



THE HABIBIE CENTER

**Talking ASEAN on Regional Development
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**Regional Development and Challenges in Southeast Asia
by Apichai Sunchindah**

Regional Development and Challenges in Southeast Asia

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“Aid is only effective if it achieves good development results, and good development results are not possible if gender inequalities persist, environmental damage is accepted, or human rights are abused”

**Mary Robinson
(Former UN High Commissioner for Human Rights)**

Overall development trends

- Continued economic growth. Poverty incidences and gaps are declining
- But some still face rising income inequality and human development inequality
- Meeting most of MDG targets in socio-economic sectors, but not for environmental sustainability
- Social progress index may not be consistent with economic progress
- Life-style changes with increased urbanization and modernization

Challenges and Responses

- Inequality: still an issue beyond 2015
- AEC implementation and outcomes – positive & negative aspects
- Consistency between regional goals and national goals
- Region-wide mechanism for Social Protection & Social Investment
- Development approach/Regional strategy - more inclusive and sustainable development

Gender: progress but not without problems

- Some progress in socioeconomic participation, i.e, improved access to education and economic activities.
- Low progress in political participation (with exception of Lao PDR and Viet Nam) and decision making role. No data on women participation in environmental protection and management.
- Low-income countries tend to have higher inequality.
- Vulnerable in some areas/sectors (i.e informal/migrant workers, minorities, etc.), natural disaster and environmental deterioration.

Challenges and Responses

- Women at risk can adversely affect upholding women and child rights and human development; need social protection
- Encourage more women participation in policy, high level decision making, esp. on issues related to environmental management and human well-being/development.
- Gender perspective in integrated development approach
- Regional mechanism and global organizations; ASEAN, Asia-Pacific and global (e.g. UN)

Democracy and Human Rights: Trends & Challenges

- Democracy and freedom in Southeast Asia are in a state of decline. More countries in Southeast Asia having restricted laws against freedom of expression, intensified violence against journalists, bloggers and human rights defenders, and impunity.
- The space for civil society in some countries of Southeast Asia is also shrinking.
- Brunei Darussalam introduced sharia criminal law, which creates a climate of fear.
- Democracy has been included in the ASEAN Political Security, but it does not mean giving ASEAN a license to intervene in domestic affairs of Member States

Democracy and Human Rights: Trends & Challenges

- AICHR is evolving albeit slow and still dealing with the claim that human rights is western-centric
- The leadership from key democratic countries in ASEAN, such as Indonesia, Thailand (and the Philippines), has been important.
- Lack of political will and an excessive interpretation of non-interference and consensus principles
- The absence of regional standards in dealing with cross border issues led the increase in number of victims and lack of redress to their human rights

Democracy and Human Rights: Possible Solutions

- Democracy promotion needs to take an incremental way and long-term perspective.
- Promoting democracy through measures related to :
 - The promotion and protection of human rights - AICHR
 - Norm-setting, conflict prevention, conflict resolution and post-conflict peace building - ASEAN Institute for Peace and Reconciliation (AIPR)
 - Bali Democracy Forum (BDF) that aims to promote and foster regional and international cooperation in the field of peace and democracy through dialogue-based on sharing experiences and best practices
 - Civil society and parliamentarian groups
 - ASEAN University Network (AUN)

Cross-cutting issues

- Inter-linkages between human rights/democracy with environment/climate change and gender issues.
- Integrated regional responses to ensure the full enjoyment of human rights by all citizens without discrimination.
- Multi-layered human rights-based approaches
- Institutional reform in ASEAN to align with this new paradigm.

Environmental Trends

- Decline in natural resources capital and increasing deterioration of environment
- CO2 emissions rising as economies continue to grow especially with advent of AEC 2015
- Ecological and carbon footprints increasing
- Disaster risk rising and reduction/remedial measures becoming more urgent

Environmental Challenges

- Deforestation and loss of wildlife/biodiversity
- Coastal/marine degradation/depletion of aquatic resources
- Transboundary air/haze pollution still an issue and increasing in severity
- Transboundary water management challenges like the Mekong River Basin
- Increasing urbanization and material/energy consumption

Responses to Challenges

- ASEAN Transboundary Haze Pollution Agreement – good start but more concerted action/cooperation needed
- Mekong River – have institutions/legal instruments in place but remains relatively ineffective and still leaves much to be desired
- Sustainable Consumption & Production – hopeful beginnings but need continued efforts
- Forestry, biodiversity & wildlife trade – more strict enforcement & compliance needed
- ASEAN Action Plan on Joint Response to Climate Change & ASEAN Multi-Sectoral Framework on Climate Change: Agriculture & Forestry Towards Food Security

Financial Flows - FDIs

Table VI.1. Foreign Direct Investments Inward flows into ASEAN by Host Country, 2000-2011

(US\$ million)

Host Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011p/	2000-2011
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Brunei Darussalam	549.6	526.4	1,035.5	3,298.1	205.6	289.5	434.0	260.2	330.1	371.4	625.4	1,208.3	9,134.1
Cambodia	148.5	149.4	145.1	84.0	131.4	381.2	483.2	867.3	815.2	539.0	782.6	891.7	5,418.6
Indonesia	-4,550.0	-2,978.5	144.9	-596.1	1,894.5	8,336.0	4,913.8	6,928.3	9,318.1	4,876.8	13,770.9	19,241.6	61,300.3
Lao PDR	34.0	23.9	25.4	19.5	16.9	27.7	187.4	323.5	227.8	318.6	332.6	300.7	1,838.1
Malaysia	3,787.6	553.9	3,203.4	2,473.2	4,623.9	4,063.6	6,072.4	8,538.4	7,248.4	1,405.1	9,155.9	12,000.9	63,126.7
Myanmar ^{1/}	208.0	192.0	191.4	291.2	251.1	235.9	427.8	714.8	975.6	963.3	450.2	n.a	4,901.3
Philippines	2,239.6	195.0	1,542.0	490.8	687.8	1,854.0	2,921.0	2,916.0	1,544.0	1,963.0	1,298.0	1,262.0	18,913.2
Singapore	14,752.2	17,301.8	8,262.1	16,531.7	24,103.1	17,299.7	36,389.9	45,534.6	10,712.2	24,006.1	48,751.6	63,997.2	327,642.2
Thailand	3,350.3	5,061.0	3,335.0	5,235.0	5,862.0	8,048.1	9,459.6	11,330.2	8,539.5	4,853.5	9,111.6	7,778.1	81,963.7
Viet Nam	1,288.7	1,300.3	1,200.1	1,450.1	1,610.1	2,020.8	2,400.0	6,739.0	9,579.0	7,600.0	8,000.0	7,430.0	50,618.1
ASEAN	21,808.5	22,325.2	19,084.9	29,277.5	39,386.4	42,556.4	63,689.2	84,152.4	49,289.7	46,896.7	92,278.6	114,110.6	624,856.3
ASEAN 5	19,579.7	20,133.2	16,487.4	24,134.6	37,171.3	39,601.3	59,756.8	75,247.6	37,362.2	37,104.4	82,087.9	104,279.8	552,946.1
BCLMV	2,228.8	2,192.0	2,597.5	5,142.9	2,215.1	2,955.1	3,932.5	8,904.8	11,927.6	9,792.3	10,190.7	9,830.8	71,910.2

Source: ASEAN Secretariat - ASEAN FDI Database as of 30 September 2012.

Data is compiled from submission of ASEAN Central Banks and National Statistical Offices through the ASEAN Working Group on International Investment Statistics.

Notes: p/ Preliminary as of date of compilation.

n.a. Not available as of date of compilation.

(1) Myanmar: figures are in fiscal year which ends in March of the following calendar year. Myanmar's data for 2010 only covers 1st Half of 2010-2011.

Financial Flows – FDI (cont'd)

Table VI.2.
Foreign Direct Investments Inflows into ASEAN by Source Country, 2004-2011

(US\$ million)

Source Country	2004	2005	2006	2007	2008	2009	2010	2011 ^{p/}	2004-2011
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
ASEAN^{1/}	3,516.6	4,210.6	8,641.9	9,113.0	9,728.9	6,300.2	14,322.7	26,270.7	82,104.6
REST OF THE WORLD	35,869.8	38,345.8	55,047.4	75,039.3	39,560.9	40,596.5	77,955.9	87,839.9	450,255.6
Asian NIEs	1,441.1	900.4	3,167.1	5,508.0	5,007.3	8,591.9	5,197.0	7,952.8	37,765.5
Hong Kong	390.7	536.9	1,360.1	1,904.6	1,710.3	5,667.4	344.0	4,095.6	16,009.6
South Korea	887.6	528.7	1,290.3	2,444.9	1,550.8	1,794.0	3,764.2	2,138.3	14,398.9
Taiwan (ROC)	162.7	-165.2	516.7	1,158.5	1,746.2	1,130.5	1,088.8	1,718.9	7,357.1
China	743.0	615.6	1,938.5	2,069.2	1,208.4	1,852.6	2,784.6	6,034.4	17,246.1
India	79.8	471.5	-96.1	2,615.4	1,400.8	616.4	3,351.5	-1,848.5	6,590.9
Japan	5,764.8	6,581.7	10,758.7	8,723.5	4,335.5	3,789.9	10,756.4	15,015.1	65,725.5
Pakistan	4.6	4.0	8.6	19.8	6.6	14.3	30.0	13.5	101.6
EU	11,434.8	11,722.3	15,808.2	21,902.1	8,871.7	8,063.1	17,012.1	18,240.5	113,054.9
Russian Federation	n.a.	n.a.	1.2	31.0	81.3	139.8	60.3	21.6	335.1
Canada	991.6	682.7	364.5	408.7	636.7	720.3	1,393.0	985.4	6,183.1
USA	4,343.8	3,262.6	2,971.4	10,391.6	3,259.1	5,704.3	12,771.6	5,782.7	48,487.1
Australia	588.2	257.0	569.3	2,170.3	1,042.4	993.0	2,584.9	1,338.0	9,543.1
New Zealand	-22.8	595.0	-144.4	114.0	-106.1	98.9	3.4	13.4	551.3
Others ^{2/}	10,500.9	13,253.0	19,700.4	21,085.8	13,817.1	10,012.1	22,011.1	34,291.0	144,671.4
Total	39,386.4	42,556.4	63,689.2	84,152.4	49,289.7	46,896.7	92,278.6	114,110.6	532,360.2

Source: ASEAN Secretariat - ASEAN FDI Database as of 30 September 2012.

Data is compiled from submission of ASEAN Central Banks and National Statistical Offices through the ASEAN Working Group on International Investment Statistics.

Notes: p/ Preliminary as of date of compilation.
n.a. Not available as of date of compilation.

1/ (a) Excludes reinvested earnings in the Philippines (2004-2011) and Myanmar's data for 2011; (b) Inter-company loans with intra- and extra-ASEAN breakdown for Singapore 2011 are estimated by the ASEAN Secretariat as inter-company loans geographical breakdown are presently not available.

2/ Includes unspecified country source for reinvested earning in Philippines (2004-2011) and estimated extra-ASEAN for Singapore (2011)

ODA & Private Flows

Net Official Development Assistance and Private Flows – Southeast Asian countries (in USD millions)

Country		2010	2011	2012	Total
Cambodia	ODA	734	791	807	2,332
	Private	253	124	244	621
Indonesia	ODA	1,393	419	68	1,880
	Private	3,509	10,261	7,008	20,778
Lao PDR	ODA	414	392	409	1,215
	Private	78	24	-69	33
Malaysia	ODA	2	32	15	49
	Private	6,569	6,978	8,960	22,507
Myanmar	ODA	355	374	504	1,233
	Private	293	497	318	1,108
Philippines	ODA	531	-181	5	355
	Private	2,296	2,343	2,705	7,344
Thailand	ODA	-11	-154	-135	-300
	Private	6,109	10,506	5,789	22,404
Viet Nam	ODA	2,940	3,596	4,116	10,652
	Private	3,209	3,757	4,576	11,542
Total	ODA	6,358	5,269	5,789	17,416
	Private	22,316	34,490	29,531	86,337

Source: OECD-DAC, World Bank, www.oecd.org/dac/statistics

Note: Private transactions are those undertaken by firms and individuals resident in the reporting country (mostly DAC countries)

Key Players/Catalysts/Actors/Change Agents

- **Global Organizations** – UN agencies, WB, IUCN, WWF, CGIAR, IRN, Earth Rights, IISD, WRI, Oxfam, Action Aid, Save the Children, IDRC/EEPSEA, etc.
- **Regional Inter-governmental Institutions** – ASEAN, MRC, ADB, ASEM, EU, etc.
- **Region-wide organizations/initiatives** – APDC, SEAFDEC, SEI, RECOFTC, Heart of Borneo Initiative, Adaptation Knowledge Platform/Network, etc.
- **Regional NGOs/CSOs** – Forum Asia, TERRA, APWLD, Save the Mekong, HRWG, etc.
- **Academic/Research Institutes/Think Tanks** – ISEAS, ISIS, AIT, AIM, etc.
- **Foundations** - ASEAN Foundation, Asia Foundation & others active in SEA countries
- **Corporate Sector** - CSR-Asia, ASEAN CSR Network, ASEAN-BAC/CCI, BCSD, Global Compact, etc.
- **Media** – Internews, Media Alliance, SEAPA, CAJ, AJC, IPS, various other regional & national entities
- **Parliamentarian Groups** – AIPA, APHR, APPF & various caucus groups with focus on special issues pertaining to SEA from legislative perspectives
- **Issue-oriented Groups** - Trade Union/Consumer Protection/Civil Liberty/Human Rights & Democracy/Gender/Environmental Groups
- **Swedish/Nordic** agencies, institutes, business and advocacy groups with interest in Southeast Asia

**Thank You for Your Attention
and Q&A**

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