hear strategic proposals that would make the region more prosperous—and what the ASEAN private sector, as group, is prepared to do and what policy supports are needed. The private sector in ASEAN has to work among themselves within each industry and with government officers to produce a well prepared proposal; and
- To improve the engagement, there should be more meetings of the mind and more alignment of expectations. Each proposal needs to be sufficiently researched and fine-tuned for the decision-makers. The private sector in ASEAN should identify a strategic future direction of their respective sectors and engage the ASEAN governments to drive the implementation of the plan toward these agreed goals. The engagement should be at the ASEAN level (at ASEAN meetings) and at the country level. Hence, ASEAN decision-making bodies will find it easier to support their proposals.

2. ASEAN Strategy Institute

Currently, most ASEAN Member States have established their own research institutes to study and issue policy recommendations for their governments. Our partner countries, regional institutions (such as the Economic Research Institute of ASEAN and East Asia [ERIA], the Asian Development Bank [ADB] and the Asian Development Bank Institute [ADB-I]), and international institutions (such as the World Trade Organization [WTO], the World Bank, the International Monetary Fund [IMF], the Food and Agriculture Organization [FAO], and the International Labour Organization [ILO]), also conduct studies on ASEAN from their perspectives.

ASEAN has benefited greatly from these researches. However, ASEAN should have its own mechanism and resources to conduct researches and draw up strategic plans to define its own goals and roadmaps (e.g., those identified in Section IV). It should, therefore, establish an ASEAN strategy institute to prepare strategic plans, monitor and assess the performance of the region, and objectively report the development regularly to the Summit and relevant fora. It will serve as the brain for ASEAN.

Furthermore, the institute should monitor the impact of global and regional development on ASEAN (as a group) and study the strategic options to address these challenges and opportunities. It should also engage global experts in the private sector and academia to conduct studies and offer recommendations that is best for the region.

Funding of the institute should come from contributions made by the private sector in ASEAN and from international donors. The contribution should be made tax deductible in each country, then pooled together to create a neutral resource for the region.

An ASEAN government should host the institution, providing land, building, diplomatic immunities, to name a few.

3. An Efficient ASEAN Secretariat¹⁴

In order for ASEAN to be effective, the ASEAN Secretariat should be adequately equipped and funded to perform the following tasks:

¹⁴Based on Setboonsarng, S., and A. Singh. 2012a. "Development of an Appropriate Secretariat for ASEAN 2030." Background paper prepared for the ASEAN 2030 study, Asian Development Bank Institute, Tokyo and Setboonsarng, S., and A. Singh, 2012b. "Strengthening ASEAN's Institutions and Mechanisms." Background paper prepared for the ASEAN 2030 study, Asian Development Bank Institute, Tokyo.

A. Coordination

There are three tasks of coordination in ASEAN, namely, among ASEAN Member States in the implementation of ASEAN work plans toward the target objectives and goals in each area; across areas of cooperation as well as across ASEAN bodies and pillars and with external partners.

The ASEAN Secretariat mostly focuses on the first type of coordination. With the growing of cross-sectoral and cross-pillar issues and the increasing sensitivity in dealing with external partners, more resources will be needed to conduct these two types of coordination.

B. Decentralization

Currently, the ASEAN Secretariat services over 36 ministerial bodies and more than five specialized agencies. As new areas of cooperation emerge and cooperation is extended to new countries, the volume of work increases. The workload is uneven among these bodies. For example, the cooperation in agriculture, food, and forestry, which is among the oldest areas of cooperation in ASEAN, has more than twenty working groups/task forces. Moreover, most of the working groups also have various consultations with the Plus Three Countries.

As some areas of cooperation develop fast and need specific skills to support their activities, they have to create their own secretariat. For example, ASEAN energy cooperation has created the ASEAN Center for Energy (ACE) to support their work. This has helped the ASEAN Secretariat and also increased the efficiency of that area of cooperation.

Areas that need specialization but do not have appropriate support become stagnant. For example, the creation of a Legal Unit was mandated by the ASEAN Charter, but because of the salary scale, ASEAN Secretariat was not able to recruit qualified staff. This is also partly the reason as to why there was no dispute case in ASEAN since the Protocol was signed in 1996.

Therefore, ASEAN should review the workload and the management of major areas of cooperation as well as consider the establishment of specialized secretariats to better support the development of various areas of cooperation. This will improve the efficiency of the overall system.

Three areas that would warrant a special unit are, for example, a legal unit, an infrastructure center, and a strategic research institute.

C. Funding and Staffing

ASEAN should adopt a “minimum plus contribution system” to fund its operations. Under the minimum plus system, each Member State is required to contribute equally on a sum of US\$1 million. Each country then should contribute an additional funding proportionate to its GDP or intra-ASEAN trade. For example, based on 2014 GDP, a contribution of 0.001 percent of GDP of each country will generate US\$247 million to run various activities in ASEAN.

A workload study should be conducted to assess the need and skill gap in each area of cooperation and create an appropriate salary system that benchmark with the regional and international organizations operating in the ASEAN. The ASEAN Secretariat staff should be competitive in the labor market.

VI. Recommendations for Thailand

Given the imperative of regionalization, it is clear that ASEAN Member States have to work closely with each other to realize the full potential of the region. No single country can do this alone.

Thailand has an important role to play in the ASEAN Community building – especially, in promoting connectivity, since it has long land-borders with four other ASEAN Member States and already has relatively sound infrastructure in place. Besides that, there are many other areas to cooperate on. This is why Thailand has to prioritize and focus on key areas that are crucial to the country. It should then work with other stakeholders, in ASEAN and outside of ASEAN, to realize its ultimate goal of becoming a developed country.

1. Prioritizing Key Industries

It should be noted that the benefit from ASEAN cooperation is not only accrued to ASEAN, but a greater portion lies outside of the region. Thailand should prioritize its focus on some key industries such as the security-related industries, the potential winners, and the special care industries.

Group I: Security-Related Industries

Group I industries are composed of food and agriculture, energy, financial services, connectivity, and logistics. The failure of these industries can affect national security. Many governments control, own, and operate key industries in the name of national security. However, their performance is questionable. The private sector should be allowed to play a greater role in these industries to boost efficiency while the governments retain the role of policymaker and regulator.

A. Food and Agriculture

The agriculture and food industry cluster accounts for about seventeen percent of Thailand's GDP, the largest industry cluster in Thailand. Given the growing demand for food in Asia, Thailand should engage other ASEAN Member States to make ASEAN the center for food security in Asia.

First and foremost, Thailand should take the lead in making the ASEAN Plus Three Emergency Rice Reserve (APTERR) the most prominent mechanism for food security in Asia, especially, by expanding it to include India, Bangladesh, and Pakistan.¹⁵ APTERR's secretariat is located in Thailand.

B. Energy

Similar to other ASEAN Member States, this sector is dominated by public enterprises in the name of national security. However, in the future, the private sector will play a significant role in bringing energy security to the country and to the region. The governments should retain its role as policymaker and regulator, and allow the private sector to operate its production, distribution, trade, and development.

One option to improve the energy security is for ASEAN governments to set up a joint company to own the ASEAN Power Grid and tender its operations to a professional company. With one large power grid, each country will need less reserves, less production capacity, and lower energy costs. With a better connected system, energy security for the region will be enhanced because a shortfall in one country can be easily compensated by any supplier in the grid.

With a relatively big and well-managed transmission grid, Thailand can contribute to the power security in ASEAN.

C. Financial System and Services

As the junction for trading activity, Thailand has the potential to be another financial center for ASEAN. Thailand should make this sector more open and engage with international players to realize its full potential for the region with a systematic and well-studied plan. This will build and enhance financial security for Thailand and ASEAN.

Furthermore, Thailand should create a currency exchange system with neighboring countries. The system can subsequently be expanded to include non-ASEAN trading partners. Thailand should also encourage the ASEAN Plus Three to explore the possibility of creating a currency exchange system in East Asia for its growing trade and investment activities.

¹⁵APTERR members shares about 56 percent of total world rice production. With these three additional countries, the share will increase to 87 percent, or most of the world production.

Harmonization of rules and regulation in the financial sector in ASEAN is important for the credibility of the region. Thailand should join international financial institutions to assist the neighboring countries in implementing the regional and international standards in the financial sector. This will improve the credibility of the financial sector in ASEAN.

D. Connectivity

Thailand's transportation infrastructure is relatively more integrated than other ASEAN Member States. This can be used as the foundation to build a reliable and secure network in ASEAN as set out in the MPAC. However, Thailand's reputation has been tarnished by the failure to comply with international standards, for example, getting the red flag from the International Civil Aviation Organization (ICAO).

Most of the operations related to connectivity are in the hands of the public sector. Aside from bad business performance, these public enterprises are dragging the performance of the country. Poor business performance from the State Railway has accumulated close to 100 billion baht of debt, but the opportunity cost to the Thai economy is many folds of the debt.¹⁶

Thailand should quickly revamp the public enterprise, especially, in land, air, and sea transportation, and allow the private sector to run and operate these valuable connectivity infrastructures and facilities. Thailand should be the forefront hub for connectivity for the neighboring countries first and subsequently for ASEAN and Asia.

There should be an international bidding for the design, construction, and operation of all modes of transport to achieve connectivity security in Thailand and ASEAN. A new business arrangement where the project can be jointly owned by different governments, but operated by a professional private company should be used for these projects.

Regional and international financial institutions should be engaged to support these initiatives, including the new funding facilities such as the AIIB and the Asian Infrastructure Fund (AIF).

E. Logistics

New logistics services are emerging with improved communication technology, the opening of new markets, and better connectivity. More capable and innovative operators are needed in the logistics industry.

¹⁶State Railway: Land rich but loses money. Bangkok Post. Mon, 23 Jan 2012

The government should encourage the logistics service provider to engage with partners in other countries to form networks and joint business operations, and establish business operations in logistics service activities, such as management and planning, transport, warehousing, and consulting.

A new business arrangement across the border should be explored to make this a long lasting endeavor for the region.

Group II: Potential Winners

For this group of industries, Thailand has shown clear comparative advantages in the past and should be promoted to gain further foothold in the international market. Most of them are in the Priority Integration Sectors (PIS). Without going into detail, it is suffice to say that each of these sectors needs its own strategic direction and a thorough study.

- Wholesale/retail trade
- Tourism
- Transportation
- Medical services
- Jewelry and ornaments
- Automotive components
- Education services

Group III: Special Care

This group of industries may not sustain their competitiveness and need special care and attention. The electronic and electrical appliances along with textiles and garments industries account for over 30 percent of Thai export. Some of these companies are moving to other countries, including Viet Nam, to take advantage of cheaper and larger pool of labor. The government should engage with the stakeholders and design an exit strategy for these industries.

2. Establishing an ASEAN Broadband Superhighway

Broadband connectivity will become the new core of communication infrastructure that will support a major portion of trading activities. With its strategic location, Thailand should enhance this comparative advantage by creating a broadband backbone facility. Unlike other countries, the system in Thailand can serve as transit points of most transactions between Northeast Asia and the rest of Asia together with the Middle East and Europe.

In this connection, Thailand may want to open up this opportunity for foreign investors as local technology and capital may not be sufficient. This calls for a more open procurement system. Furthermore, Thailand may have to engage other ASEAN Member States and potential users to form a consortium to fund this project. This can be a model for joint investment in infrastructure for other ASEAN connectivity projects.

3. Hosting an ASEAN Strategy Institute

The objective of the institute is to conduct policy research to help shape the direction of ASEAN cooperation. Most of the current researches are conducted or funded by non-ASEAN countries. Within ASEAN, only Singapore is equipped with reliable research institutions, producing high standard researches.

Thailand should volunteer to host the ASEAN strategy institute and invite ASEAN researchers to work in Thailand. With a large pool of researchers in Thailand, this can help improve the standard of academic research in Thailand.

4. Hosting an ASEAN Connectivity Secretariat in Thailand

Thailand should also consider hosting a secretariat for ASEAN connectivity to help coordinate the implementation of the ASEAN Single Window and the development of cooperation in this area. Without a proper secretariat, it is difficult to expect the ASEAN Secretariat to give adequate attention to this area.

VII. Conclusion

The global financial crisis in 2008 sets the course for the new global economic order, the resurrection of Asia, and the future of ASEAN economic cooperation. ASEAN must meet these rapid changes head on in order to preempt threats and fully benefit from new advantages and opportunities.

Firstly, understanding the gravity and context of the global trends is important. The new structure of the global economy, the new dynamics of global population, and technological advances have a significant impact on how strategic policy is designed and implemented.

These global trends give the setting in which ASEAN will tackle existing and emerging challenges. Shared problems in the areas of food, energy, connectivity, financial security, and inequality give ample space for ASEAN Member States to work together in addressing the pressing issues associated in the respective areas.

When addressing these problems, clear objectives and goals must be set. A 2025 timeline is reasonable for ASEAN to attain per capita GDP reaching US\$ 8,000 along with an HDI above 0.8. ASEAN should also establish an integrated ASEAN power grid and system as well as a center for food security cooperation, expand APTERR to South Asia, and create an Asian currency exchange system.

ASEAN also needs additional institutional mechanisms and infrastructures for the ASEAN Community to thrive. Therefore, this Chapter prioritizes Joint Economic Development Areas at all key border areas, a fully-functioning ASEAN Single Window, an independent ASEAN dispute settlement unit, and an ASEAN scientist program. These ventures should be built and operated by the private sector to ensure quality performance.

To achieve these goals, ASEAN governments have to work closely with the private sector. This process itself has to be carefully planned and executed. In order to equip ASEAN with the necessary tools and resources, new methodologies are highly recommended to decentralize the work of the ASEAN Secretariat, as well as improve staffing and funding practices.

As a regional leader, Thailand should host an ASEAN strategy institute and ASEAN connectivity secretariat to bring focus to important issues and increase the role of academia and Track II initiatives. In terms of the domestic economy, Thailand should prioritize key industries into three categories, namely, the security-related category, the potential winners category, and the special care category. The sectors within each of these industry groups would need to study more on strategic direction for further action.

Thailand has an important role to play in ASEAN. Only through cooperation, the region's ambitions can be accomplished and challenges can be addressed adequately. The window for action is narrow and policy action is pressed against time. ASEAN occupies a geopolitical and geoeconomic advantage at this juncture, a pivotal moment in its history. How policy is coordinated and implemented over the next few years will define ASEAN's place in the Asian century. A new way of thinking is needed to ensure Thailand's and ASEAN's success.

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Annex

Table A1: Contribution to Global GDP Growth

	2010		2015		2020		Growth 2015-2020	
	US\$ bill.	%	US\$ bill.	%	US\$ bill.	%	Rate	Contribution
Brunei D.	14	0.02%	12	0.02%	19	0.02%	64.15%	0.03%
Cambodia	11	0.02%	18	0.02%	27	0.03%	52.92%	0.04%
Indonesia	755	1.16%	873	1.19%	1,194	1.24%	36.82%	1.42%
Lao PDR.	7	0.01%	13	0.02%	21	0.02%	65.07%	0.04%
Malaysia	255	0.39%	313	0.43%	544	0.57%	73.67%	1.02%
Myanmar	50	0.08%	66	0.09%	106	0.11%	61.49%	0.18%
The Philippines	200	0.31%	299	0.41%	507	0.53%	69.47%	0.92%
Singapore	236	0.36%	294	0.40%	395	0.41%	34.36%	0.45%
Thailand	341	0.52%	374	0.51%	474	0.49%	26.89%	0.44%
Viet Nam	113	0.17%	199	0.27%	287	0.30%	44.49%	0.39%
ASEAN	1,981	3.03%	2,459	3.35%	3,575	3.72%	45.36%	4.92%
China	6,040	9.24%	11,385	15.49%	17,100	17.78%	50.20%	25.19%
Japan	5,499	8.42%	4,116	5.60%	4,747	4.93%	15.32%	2.78%
The RoK	1,094	1.68%	1,393	1.89%	1,899	1.97%	36.31%	2.23%
Plus Three	12,633	19.33%	16,894	22.98%	23,746	24.69%	40.56%	30.20%
India	1,708	2.61%	2,183	2.97%	3,444	3.58%	57.78%	5.56%
Australia	1,245	1.91%	1,241	1.69%	1,516	1.58%	22.15%	1.21%
New Zealand	144	0.22%	171	0.23%	195	0.20%	14.12%	0.11%
Plus Six	3,098	4.74%	3,594	4.89%	5,154	5.36%	43.41%	6.88%
Russia	1,525	2.33%	1,236	1.68%	1,792	1.86%	44.98%	2.45%
USA	14,964	22.90%	17,968	24.44%	22,294	23.18%	24.08%	19.07%
EU	16,971	25.97%	16,266	22.13%	20,188	20.99%	24.11%	17.29%
ROW	14,167	21.68%	15,090	20.53%	19,445	20.21%	28.86%	19.20%
World	65,339	100.00%	73,507	100.00%	96,193	100.00%	30.86%	100.00%

Source: World Economic Outlook database, IMF, October 2015.

The last column shows the percentage of contribution by each country/group on the global GDP growth in the next five years (2015-2020). The followings are noted:

1. In the next five years, global GDP will increase from US\$73 to US\$96 trillion, an increase of US\$22.7 trillion (or 30.86 percent);
2. The GDP of ASEAN+6 (or RCEP members) will grow from US\$22.95 trillion to US\$32.47 trillion – an increase of US\$9.5 trillion or 41 percent. The group will contribute 42 percent of the global GDP growth.
3. The Plus Three countries (China, Japan, and the Republic of Korea) will grow by 41 percent and contributes 30 percent of global growth.
4. ASEAN as a group has the highest growth rate (45.36 percent) as Malaysia and the Philippines are expected to grow by 73 percent and 69 percent, respectively. However, when weighted by size, ASEAN will contribute only 4.9 percent of total global GDP growth.
5. Thailand will grow by 26.89 percent, contributing only 0.44 percent of total global economic growth.

Table A2: Source of Global Population Growth

	2010		2015		2020		Growth 2015-2020	
	million	%	million	%	million	%	Rate	Contribution
ASEAN	589	8.67%	629	8.73%	669	8.76%	6.33%	9.37%
North East Asia	1,518	22.3%	1,552	21.5%	1,587	20.80%	2.25%	7.91%
China	1,341	19.7%	1,375	19.1%	1,411	18.49%	2.64%	8.25%
Japan	128	1.9%	127	1.8%	124	1.63%	-1.88%	-0.52%
The RoK	49	0.7%	51	0.7%	52	0.68%	2.05%	0.23%
Key South Asian								
Bangladesh	151	2.2%	160	2.2%	168	2.21%	5.29%	1.97%
India	1,195	17.6%	1,293	17.9%	1,380	18.08%	6.75%	20.65%
Pakistan	172	2.5%	190	2.6%	208	2.73%	9.80%	4.53%
Other Asia	347	5.1%	374	5.2%	400	5.24%	7.05%	6.26%
Asia	3,973	58.4%	4,197	58.3%	4,413	57.83%	5.13%	50.19%
Russia	143	2.1%	146	2.0%	146	1.92%	0.00%	0.00%
EU	501	7.4%	507	7.0%	513	6.73%	1.21%	1.38%
USA	310	4.6%	321	4.5%	332	4.36%	3.43%	2.53%
Rest of the World	1,871	27.5%	2,033	28.2%	2,226	29.17%	9.52%	46.95%
World	6,798	100.0%	7,205	100.0%	7,631	100.00%	5.91%	100.00%

Source: World Economic Outlook database, IMF, October 2015.

Table A3: Proportion of Population above 64 Years Old and Dependency Ratio

	2015	2020	2025	2030		2015	2020	2025	2030
Brunei Dar.	5.28%	7.06%	8.92%	11.29%	Brunei Dar.	0.42	0.42	0.42	0.44
Cambodia	4.90%	5.66%	6.66%	7.87%	Cambodia	0.52	0.49	0.47	0.45
Indonesia	6.86%	8.03%	9.79%	11.90%	Indonesia	0.47	0.45	0.45	0.46
Lao PDR	4.66%	5.22%	5.99%	7.05%	Lao PDR	0.55	0.50	0.47	0.46
Malaysia	6.36%	7.90%	9.57%	11.53%	Malaysia	0.52	0.51	0.53	0.54
Myanmar	6.39%	7.71%	9.21%	10.93%	Myanmar	0.42	0.42	0.43	0.44
The Philippines	4.53%	5.49%	6.48%	7.53%	The Philippines	0.61	0.58	0.57	0.56
Singapore	13.70%	17.67%	22.30%	26.95%	Singapore	0.39	0.45	0.56	0.69
Thailand	11.97%	14.39%	17.22%	20.18%	Thailand	0.44	0.45	0.49	0.53
Viet Nam	7.76%	9.47%	11.69%	14.48%	Viet Nam	0.43	0.44	0.44	0.46
ASEAN	7.13%	8.49%	10.24%	12.26%	ASEAN	0.48	0.47	0.48	0.49
China	10.94%	13.63%	15.84%	18.75%	China	0.40	0.43	0.45	0.49
Japan	31.62%	34.41%	36.12%	38.13%	Japan	0.78	0.85	0.90	0.97
The RoK	15.53%	18.69%	22.95%	27.14%	The RoK	0.42	0.48	0.58	0.68
North East Asia	12.87%	15.56%	17.78%	20.64%	North East Asia	0.42	0.46	0.49	0.53
Bangladesh	5.47%	5.89%	6.86%	8.49%	Bangladesh	0.50	0.45	0.43	0.42
India	6.12%	7.15%	8.21%	9.36%	India	0.53	0.52	0.50	0.49
Pakistan	5.05%	5.41%	6.03%	6.80%	Pakistan	0.61	0.58	0.55	0.51
Others	6.00%	0.00%	0.00%	9.08%	Others	0.54	0.53	0.51	0.50
South Asia	5.94%	6.82%	7.82%	8.98%	South Asia	0.54	0.52	0.50	0.49
The EU	20.97%	22.84%	24.58%	26.77%	The EU	0.56	0.62	0.66	0.70
Russia	15.96%	18.28%	19.95%	21.97%	Russia	0.47	0.54	0.57	0.59
The USA	17.62%	19.32%	21.57%	23.87%	The USA	0.59	0.62	0.67	0.73
Others	5.85%	6.47%	7.29%	8.22%	Others	0.66	0.64	0.63	0.62
World	9.79%	11.04%	12.27%	13.76%	World	0.54	0.55	0.56	0.57

Source: Compiled from World Population Prospects, Population Division. United Nations. <http://esa.un.org/unpd/wpp/Download/Standard/Population/>

The reduction of population growth decreases the number of children, so parents are able to allocate resources more effectively in raising their children. However, this smaller cohort of population will have to take care of relatively larger number of older people plus their own children, resulting in an increase in the Dependency Ratio.¹⁷

The dependency ratio in ASEAN will increase from 0.47 in 2020 to 0.49 in 2030. However, the dependency in Singapore will increase from 0.45 to 0.69 during the same period. Countries with rapid population growth like Indonesia, the Philippines, Cambodia, and Lao PDR will see a decline in dependency ratio. This means that their workforce has less people to look after.

¹⁷Dependency Ratio is calculated by adding population between 0-14 years old and 65+ years old together and divided by population 15-64 years old. Hence, this is less stringent than using 60 as the cutting off age.

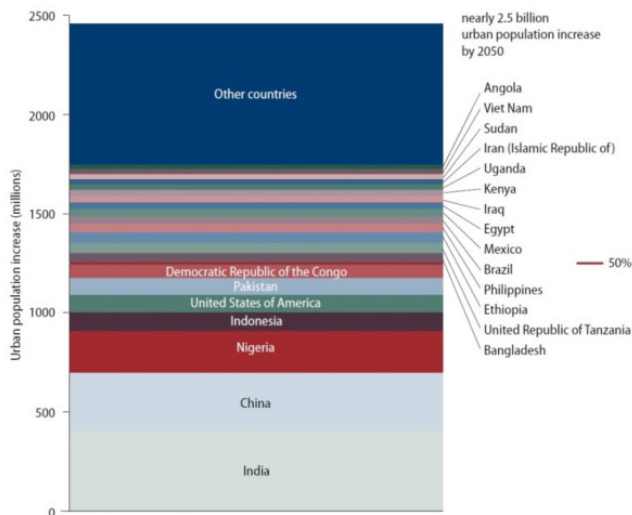
An aging society will also induce migration of people – the aging population may move to locations where health care is relatively more effective and affordable to that of their countries. At the same time, young and active population from the surplus countries (where wage is low) will move to the deficit countries (where wage is high).

From this perspective, there could be a large migration within Asia in the coming decade, especially, from South Asia where population growth is high and wage is low to East Asia where population is aging and wage is higher.

While there are many constraints on migration which will prevent the exodus of population, there will be adjustments in the factor and output markets to balance the discrepancies. For example, there will be movement of capital investment from East Asia to ASEAN and South Asia to produce goods and services to capture the lower wages. At the same time, there are more movement of goods and services from ASEAN and South Asia to East Asia.

The increase in export of goods and services from ASEAN to China during the past five years is a reflection of this adjustment. This will become more intense in the next few years before the South Asia markets are brought into the picture. RCEP will play a very important role in governing this pattern of movement.

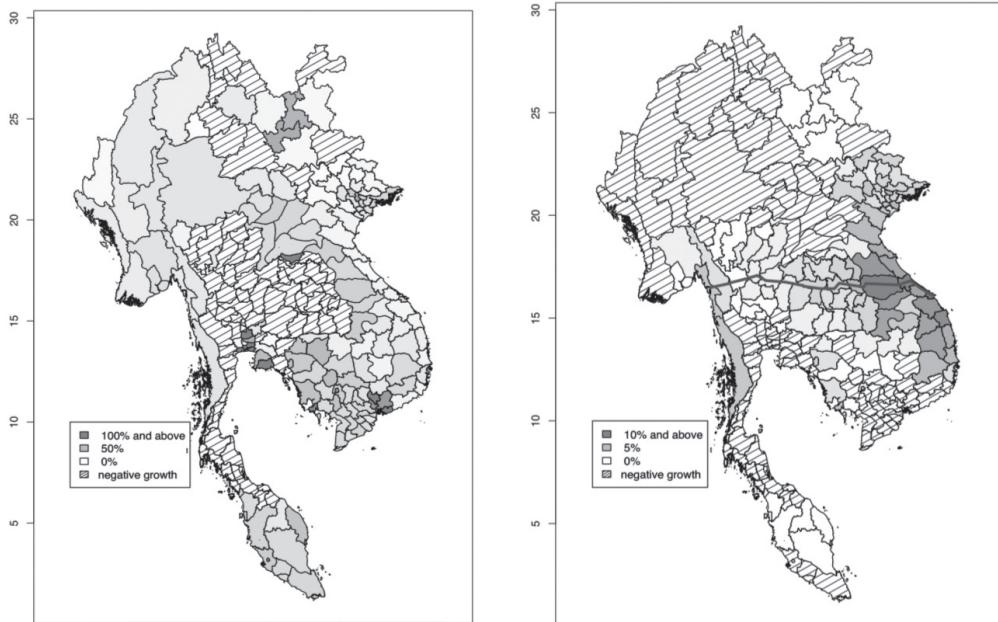
Figure A1: Global Urban Population Growth



Source: United Nations, Department of Economic and Social Affairs, Population Division (2014).

The migration of rural people to urban areas will reduce the number of farm workers and hence the supply of food.

Figure A2: Simulation of Population Density in 2025



Source: IDE/JETRO Study, 2010.

Many initiatives have now been put in place to connect the Pacific to the Indian Ocean. For example, the 1,450 kilometer East West Economic Corridor (EWEC) which connects the deep seaport in Dong Ha, Viet Nam to the deep seaport in Mawlamyine, Myanmar, will create large economic benefits for all the countries en route and even more to Northeast Asia and the rest of Asia.

A simulation of human settlement with and without the East West Economic Corridor shows that large number of population will be settling along the Corridor, especially, around the two deep seaports. There are other economic corridors which will create similar effects, e.g., the North-South Economic Corridor linking Southern part of China with ASEAN. These facilities will allow the market to tap into substantial pools of labor force and markets for the decades to come.

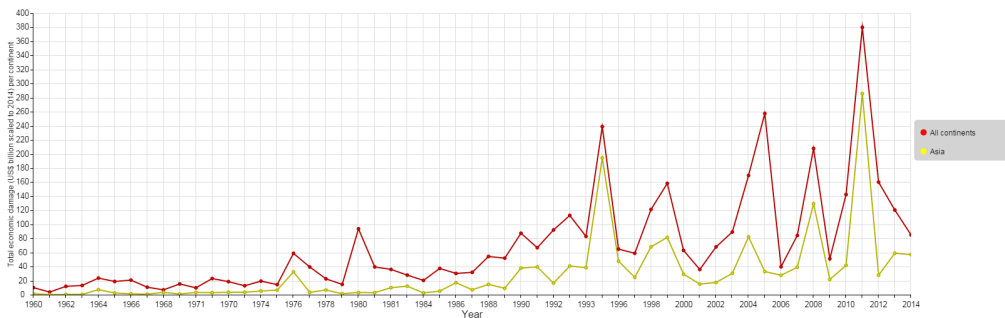
Table A4 : Global Middle Class Size and Distribution

The middle class: size and distribution
(millions of people, global share)

	2009		2020		2030	
North America	338	18%	333	10%	322	7%
Europe	664	36%	703	22%	680	14%
Central and South America	181	10%	251	8%	313	6%
Asia-Pacific	525	28%	1,740	54%	3,228	66%
Sub-Saharan Africa	32	2%	57	2%	107	2%
Middle East and North Africa	105	6%	165	5%	234	5%
World	1,845	100%	3,249	100%	4,884	100%

Source: IEMS; Kharas and Gertz, 2010.

There will be a rapid rise in the urban middle class. Asia will have the fastest growth in the middle class population. Table A4 shows that by 2020, 54 percent of the world's middle class will be in the Asia-Pacific and 66 percent by 2030. This means that there will be a significant change in consumer behavior and locations. ASEAN will be situated at the center of this market.

Figure A3: Uncertain weather patterns in Asia and the World

Source: EM-DAT, Universite Catholique de Laouvain (Brussels, Belgium)
International Disaster Database

CHAPTER 4

Thailand and ASEAN Beyond 2015: The Socio-Cultural Challenges and Opportunities

By Apichai Sunchindah

I. Some Key Socio-Economic Dynamics and Emerging Trends in Southeast Asia

Southeast Asia is undergoing rapid changes in a number of ways. All ASEAN Member States will likely be making steady socio-economic progress over the next decade with the least developed ones making their way up the development ladder to become middle income countries, and hopefully those in the middle will move up to the developed category. However, some of the latter, including Thailand, are expected to face considerable challenges in overcoming the middle income trap which requires major structural and non-structural changes within the country.

Southeast Asia is also urbanizing quite rapidly and it is widely expected to reach more than 50 percent of urban settlements by 2020, if not earlier. Coupled with this phenomenon is a rising middle class; it is predicted to expand over the next decade with growing demands for consumption and production, as well as other quality of life expectations. Countries in this region would also likely face “bipolar” dichotomies such as rising obesity trends especially among the urban and well-to-do groups with more sedentary lifestyles on the one hand, and disadvantaged and vulnerable groups living near or below poverty level where hunger, malnutrition, and making ends meet remain formidable daily challenges on the other.

Demographically, some countries like Singapore and Thailand already have a significant aging population and the proportion of elderly people will likely continue to increase over the next decade, along with its attendant issues like providing for the needs of this growing segment of society. Other countries in the region with sizable populations like Indonesia, the Philippines, and Viet Nam have relatively younger age groups which are still growing in the foreseeable future.

Moreover, many ASEAN Member States, especially their major cities and capitals, are located along the coast, making them vulnerable to rising sea levels and inundation caused by global warming, climate change, as well as other environmental factors such as land subsidence and coastal erosion. Some Member States are situated in the earthquake or seismic belt, the so-called “Pacific Ring of Fire”; some are susceptible to storms and typhoons on a seasonal basis, which are likely

to increase both in intensity and frequency over time possibly due to the effects of climate change. These are the major risk factors that would make the region more disaster-prone in the years to come.

Against the backdrop of such changes, there remain substantial development gaps between the more developed or ASEAN-6 countries compared to the newer and less developed ones or the ASEAN-4 or CLMV countries comprising Cambodia, Lao PDR, Myanmar, and Viet Nam. Some analysts have predicted that such disparities would continue to pose a major constraint to ASEAN integration and community building over the next decade or more.

The advent of more intensified economic integration and connectivity in ASEAN, while certainly expected to bring tangible benefits to those equipped to take advantage of the opportunities available, would likely create, if not exacerbate, hardships and difficulties for those without the means to do so. Such obstacles, if left unattended, could invariably foment dissent and instability within the region, as had been the case elsewhere around the globe. Therefore, regional integration schemes need to be carefully assessed by mapping out to whom, where, and when would potential benefits occur. Likewise, an analysis should be conducted to identify possible cost, burden, risks, as well as adverse impacts on security and rights (economic, social, and environmental), so that remedial measures to address shortcomings and deficiencies can be recommended.

As the world and ASEAN becomes more integrated and interconnected, many of the problems and challenges, likewise, become closely intertwined and interdependent. It is thus critical for ASEAN to foster greater cross-pillar and cross-sectoral coordination to ensure a more responsive and resilient approach to address such multi-faceted issues.

In sum, while there are varying developmental challenges posed to countries in the region, as a whole, ASEAN should provide appropriate intervention strategies in a timely and effective manner in order to tap into the opportunities created by the establishment of the ASEAN Community. This could help propel ASEAN forward into, hopefully, a new era of prosperity and sustainability for all ASEAN peoples.

II. ASEAN Community's Post-2015 Vision

ASEAN Leaders adopted a broad framework for formulating the ASEAN Community's Post-2015 Vision as reflected in the Bandar Seri Begawan Declaration on the ASEAN Community's Post-2015 Vision of 9 October 2013 and the Nay Pyi Taw Declaration on the ASEAN Community's Post-2015 Vision of 12 November 2014. At the 27th ASEAN Summit, 22 November 2015, they also signed the Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together, adopting the ASEAN Community Vision 2025 and the ASEAN Community Blueprints (2016-2025). The key elements of the ASEAN 2025 are outlined in the "ASEAN 2025 at a Glance", which can be found on the ASEAN Secretariat's website. The overall as well as socio-cultural and people elements are as follows¹:-

"The focus for the ASEAN Community over the next ten years would be guided by but not limited to the following broad goals that will further consolidate and strengthen the regional grouping:

- *Greater emphasis on the peoples of ASEAN and their well-being;*
- *Enhance awareness of ASEAN and its Vision of a politically cohesive, economically integrated and socially responsible Community;*
- *Engage all nationals of ASEAN Member States through effective and innovative platforms to promote commitment and identification with ASEAN policies and regional interests;*
- *Ensure fundamental freedoms, human rights and better lives for all ASEAN peoples;*
- *Strengthen capacity to deal with existing and emerging challenges while maintaining ASEAN centrality;*
- *An outward-looking and global player;*
- *Implement the ASEAN agenda while pursuing national aspirations which contribute to ASEAN Community building; and*
- *Strengthen ASEAN Organs and the ASEAN Secretariat.*

¹See ASEAN 2025 at a Glance at www.asean.org/news/asean-statement-communicues/item/asean-2025-at-a-glance

Key aspirations for the Socio-Cultural Community:

- *An inclusive Community that is people-oriented, people-centred and promotes a high quality of life and equitable access to opportunities for all, and engages relevant stakeholders in ASEAN processes;*
- *A sustainable Community that promotes social development and environmental protection through effective mechanisms to meet current and future needs of the peoples;*
- *A resilient Community with enhanced capacity to continuously respond and adapt to current challenges and emerging threats; and*
- *A dynamic, open, creative and adaptive Community with an ASEAN identity reflecting the region's collective personality, norms, values and beliefs as well as aspirations as one ASEAN Community.*

For the ASEAN peoples, ASEAN 2025 means that:

- *They will continue to live in a more united, secure, peaceful and cohesive region;*
- *They will benefit and enjoy the gains resulting from enhanced sustainable environmental governance and practices in the region;*
- *Their human rights, fundamental freedoms, dignity and social justice will be promoted and protected;*
- *They will enjoy good governance that shall be further strengthened;*
- *They will be part of a participative and socially responsible community with equitable access to opportunities for all;*
- *They will be better protected against pandemics, natural and human-induced disasters and calamities, transnational crimes and transboundary challenges;*
- *They can engage purposefully with one another in ASEAN and the world;*
- *They will enjoy greater prosperity through increased economic opportunities, enhanced regional connectivity, ease of intra-ASEAN travel and doing business as well as a resilient regional economy;*
- *They will benefit from greater employment opportunities and quality jobs as well as from mobility of skilled labour and talents;*
- *They will enjoy access to wider choices, safer, and better quality products and services;*

- *They will benefit from better cost savings for businesses as well as consumers through improved access and connectivity;*
- *They will benefit from access to a wider and better range of technologies and expertise; and*
- *They will benefit from a strengthened ASEAN institutional capacity to implement the ASEAN agenda;”*

III. Lessons Learned from Past ASCC Experience

1. An Effective Monitoring and Evaluation System

The existing ASEAN Socio-Cultural Community (ASCC) Scorecard on the implementation of the action lines as appeared in the ASCC Blueprint for 2009-2015 has indicated a remarkable achievement rate of 100 percent. It should be noted, however, that the scoring is merely based on a checklist of whether any activities were undertaken in connection with each of the stated action lines.

Based on the Mid-Term Review of the implementation of the ASCC Blueprint conducted in mid-2013, there have hardly been any assessments done other than an attempt made by the review team themselves to ascertain whether the activities carried out meet the standard evaluation criteria in areas such as relevance, effectiveness, efficiency, sustainability, and impact. As such, there is very little revelation on how successful such activities were in addressing the indicated action lines.

It is therefore strongly recommended that the next phase of the ASEAN Community Blueprints should have a more robust and rigorous Monitoring and Evaluation (M&E) system to measure progress in a more meaningful, effective, and timely manner. The action lines should also be formulated in accordance with SMART (Specific, Measurable, Achievable, Realistic, and Time-bound) principles and indicators. This M&E mechanism should be tailored to track cross-pillar and cross-sectoral activities down to the degree of coordination, cooperation, and coherence because this would become increasingly important in the coming decade. The envisaged plan to add monitoring and analysis unit(s) within the ASEAN Secretariat to track the progress of the stipulated action lines is a step in the right direction of ensuring more effective and timely implementation of ASEAN’s stated aims and priorities.

2. A More Consolidated and Impactful ASCC

The ASCC is perhaps the least heard of among all the three ASEAN Community pillars. It could be considered as the “Unsung Heroes” since the sectors covered under the ASCC are mostly “bread and butter” (livelihood and well-being) issues like health, education, labor, natural resources, environment, etc. Although there have been some notable achievements to date, it is admittedly the most challenging to forge any kind of common thrust among a myriad of around twenty immensely diverse sectoral bodies under this pillar.

Unlike the other two pillars, the absence of an obvious champion or clear driver in the ASCC pillar makes it rather difficult, if not impossible, to designate a leading authoritative sectoral body to carry out meaningful oversight across all the concerned sectors. This situation has invariably hampered efforts to develop well-thought-out, overarching, and interconnected strategies for setting and implementing much needed cross-sectoral agendas, as well as hindered cross-pillar coordination. As a result, achieving better synergy and complementarity, reducing unnecessary duplication, and most importantly, improving delivery of products and/or services with more tangible impact on the ground, where things really matter to ASEAN citizens, becomes somewhat problematic.

While one possible solution is to reduce the number of sectors covered under the pillar, it may be difficult to do so in practice. A major challenge ASEAN faces, particularly in the diverse ASCC pillar, is that very little region-wide decisions lead to national-level actions. One potential solution is to have officials immediately identify and follow up the necessary actions each Member State must undertake at each ASEAN Sectoral Body meeting. This will help expedite the required collective national-level implementation of various ASEAN decisions.

3. A Better Overall Coordinating Mechanism

ASEAN has already formulated its post-2015 Vision and associated Blueprints. In order to better ensure that proper considerations are given to bridging the socio-economic gaps for a more stable, prosperous, and people-centered ASEAN Community desired by all, it would be worthwhile to enhance harmonization and alignment of the various ASEAN cooperative frameworks and initiatives. This will help achieve synergy and win-win solutions as well as avoid overlapping and wasting valuable resources due to the lack of coordination and due diligence. ASEAN is not short of plans of action; each Sectoral Body usually has one. However, the challenge is to synchronize and add value rather than dissipate time and energy, which could lead to ASEAN losing its centrality, coherence, and cohesiveness in the process.

Most, if not all, of the various sectoral plans and strategies have cross-sectoral components that need to be properly addressed in order to become fully effective. By and large, these plans are multi-year in nature and would require a macro bird's-eye view perspective, good coordination mechanisms, and necessary inter-linkages. Such an approach would lend itself to the work of development planners who oversee the formulation and implementation of the overall development plans at the national level. It would require achieving a certain degree of balancing and reaching acceptable trade-offs or compromises among competing interests and needs. In this regard, it might be worth considering reviving the Senior Officials Meeting on Development Planning (SOMDP), an established ASEAN body under Annex I of the ASEAN Charter, to help steer such nexus-type processes. The record shows that SOMDP met only a few times back in the late 2000s but stopped convening afterwards.

IV. Thailand's Strategic Interests and Role in ASEAN beyond 2015 in Socio-Cultural Matters

In the context of the ASEAN Community Vision 2025 and the Blueprints, particularly the ASEAN Socio-Cultural Community Blueprint 2025, it would be important to examine Thailand's strategic interests and role in ASEAN, especially in aspects pertaining to the socio-cultural dimension of ASEAN cooperation. Some of these potential areas are elaborated below.

1. Benefits and Costs of Economic Integration and Connectivity with Respect to Transnational Organized Crime

Thailand aspires to become the hub for various areas of cooperation under the ASEAN umbrella. It is quite obvious that it can serve as a transport and logistics hub, at least for mainland Southeast Asia. Furthermore, the various connectivity projects that are being carried out under ASEAN, the Greater Mekong Subregion (GMS) Economic Cooperation Program, as well as other bilateral and multilateral arrangements would certainly help put Thailand on the map. Many parties including the private sector are already eyeing business and investment potential arising from such opportunities.

While no one doubts the benefits from a well-knit and integrated ASEAN or Mekong sub-regional framework – faster and freer flow of goods, services, and people across national boundaries – it is also important to recognize possible risks or costs of such developments, particularly a likely increase in transnational organized crime (TOC) activities. After all, criminal networks are expected to use the same economic and transport corridors to do their business for their own gain, at the expense of the rest of the community. These TOC activities include illicit drug production and shipping; human and wildlife trafficking; illegal timber and fisheries trade; smuggling of goods, people, and arms; slavery; manufacture and sale of counterfeit products; cybercrime; corruption; terrorism; and money laundering, to name a few.

Thailand is already perceived by some as a center for some of these TOC networks. Therefore, it needs to redouble its efforts to counter such illicit activities which cause harm and losses to the society at large, not just within the country but also in the region and beyond. A serious and balanced assessment needs to be made urgently to determine if economic integration, whether at ASEAN or GMS levels, would wrongly benefit the crime syndicates. This should include an analysis of a likely increase in “Gross Criminal Product” when compared with the expected Gross Domestic Product generated from trade and provision of licit goods and services rightly accrued to legitimate national governments and ordinary law-abiding citizens. After all, the United Nations Office of Drugs and Crime (UNODC) had estimated that the ballpark figure for TOC businesses in the East Asia and the Pacific (including ASEAN) amounts to US\$ 100 billion per year.² This is roughly equivalent to the economies of Brunei Darussalam, Cambodia, Lao PDR, and Myanmar combined.

An extension of this line of thinking is to assess both the real benefits and costs of regional economic integration and connectivity initiatives to a particular place, at a certain time, and over identified target groups of population. Only then can there be a reasonable basis to say whether or not the development is really helping the poorest and those in need within the region, thereby bridging the disparity gap.

²http://www.unodc.org/documents/southeastasiaandpacific/Publications/2013/TOCTA_EAP_web.pdf

2. Positioning Thailand as a Regional Hub

Besides the potential in transport and logistics, Thailand also aims to be the ASEAN hub for activities such as education; health and medical; tourism and hospitality; food and agriculture; and certain manufacturing industries, such as automobiles and information technology. Although the potential for such developments exists, in order to materialize these with handsome rewards, Thailand needs to beef up its resources and capacity, particularly through upgrading English language proficiency, educational standards, computer and technical skills, and research and development capabilities in priority technological and industrial sectors.

One additional area where Thailand could serve as a hub is to be a knowledge center for development-related activities, by virtue of its geographical location and excellent track records in areas like agriculture, health, education, rural development, community participation, and civil society engagement. In this regard, a case can and has previously been made to provide the needed incentives and benefits for international and regional development agencies to set up their operational base in Bangkok or elsewhere in Thailand. This is similar to the one-stop facilities provided by the Board of Investment (BOI) of Thailand under the Regional Operating Headquarters (ROH) scheme for businesses and industries. Singapore, for example, has been pursuing such a scheme quite vigorously over the past few years and had successfully attracted some non-profit entities to relocate there from Thailand, at the expense of the latter.

3. Promising Areas for Thailand to Showcase

In relation to positioning Thailand as a regional hub, there is a need to identify and promote areas that Thailand can showcase as an example of good or best practice. The Universal Health Coverage (UHC) program institutionalized country-wide for over a decade is one such example. Indonesia has plans to roll out its UHC scheme soon and ASEAN Health Ministers have already made a commitment to adopt UHC as one of the crucial health policies. Thailand can therefore serve as an educational training ground for countries that wish to consider implementing such a UHC scheme.

Another potential area for Thailand to take the lead is sustainable livelihood development which is exemplified by practical application of the Philosophy of Sufficiency Economy advocated by His Majesty the King of Thailand through principles of moderation in outlook, reasonable consumption and production systems, as well as resilience to external shocks. The various royal projects coupled

with many other model farming and livelihood systems in rural areas have provided ample field demonstration examples of the concept being applied around the country. For the King's achievements in advancing quality of life and improving well-being especially among the poor, His Majesty was awarded the United Nations Development Programme (UNDP) Human Development Lifetime Achievement Award in 2006. The theme of UNDP's Thailand Human Development Report 2007 featured "Sufficiency Economy and Human Development" as the main theme.

Furthermore, the One Tambon One Product (OTOP) scheme is another successful initiative launched over ten years ago. It has also received a considerable amount of attention and recognition, and has been a model to some developing countries, including those within ASEAN, as a program to stimulate local entrepreneurship through the promotion and marketing of products made locally in each "tambon" or sub-district in the country. It had been considered an effective mechanism to reduce poverty and distribute income in rural areas, thus improving the overall socio-economic development of the country.

Thailand has been world renowned for its hospitable people and touristic sites. Thus, Thailand can share expertise and offer training courses related to hospitality and tourism management, especially eco-tourism as well as health and medical tourism. The country is also striving to become a more sustainable or green society by adopting environmentally-friendly technologies. One clear example of this trend, particularly in the private sector, is the Siam Cement Group (SCG) that pledged to become a business leader and role model for corporate governance and sustainable development in ASEAN.

Thailand has done quite well and served as the leading country in advancing several social welfare and protection within ASEAN. It has been at the forefront in formulating anti-discrimination and anti-violence plans and frameworks—particularly for women and children in ASEAN, including the Regional Plans of Action on the Elimination of Violence against Women and Children, adopted at the 27th ASEAN Summit in November 2015. Thailand also spearheaded efforts to establish appropriate social promotion and protection measures for the elderly, disabled, women, and children to better ensure that their rights, privileges, and welfare are adequately protected and enhanced. These frameworks have led to more attention being given to empower the needy and marginalized groups which therefore help fulfill ASEAN's aspiration of being a people-centered, caring, and sharing society, as well as address various disparities that still exist. All these culminated in the adoption of the Regional Framework and Action Plan to Implement the ASEAN Declaration on Strengthening Social Protection at the 27th ASEAN Summit.

4. Potential Shortcomings to be Addressed

Having elaborated on some positive aspects that Thailand can contribute to ASEAN's development in the next decade, there are some notable concerns and risks that should also be taken into consideration. Besides facing a good number of TOC challenges—which are being addressed, such as through the implementation of the ASEAN Convention on Trafficking in Persons, Especially Women and Children (ACTIP) signed at the 27th ASEAN Summit—there are also a few other such potential adverse factors to be noted.

Firstly, for Thailand, the relatively poor record on human trafficking, as reported in the annual Trafficking in Persons (TIP) reports in recent years issued by the US State Department as well as other similar monitoring reports such as by the EU, is causing serious concern for the Thai Government. This may eventually lead to sanctions or penalties of varying forms, resulting in potential loss of lucrative markets. While remedial measures are being undertaken, more intensified and sustainable efforts need to be put in place to demonstrate that this matter is being addressed in a systematic and timely manner.

Secondly, Thailand is one of the ASEAN Member States still stuck in the middle income trap which would require both structural as well as non-structural changes and reforms in areas such as good governance, science and technology, research and development, innovation, education, and productivity and efficiency.

Thirdly, another crucial factor potentially holding back Thailand's future growth and competitiveness is the fact that Thailand has the fastest aging population in ASEAN, according to the United Nations Population Fund (UNFPA). Since all this is happening before Thailand becomes an economically developed nation, it would have tremendous repercussions on the nation's productivity and overall socio-economic prospects in the years ahead. Finding sufficient resources to meet the demands of the society will pose a serious challenge in the foreseeable future, especially with regard to catering to the needs of an expanding graying population.

Thai policymakers have already been alerted to such an emerging development trend. However, they must devise sustained and timely interventions, with corresponding public support, to overcome such challenges and remain competitive in the global economy.

5. Addressing the Job Skills Mismatch and Tackling Migrant Worker Issue

Another critical challenge in some ASEAN Member States including Thailand is the skills gap between job seekers and employers. For example, in the case of Thailand, there is a significant shortage of technical and vocational graduates, of which are in high demand by various industrial and manufacturing sectors. At the same time, there is an oversupply of graduates in some other fields with relatively high rates of unemployed university students. This would, thus, further exacerbate the labor market skills mismatch situation. Alternatively, skilled labors may soon have to be imported from other countries to fill the gap with its associated consequences. Otherwise, industrialists and investors may opt to relocate to other locations where skilled workers are more readily available at cheaper prices. It is, therefore, imperative for officials especially of the education, labor, and industry ministries in Thailand to seriously discuss and jointly develop a roadmap to overcome this critical problem since it is not only affecting Thai competitiveness but also ASEAN integration efforts.

While discussions are still underway to hopefully finalize soon a legal instrument on the protection of primarily unskilled migrant workers in ASEAN, steps are being undertaken to address some of the immediate problems facing migrant workers through a mutually agreed Work Plan. With the establishment of the ASEAN Community in 2015, it is imperative that ASEAN Member States quickly finalize this piece of regional legislation. Failure will create region-wide repercussions across all three pillars of the ASEAN Community – from possible economic and other sanctions imposed by ASEAN’s trading partners to the loss of competitiveness and low credibility in fulfilling its commitments to social and human rights protection.

ASEAN also needs to step up its efforts to expand and expedite the implementation of its agreements in the skilled workers category, consistent with its aims to promote a truly free flow of selected skilled labors among countries in the region.

6. Reducing Child and Maternal Mortalities

With reference to the key basic health indicators including fulfilling the targets as stated in the Millennium Development Goals (MDGs) agreed to by the global community back in 2000, Thailand has by and large been doing well, especially in the provision of primary health care and its Universal Health Coverage to its citizens. However, in the ASEAN context, as reflected in the Report of the ASEAN Regional Assessment of MDG Achievement and Post-2015 Development Priorities in October 2015, some indicators such as infant, child, and maternal mortality rates still show a significant number of fatalities—about 350,000 deaths per year based on 2012 statistics, with the majority being babies less than one year old³. Compared

³<http://thejakartaglobe.beritasatu.com/archive/southeast-asias-silent-tsunamis/>

to the number of people killed in the 2004 earthquake and tsunami which totaled around 230,000 in the entire Indian Ocean rim, there is still an equivalent of around 1.5 times the tsunami deaths occurring in the Southeast Asian region each year for the aforementioned categories.

The sad irony of these “silent tsunamis” is that many of these premature deaths of innocent human beings are readily preventable if provided with sufficient access to basic health care and knowledge as well as services for both newborns and mothers. Efforts must therefore be stepped up to bring these relatively high fatalities down as quickly as possible. A good dose of continued media coverage and sustained public support would also help. Should ASEAN fail, it could find itself being an accomplice in mass human rights violation by neglect, bordering on crimes against humanity. Thailand could perhaps take the lead in this life-saving and worthy endeavor in an attempt to help remove the scourge that would taint ASEAN’s reputation in the eyes of its citizens, if not the world.

7. Addressing Transboundary Haze Pollution

Another important priority area of ASEAN over the years is sustainable management of natural resources and environmental protection. While Southeast Asia is considered a repository of immense wealth of land and forestry, as well as aquatic resources and biological diversity, this wealth has sharply declined as a result of development during the past decades.

The only piece of ASEAN environmental legislation currently in force is the ASEAN Agreement on Transboundary Haze Pollution, signed by all ten Member States in June 2002 and became effective in November the following year. Indonesia finally submitted its instruments of ratification for the Agreement in January 2015, completing the legal enactment process at the national level by all ASEAN Member States. ASEAN has been addressing this problem since mid-1990s primarily through cooperation among the environmental ministries. Two sub-regional frameworks have been created to provide more impetus and focus to the work by zeroing on the two affected geographic zones – the southern or mainly archipelagic section covering Brunei Darussalam, Indonesia, Malaysia, Singapore, and Thailand; and the northern or Mekong area covering mostly mainland countries like Cambodia, Lao PDR, Myanmar, Thailand, and Viet Nam. Thailand is the only country represented in both groups since it is affected by transboundary haze pollution from both zones and could play an important linchpin role in this respect.

However, one glaring shortcoming in the prevention, monitoring, and controlling of fires at the ASEAN level, and in some cases at the national level, is primarily the practice of tackling the tail-end of the issue. The source of the problem, which is the illegal clearing of agricultural and forest land for cultivation by burning, has not been dealt with in a serious, concerted, and timely manner. Even though a decade has passed since the Agreement came into force, ASEAN still faces the transboundary haze problem periodically and in a seasonal fashion – with rather severe episodes in recent years.

What is perhaps urgently needed is a re-framing of the way the issue is being addressed. Agriculture and forestry ministries (economic pillar) as well as justice and law ministries (political-security pillar) have to be more actively involved as the problem is cross-pillar, requiring a concerted response from all the aforementioned sectoral bodies. It is encouraging to note that both the ASEAN Political-Security Community and Economic Community Blueprints 2025 touch upon transboundary challenges like haze pollution, minimizing negative effects on natural resources, and the reduction of greenhouse gas emissions. Adding a protocol encapsulating the above considerations to the existing ASEAN Agreement could help take care of this concern. There should also be an infusion of a greater sense of urgency for action, especially on strict enforcement of existing national governing laws pertaining to illegal land burning, coupled with introducing some suitable carrots and sticks to the interventions at both regional and national levels.

One critical area is to broaden stakeholder involvement. It should not be restricted to government agencies but to also include corporate sector, local communities, and the general public. This is to better ensure that suitable disincentives are introduced to discourage burning practices, while appropriate incentives are adopted to encourage non-burning ones. Often, citizen awareness and action can make a big difference. Consideration should also be given to deploying military resources along with civilian ones to combat the fire and haze problem, the same way ASEAN did in the case of disaster management. In fact, the ASEAN environment ministers at their recent meeting in October 2015 suggested that the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) should be explored to help fight the fires. There is also a vital need to set more clear and time-bound targets for achieving certain milestones in fire and haze control within the forthcoming decade.

It is encouraging to note that the ASEAN Leaders at their Summit in November 2015 have agreed, in principle, to achieve a haze-free region by 2020 and Thailand has offered to take the lead in developing a roadmap toward this end. The crucial challenge is, as in the case of the implementation of the ASEAN Agreement on Transboundary Haze Pollution, how to make it work in an effective and timely manner.

Otherwise, ASEAN can again be criticized for being a talk shop on such life threatening matters while innumerable suffocating citizens are penalized for something not of their own doing. The time has come for ASEAN to walk the talk and apply in earnest the saying “Not only must justice be done; it must also be seen to be done”. After all, ASEAN has pledged to become a rules-based Community according to its Charter and ASEAN Leaders have again reiterated this pledge in the new Vision and Blueprints. As stated before, Thailand is very much at the center of this transboundary air pollution problem and perhaps it could play a more active role in helping ASEAN search for appropriate solutions.

8. Finding Constructive Approaches to Mekong Water Management

One other crucial natural resources management issue in the region is on water resources and in particular shared transboundary ones like the Mekong and Salween rivers where Thailand is a riparian country in both cases. The construction of hydropower dams, whether planned or already completed, on these two important riverine systems in mainland Southeast Asia has already stirred up criticism and controversy even among riparian countries which are mostly ASEAN Member States. It also exemplifies the food-energy-water nexus challenge and begs the question on how to strike the right balance in the utilization of limited valuable resources, which is water in this case, for multiple purposes.

While China has already built several dams on the upper reaches of the Mekong River and have a few more of such projects in the pipeline which are all within its territory, more recently Lao PDR has started a construction of the Xayaburi dam on the Mekong mainstream in the northern part of the country. It also plans to go ahead with the Don Sahong dam on the same river in the southern part, with several more projects on the drawing board. Lao PDR had already set its aim of becoming the “battery of Southeast Asia” and hydropower development is the main driving force of achieving this goal. What is interesting in both cases is that the Xayaburi project is basically a Thai investment scheme in terms of financing and construction, and the electricity generated is primarily sold back to Thailand, while the Don Sahong scheme is being carried out by a Malaysian firm.

This is perhaps indicative of an emerging trend of cross-border investment undertakings, in this case in the form of building water impoundment structures, between ASEAN Member States for ostensibly economic purposes but with significant social, environmental, and livelihoods challenges. Political and security considerations need to also be taken into account, not to mention potential diplomatic fallout among neighboring Mekong and ASEAN countries, and possibly also with China, perhaps akin to the South China Sea case. After all, both cases display similar geographical configurations of being a China-ASEAN issue in nature which requires constructive dialogue among all concerned stakeholders to resolve.

In this regard, it is also interesting to note that the First Lancang-Mekong Cooperation Foreign Ministers' Meeting was convened in Jinghong, Yunnan province of China on 12 November 2015, composed of representatives from the river's six riparian countries, five of which are ASEAN Member States plus China, to address cooperation on water resources management, among other issues discussed. There are plans to have further meetings of this new forum at even the Summit level.

In this context, it is worth noting a paragraph which appeared in the Chairman's Statement of the 23rd ASEAN Summit held in Brunei Darussalam on 9 October 2013 as follows:

"We recognized the importance of preserving, managing and sustaining use of water resources and call on ASEAN Member States to continue effectively implementing the ASEAN Strategic Action Plan on Water Resources Management, including assessing impacts that economic development has on the environment and people's livelihoods in major river basins including the Lower Mekong Basin".

The questions to ask are how should one interpret such a statement coming from the ASEAN Leaders, what kind of assessment is necessary, and which party would carry them out and to whom should they report? Interestingly, the various five-year ASEAN-China Plans of Action, carried out over the years to implement joint cooperative activities, include references to the usage and sustainable management of water resources in the Mekong River context as among the issues to be addressed. Thailand is a key founding member of the Mekong River Commission (MRC), which oversees the sustainable management of water resources in the lower portion of this transboundary river system, as well as the GMS, ASEAN and several other Mekong sub-regional cooperation frameworks linked to Japan, the Republic of Korea, and the United States for instance. As such, perhaps Thailand should also play a more proactive role in addressing such multi-faceted developmental issues with environmental and good neighborliness overtones, as water availability and usage are likely to become a more critical and hotly contested matter in the years ahead, especially in light of anticipated changing geopolitical, climatic, hydrological as well as socio-economic factors.

9. Tackling Climate Change, Sustainable Consumption and Production, and Disaster Management

With Asia having overtaken other regions of the world in terms of resources and material consumption, and with fast growing economies like ASEAN still on the development upswing, the world is thus still heading toward an unsustainable trajectory with respect to resource utilization and waste recovery. As referred to earlier, ASEAN has lost much of its forest lands and biodiversity over the years, and together with the increasing trend in material use and waste generation,

it has therefore contributed to rising greenhouse gas emissions and the attendant climate change phenomena. These are posing developmental challenges for countries in the Southeast Asian region where there is still a need to grow economically but with increasing constraints being imposed out of an equal concern for environmental consequences.

In recent years, ASEAN Leaders have consistently issued statements for each of the annual United Nations climate change conferences and have implemented some cooperative activities to address the issue which include preparedness and response to potential disasters since many countries in the region are vulnerable to the effects of global warming and extreme weather conditions. There is a growing recognition of the close connection between climate change and natural disaster occurrence and preparedness. Recently, ASEAN has increasingly stressed the cross-sectoral linkages among these nexus issues and the need to address them in a more integrated and holistic manner.

As part of its efforts to undertake green growth, ASEAN has adopted an Asia-Pacific wide ten-year Framework Programme on Sustainable Consumption and Production (SCP) as well as issued a joint statement in 2013 on the implementation of SCP practices in Southeast Asia and subsequently established an ASEAN Forum on SCP. It is encouraging to see that both the AEC and ASCC Blueprints 2025 contain references to SCP as one of the priority areas for cooperation within the region, indicating growing convergence on this matter across different pillars of the ASEAN Community. Interestingly, the AEC Blueprint 2025 is one of the “greenest” compared to the previous AEC Blueprint—with environmental considerations being incorporated in all key sectors such as energy, transport, tourism, agriculture and forestry, and minerals and mining—it has even included a section on “Sustainable Economic Development” encapsulating environmental sustainability concerns.

Again, since Thailand is very much at the forefront in promoting environmentally sound technologies and sustainable development in Southeast Asia, from both government and business sector, it would thus be opportune for Thailand to be the vanguard on climate change and SCP matters in ASEAN, along with developing appropriate responses for disaster risk reduction and prevention as well as post-disaster relief and rehabilitation.

10. Promoting ASEAN Awareness and Identity

“Conscious that in an increasingly interdependent world, the cherished ideals of peace, freedom, social justice and economic well-being are best attained by fostering good understanding, good neighbourliness and meaningful cooperation among the countries of the region already bound together by ties of history and culture;” – from the ASEAN Declaration, Bangkok, 8 August 1967

Fostering a community spirit of togetherness and belonging was embedded in the DNA of ASEAN since the day it was born almost five decades ago. As such, creating and promoting ASEAN awareness and identity should be a natural building block for a successful ASEAN Community. However, the truth of the matter is, as a number of public opinion surveys have shown, that very little is known about ASEAN cooperative activities outside a relatively small circle of mostly government officials, key business people, and a limited number of academicians and researchers, youth, and civil society groups whose works focus on ASEAN. One of the reasons for such lack of ASEAN awareness among the people at large could be the nature of ASEAN activities and the way the message has been publicly communicated.

The statement made by former Malaysian Prime Minister Tun Abdullah Ahmad Badawi that *“The true and ultimate measure of the ASEAN Community’s success is how well and to what extent the Community has brought meaningful and positive change to its 600 million constituents”* could perhaps serve as a reality check on ASEAN’s usefulness in touching the hearts and minds of the region’s citizens. In order to achieve this noble aim, it is essential to make ASEAN activities more grounded to the grassroots target audience and to include measurable indicators of success along these lines.

As a start, perhaps all ASEAN projects should henceforth have a built-in component on public awareness raising, outreach and/or advocacy. Each pillar of the ASEAN Community has its own communications plan and on top of this, there is an ASEAN Communications Master Plan. But what could be improved is making sure that all these efforts undertaken are better aligned and synchronized to maximize impact and reduce unnecessary duplication or worse cause further confusion.

Besides having communications plans, there should also be a dedicated ten-year planned effort for outreach engagement to various ASEAN stakeholders across the societies and countries in the region with clearly identifiable targets in terms of timeframe and population to be reached. To accord the importance it deserves and to ensure high priority commitment and better cooperation and coherence in the messaging and implementation of the communications and outreach programs, it is recommended that ASEAN communications and outreach activities be coordinated under a special task force that reports directly to the ASEAN Coordinating Council. Thailand can and should play a more engaged role in this regard including correcting the misunderstanding of many of its citizens that the AEC appears to be the only matter of public attention as far as the ASEAN Community building exercise is concerned—when in fact, there are also two other equally important pillars which are less highlighted, i.e., the APSC and the ASCC.

Preliminary results from a recent survey of university students among ASEAN Member States conducted under the auspices of ASEAN Foundation and the Institute of Southeast Asian Studies (ISEAS)⁴ or the renamed Yusof Ishak Institute showed that for Thai undergraduate students, there is growing ambivalence toward ASEAN compared to an earlier survey carried out in 2007, despite being more knowledgeable about the regional organization, while Singaporean students continued to display ambivalence on ASEAN in both surveys. This could be a worrying sign when the current “crème de la crème” and potential future “movers and shakers” and leaders of the region, especially from the older and more developed countries of ASEAN, are less enthusiastic about ASEAN than those from the newer and less developed countries in the region like Cambodia, Lao PDR, Myanmar, and Viet Nam. It certainly calls for further in-depth analysis as to why this is so and an attempt should be made to find ways to correct the situation.

V. Possible Recommendations for “ASEAN Development Goals”

As indicated in the Nay Pyi Taw Declaration on the ASEAN Community’s Post-2015 Vision⁵ referred to earlier, the regional association is supposed to, among others, ‘*promote development of clear and measurable “ASEAN Development Goals” to serve as ASEAN benchmark for key socio-economic issues*’. This was a proposal which originally came from Thailand and as such, would be desirable to make a few recommendations along these lines:-

a. ASEAN should adhere to its intended aim to declare itself free from any transboundary smoke haze arising from the burning of agricultural and forest lands within the territorial jurisdiction of all its Member States by 2020. In order to achieve this ambitious goal within the designated timeframe, ASEAN has to urgently put in place the much needed cross-sectoral mechanisms for addressing this multidimensional issue. In this regard, Thailand’s lead in preparing the ASEAN haze-free roadmap should therefore be fully supported by all the concerned parties.

b. ASEAN should reduce infant, under-five-year-old child, and maternal mortality rates to a level which would result in total region-wide figures of not more than an estimated 200,000 deaths per year by 2020 and 100,000 by 2025.

⁴http://www.iseas.edu.sg/images/centres/asc/pdf/FactSheet_ASEANAwarenessSurvey2015-Updated-21Aug2015.pdf

⁵http://www.asean.org/storage/images/pdf/2014_upload/Nay%20Pyi%20Taw%20Declaration%20on%20the%20ASEAN%20Communitys%20Post%202015%20Vision%20w.annex.pdf

c. Consistent with the proposed United Nations goal to end poverty and hunger worldwide by 2030, ASEAN should strive to reduce poverty and hunger levels in the region to no more than ten percent of its population by 2020 and five percent by 2025.

d. ASEAN should ensure equitable access to adequate drinking water and sanitation facilities for all ASEAN peoples by no later than 2025, in line with the global development goals.

e. In conformance with the United Nations' Sustainable Development Goals (SDGs), ASEAN should have in place by 2020 sustainable consumption and production systems and moderate patterns of lifestyle for the continued well-being of its citizens as well as long term prosperity of the Member States.

f. ASEAN should endeavor to foster a mutually beneficial and constructive dialogue process among all concerned parties on achieving sustainable development of the Mekong River by balancing the various competing needs and in a confidence building atmosphere, by 2020, consistent with the SDGs.

g. ASEAN should strive to reach by 2020 a tenth and by 2025 a quarter of the entire population of the region with a correct public understanding of its purpose, as well as what it does and plans to achieve.

h. ASEAN should adopt by 2017, the 50th anniversary of its establishment, an "ASEAN Identity and Sense of Community Index" to measure the citizens' degree of awareness, belonging, and participation in ASEAN activities, and possibly also a "Caring and Sharing Index" to gauge the degree of good neighborliness, amity, and cooperation displayed among the ASEAN peoples.

i. ASEAN should reduce total Transnational Organized Crime activities in the region by twenty percent within 2020 and 40 percent by 2025.

j. All ASEAN Member States should endeavor to provide a Universal Health Coverage for its citizens by 2020.

k. ASEAN should put in place the required legislation and proper operational measures for the empowerment and protection of migrant workers in the region no later than 2020.

l. ASEAN should fully operationalize mechanisms for the free flow of skilled workers, as agreed by the Member States by 2020.

m. As global warming and climate change is becoming an emerging threat to communities in Southeast Asia, ASEAN needs to put in place by 2020, when the new global climate agreement comes into effect, adequate response mechanisms including mitigation, adaptation, financing, technology, and capacity building schemes, among its Member States and in collaboration with external parties.

n. Closely linked to the above is the need to ensure that ASEAN is well prepared for responding to the increasing natural disaster challenges facing the countries in the region by establishing well-tested resilience systems and fostering effective cooperation and coordination mechanisms among the relevant sectors within the government agencies, academic and research circles, the private sector, local communities as well as international organizations, also by 2020.

o. By 2020, ASEAN should have the gap analyses for measuring disparities on gender, income and well-being, as well as other key socio-economic indicators and offer policy recommendations to address the discovered shortcomings.

VI. Conclusions and Ways Forward

As ASEAN reached a major landmark in 2015, the declared timeline for achieving its most cherished ASEAN Community comprising three components – Political-Security, Economic, and Socio-Cultural – it is a critical juncture in ASEAN’s history to have a meaningful and realistic way forward over the next decade as reflected in the ASEAN 2025: Forging Ahead Together document⁶. In this regard, there are several major milestones ahead which could serve as benchmarks for ASEAN’s development progress over the next couple of years.

The 50th or golden anniversary of the regional association in 2017 would provide a good opportunity to take stock of the achievements made thus far and also plan ahead to meet the challenges of the future. As Thailand takes up its chairmanship of ASEAN in 2019, it would be another important time for further reflection in order to make necessary adjustment to the plans and also formulate new ones as required. It would also be the 10th anniversary since the launching at the Cha-am Hua Hin Summit of the three ASEAN Community Blueprints, which together with the IAI Work Plan II constitute the Roadmap for an ASEAN Community 2009-2015. Moreover, it would also be timely for such reflection since it would be the transition into the third decade of the 21st century. Viet Nam’s chairmanship in 2020 could also be another milestone

⁶<http://www.asean.org/images/2015/November/KL-Declaration/ASEAN%202025%20Forging%20Ahead%20Together%20final.pdf>

for taking stock as it would reach the half-way point of the implementation of the decade-long ASEAN 2025 Vision and Blueprints. The year 2022 would provide yet another opportunity for consolidation as the aim is for ASEAN to by then reach a common platform for addressing various global issues of common interest and concern, in accordance with the Bali Concord III, adopted at the Nineteenth ASEAN Summit held in Bali in November 2011.

On top of this, the world is expected to become increasingly “wired” and “connected” by the day in multifarious ways where instant communication becomes the norm and information is widely available to the public at the fingertips of anyone with a smart device. Our societies and our lives are also likely to become more remote controlled and/or be in a more automated mode as well as closely intertwined.

These developments have tremendous implications on ASEAN and the way it should function in such high-tech environments. For one, technological advances have enabled more personalized and customized public dissemination channels through various types of media and in a “viral” fashion. ASEAN should seize such opportunities to jump start or leap frog in its outreach with its citizenry and various interested parties and stakeholders. It would, however, also mean that ASEAN has to be more open, accessible, and relevant in its modus operandi with the public at large if it wishes to really touch the hearts and minds of people as it has intended. Its operating system has to be nimble, flexible, and readily adaptive and/or responsive to ever changing circumstances. This naturally implies a fundamental change in way of approach and doing things and, therefore, a mindset or paradigm shift as well. How well it does would depend on Member States’ willingness to change gears or even the machinery itself.

With an increasingly interconnected world and integrated region, where the cross-pillar and cross-sectoral nature or nexus of issues become more common, ASEAN would likewise have to ensure that it is able to cope and respond to such dynamic challenges in an effective and timely manner in order to retain its much heralded resiliency and centrality features. Having in place well-coordinated mechanisms in this regard becomes crucial and a Silo Mentality would have to give way for more lateral thinking in ASEAN’s approach to such multi-dimensional or multi-faceted matters.

An ASEAN Community by definition means learning to live increasingly with people other than our own as neighbors and members in shared space and over an extended period of time. Thais are generally hospitable and open to such types of living arrangements based on past experiences on their home ground. However, Thai people tend to be more domestic-based and less likely than some other neighboring citizens to relocate to live and work in another setting or environment, especially in less developed places.

With ASEAN integration taking root in the coming years, and with freer flow of people across the region, perhaps this would naturally change and it would certainly be to Thai citizens' advantage if they start setting their sights beyond the border or immediate horizon and start venturing out beyond their comfort zones. Learning the language, culture, and other features of our neighboring countries and having the actual hands-on experience staying in these countries would put Thais in good stead just as our neighboring citizens are likewise picking up knowledge about Thailand by studying and living in this country.

ASEAN would therefore have to speed up its efforts of transmitting useful pieces of information in this regard to engender the proper understanding, and thereby foster the communal spirit and operating mechanisms of sharing the physical commons as well as a mutual destiny and a common identity. Only then would the ASEAN Community building and integration likely become a positive sum game or win-win situation – in essence creating a virtuous rather than a vicious circle. As a truly regional “Community of Opportunities”, no one should be left behind, thereby making ASEAN's newly-declared slogan of “Forging Ahead Together” over the next ten years a meaningful reality.

Biography

Kavi Chongkittavorn



Mr. Kavi Chongkittavorn is a veteran journalist. For over three decades he has been with the Bangkok-based English-language newspaper, *The Nation*, first as a reporter and foreign news editor, then as a correspondent in Phnom Penh (1988-1989) and Hanoi (1989-1992), a leading writer, and as managing editor.

He served as Special Assistant to the ASEAN Secretary-General in 1995-1996 before returning to journalism. He was a Reuter Fellow at Oxford University (1993-1994) and a Nieman Fellow at Harvard University (2000-2001). From 1999-2007, he was a jury member of UNESCO Guillermo Cano World Press Freedom Prize and its jury president from 2004-2007.

Mr. Chongkittavorn is a commentator of Nation News Channel's One World program. His column, *Regional Perspective*, is in its 32nd year running in *The Nation*. His articles appear in the *Straits Times*, *Nikkei Asian Review*, and *Asia News Network*. Concurrently, he is a senior fellow at Chulalongkorn University's Institute of Security and International Studies.

Biography

Dr. Termsak Chalermplanupap



Dr. Termsak Chalermplanupap is a Research Fellow at the ASEAN Studies Centre of the ISEAS-Yusof Ishak Institute in Singapore. His research interests concentrate on political and security issues in ASEAN and ASEAN's external relations, especially relations with major external powers.

Before joining the ASEAN Studies Centre in mid-July 2012, Dr. Chalermplanupap served nearly twenty years at the ASEAN Secretariat in Jakarta, where his last post was the Director of Political and Security Cooperation. He joined the ASEAN Secretariat in February 1993 and served as Assistant Director for Economic Research, and for External Relations during the 1990s. From July 1999 to April 2009, he was Special Assistant to three Secretaries-General of ASEAN, namely, Mr. Rodolfo C. Severino, Ambassador Ong Keng Yong, and Dr. Surin Pitsuwan.

Prior to joining the ASEAN Secretariat, Dr. Chalermplanupap worked at The Nation, an English-language daily newspaper in Thailand. Since October 1972, he held various positions, including political news reporter, chief reporter, news editor, and lastly as the editor of the Editorial Pages until December 1992.

Dr. Chalermplanupap received his B.A. in International Relations from Chulalongkorn University's Faculty of Political Science in 1977, and M.A. and Ph.D. in Political Science from the University of New Orleans in 1982 and 1986, respectively. He can be reached at termsak@iseas.edu.sg.

Biography

Dr. Suthad Setboonsarng



Dr. Suthad Setboonsarng has been closely involved in the thinking, planning, implementation and resolving of international trade and economic cooperation issues in ASEAN and East Asia for both the public and private sectors. He currently serves as a board member of the Bank of Thailand; the Board of Trustee of

International Rice Research Institute (IRRI) in Los Banos, Philippines; Banpu Public Listed Company, a leading Asian energy company; and the Cambodia Development Research Institute (CDRI).

He was a member of the National Reform Council of Thailand (2014); a consultant to the National ASEAN Summit Committee, Brunei Darussalam (2013); a member of the East Asian Vision Group II (EAVGII, 2011-2012); Thailand Trade Representative (2009-2011); a Partner at PricewaterhouseCoopers (2000-2008); a director and Deputy Secretary-General, ASEAN Secretariat (1993-2000); a research fellow at Thailand Development Research Institute (TDRI/1984-1990); a Lecturer at Thammasat University (1984).

Dr. Setboonsarng was the first Thai Deputy Secretary-General of ASEAN. His works include managing the accession of all new members to ASEAN, namely, Viet Nam (1995), Lao PDR and Myanmar (1998), and Cambodia (1999). He also played a key role in establishing the ASEAN Cooperation on Finance in 1996 and the expansion to include China, Japan, and the Republic of Korea in the regional currency swap arrangement, the Chiang Mai Initiative Multilateralization (CMIM).

Dr. Setboonsarng received his bachelor degree in Economics from Thammasat University, an M.A. in Agricultural Economics, and a Doctorate degree from University of Hawaii, USA.

Biography

Apichai Sunchindah



Mr. Apichai Sunchindah's career as development specialist spans over three decades. He started off as a researcher on inter-disciplinary development-oriented projects at the Asian Institute of Technology (AIT), situated on the outskirts of Bangkok. He then held assignments with several Bangkok-based development cooperation agencies of Australia, the United States, Switzerland, and most recently Germany. He also spent about half of his professional career working with the ASEAN Secretariat and the ASEAN Foundation, both located in Jakarta as well as the Office of the United Nations Resident Coordinator in Bangkok.

Mr. Sunchindah has been a keen and continuous observer of developments in the Southeast Asia/ASEAN region and the Mekong sub-region, in particular with a special focus on capacity building and institutional strengthening activities of various organizations/entities. He obtained his Bachelor of Science degree in Biology (1975) and Master of Science degree in Water Resources Management (1977), both from the University of Wisconsin-Madison, USA. He is now an independent consultant and can be contacted at apichai_sun@yahoo.com; apichai@cbn.net.id.



Department of ASEAN Affairs,
Ministry of Foreign Affairs of the Kingdom of Thailand



**Department of ASEAN Affairs,
Ministry of Foreign Affairs of the Kingdom of Thailand**

443 Sri Ayudhya Road, Bangkok 10400



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