

Thematic Seminars ACYLS 2021 [September 25th 2021]

TOWARDS GREEN & SUSTAINABLE RECOVERY OF CHINA & ASEAN ECONOMY: *AN ASEAN PERSPECTIVE IN THE POST- GLOBALIZED ECONOMY*



UNIVERSITAS
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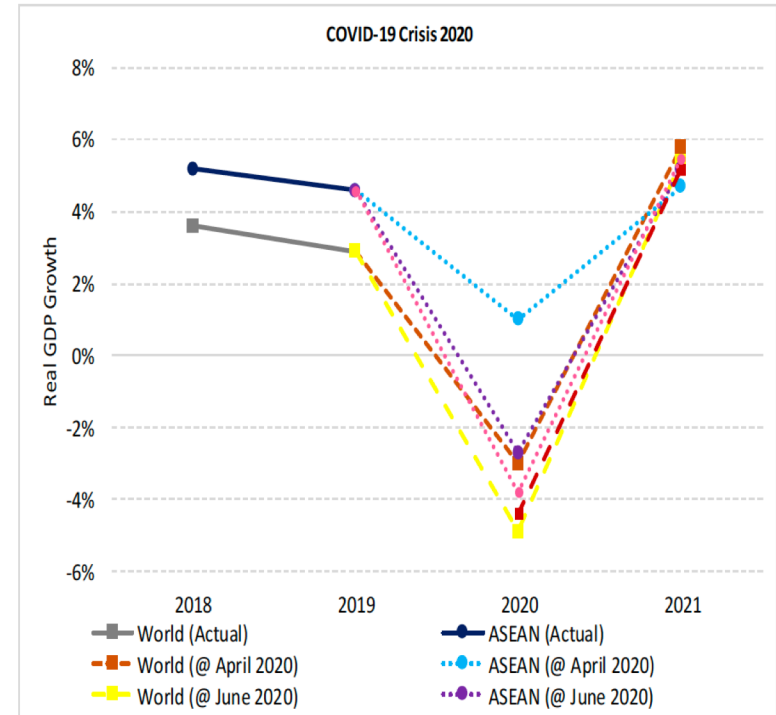
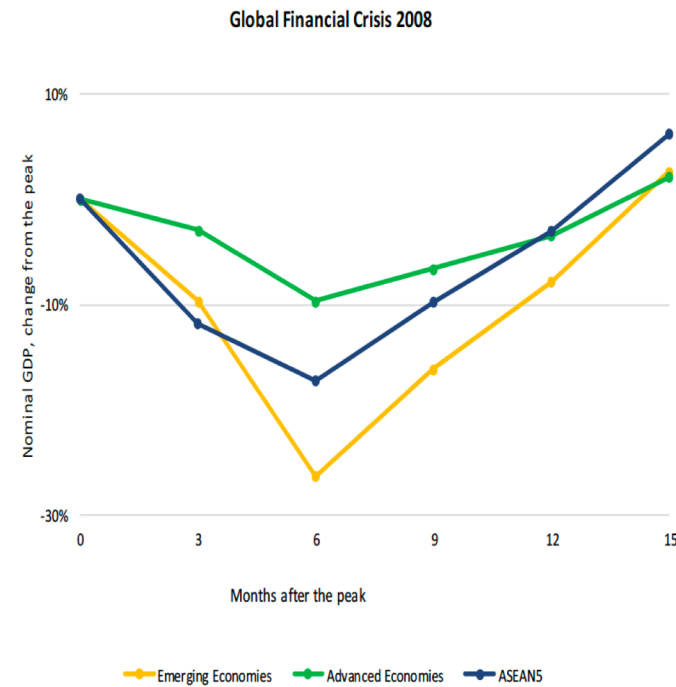
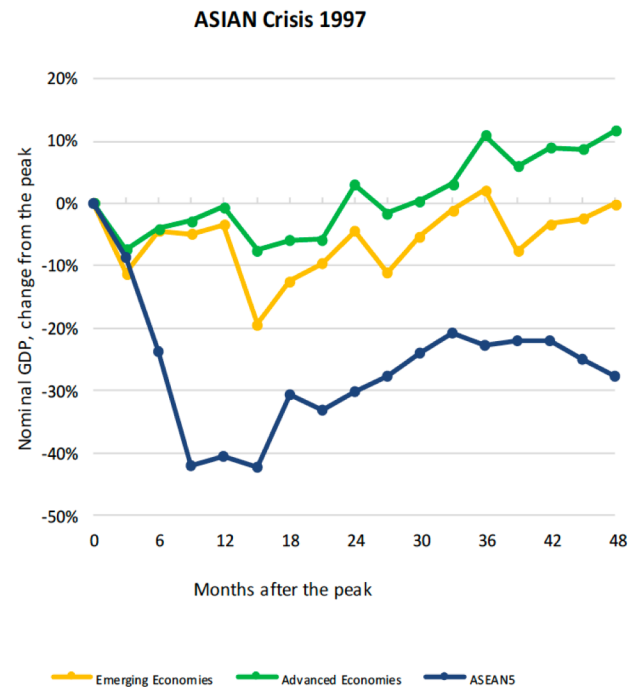
Center for World Trade Studies

Universitas Gadjah Mada

Outline of the Presentation

- ASEAN: Crisis and Schemes for Recovery
 - *ASEAN & Its Contemporary Economic Crisis*
 - Covid-19 Pandemic: A Crisis Like No Other
 - *A Snapshot on ACRF (ASEAN Comprehensive Recovery Framework) 2020*
 - Key Principles and Approach
 - Broad Strategies and Its Enabling Factors
 - *How do ASEAN Prepare so far? Current State of Play*
 - The Covid-19 Pandemic: Individual Country Status (as of Sept 23rd 2021)
 - The Economy: Performance of Individual AMS
- Post-Globalized Economy and Its Deglobalizing Impacts
 - *Trajectories of Contemporary Global Economy*
 - *Key Features of Globalization: From Finance, Market, Technology to Culture, Perception*
 - *From the Heyday of Globalization to the Post-Crises Deglobalization*
- Greening ASEAN Recovery: How Deglobalized Economy Affects ASEAN Economic Recovery?
 - *Covid-19 Stimulus Measures*
 - *Fiscal Measures, Taxation and Overseas Investment*
 - *Work, Equality and Social Justice*

ASEAN and Its Contemporary Economic Crisis: A Tale from 1997, 2008 and 2020



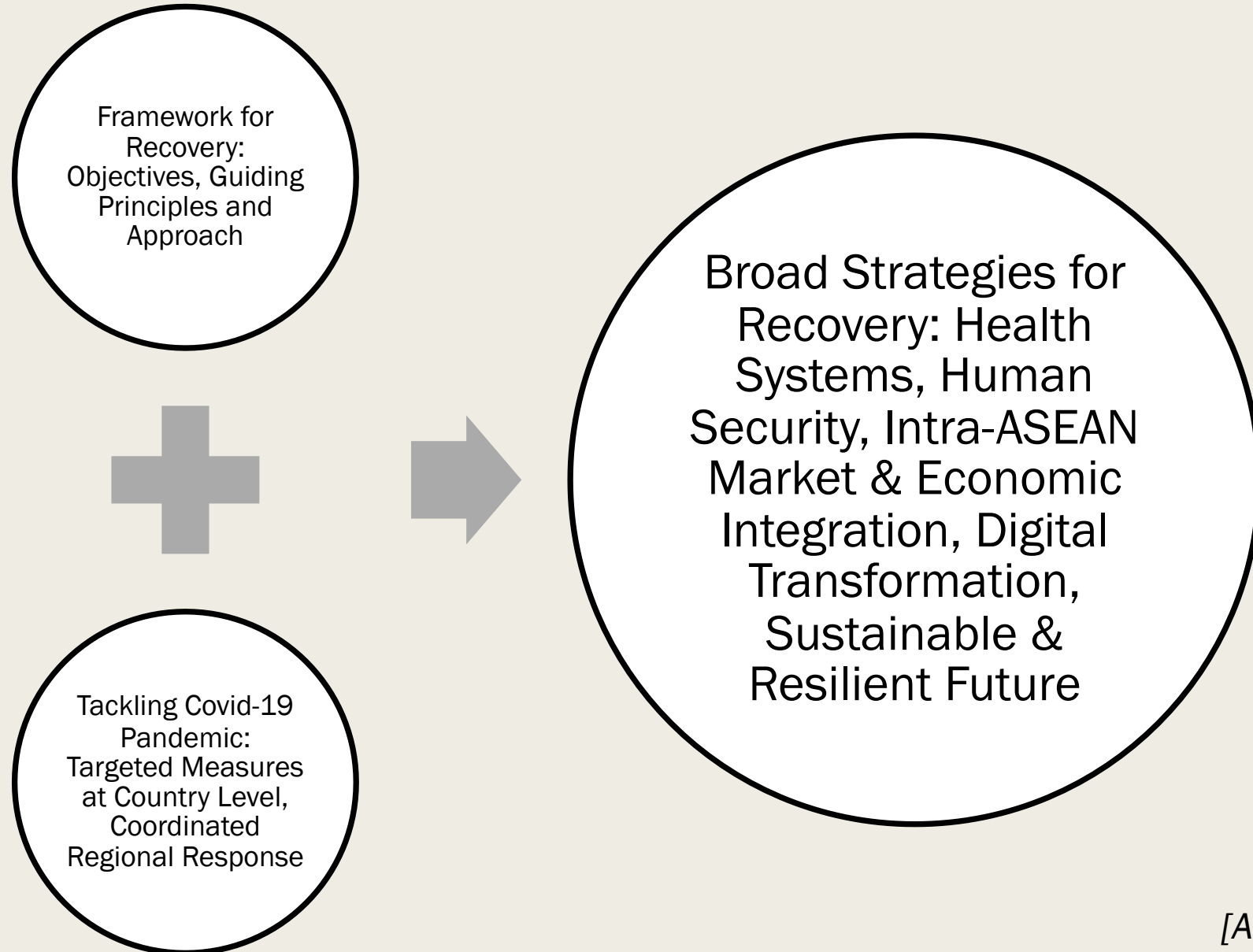
[ASEAN Sec, 2020]

Covid-19 Pandemic: A Crisis Like No Other

- While the human costs vary in the region, the economic impact of COVID-19 is significant and broad-based.
 - *At the onset of the pandemic, the financial market slumped, while the normal course of production, trade, and distribution, disrupted by travel and movement restrictions.*
 - *Later on, the shocks have also resonated on the demand side.*
- The covid-19 pandemic has turned itself into an unprecedented uncertainty for ASEAN, with devastating impact on economy and society.
 - *On economy: **massive real GDP contraction, bringing down per capita income, severe impact on travel and tourism, significant drop in demand of the aviation sector, a dive in stock markets, increased joblessness & large scale layoffs***
 - *On society: business closures, loss of livelihoods, and heightened uncertainty have raised concerns on possible build-up of corporate and household debt, and the capacity of financial systems, particularly the banking sector, to absorb the shocks.*
- While there are obvious consequences on lives (health) and livelihoods, there are also underlying effects on long-term development, including the possibility of reversing the gains in human capital development, poverty reduction, gender equality and empowerment, if the pandemic is prolonged

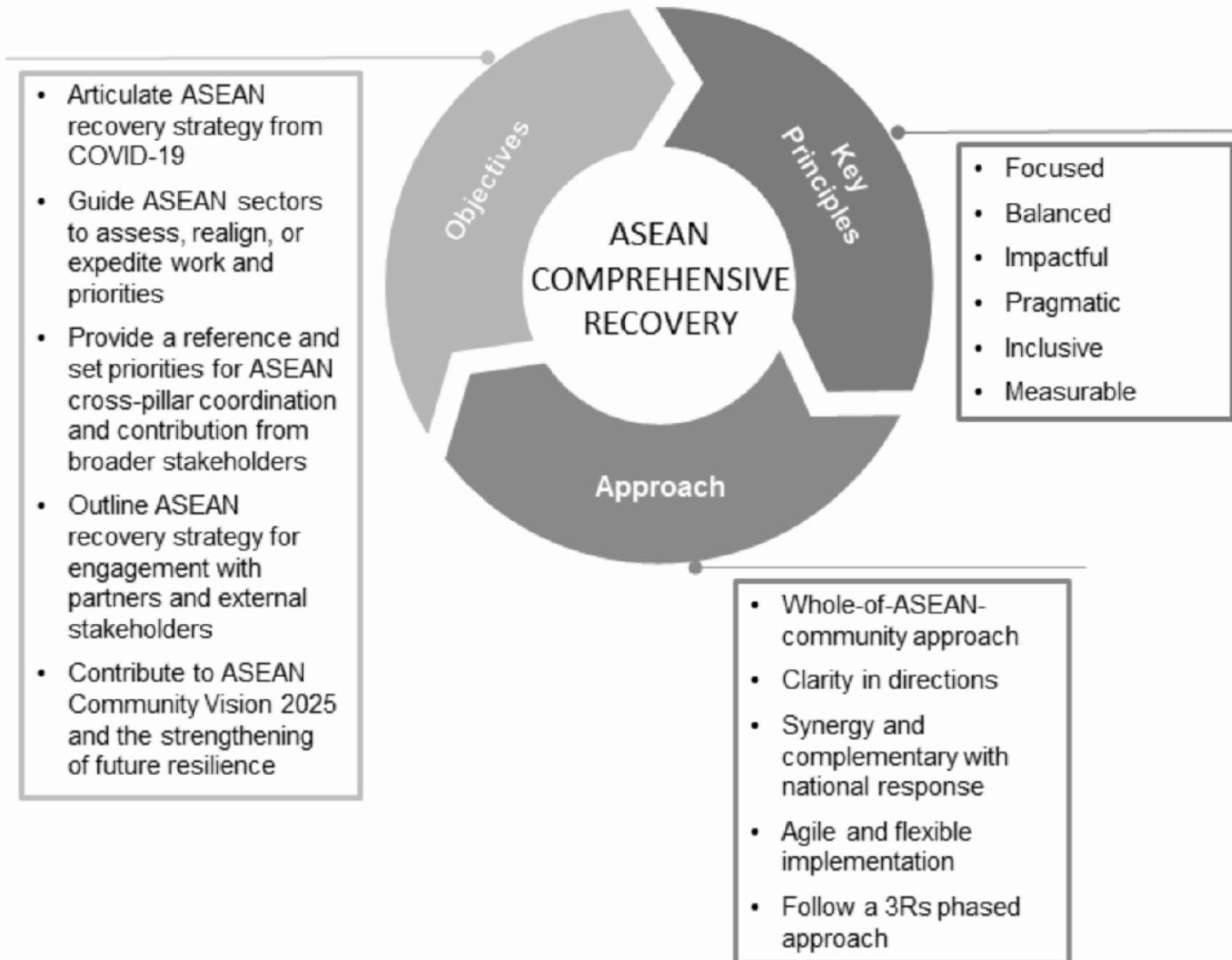
[ASEAN Sec, 2020]

ASEAN Scheme to Recover – a Snapshot on ACRF 2020



ACRF Key Principles and Approach

ASEAN Comprehensive Recovery Framework: Objectives, Key Principles and Approach

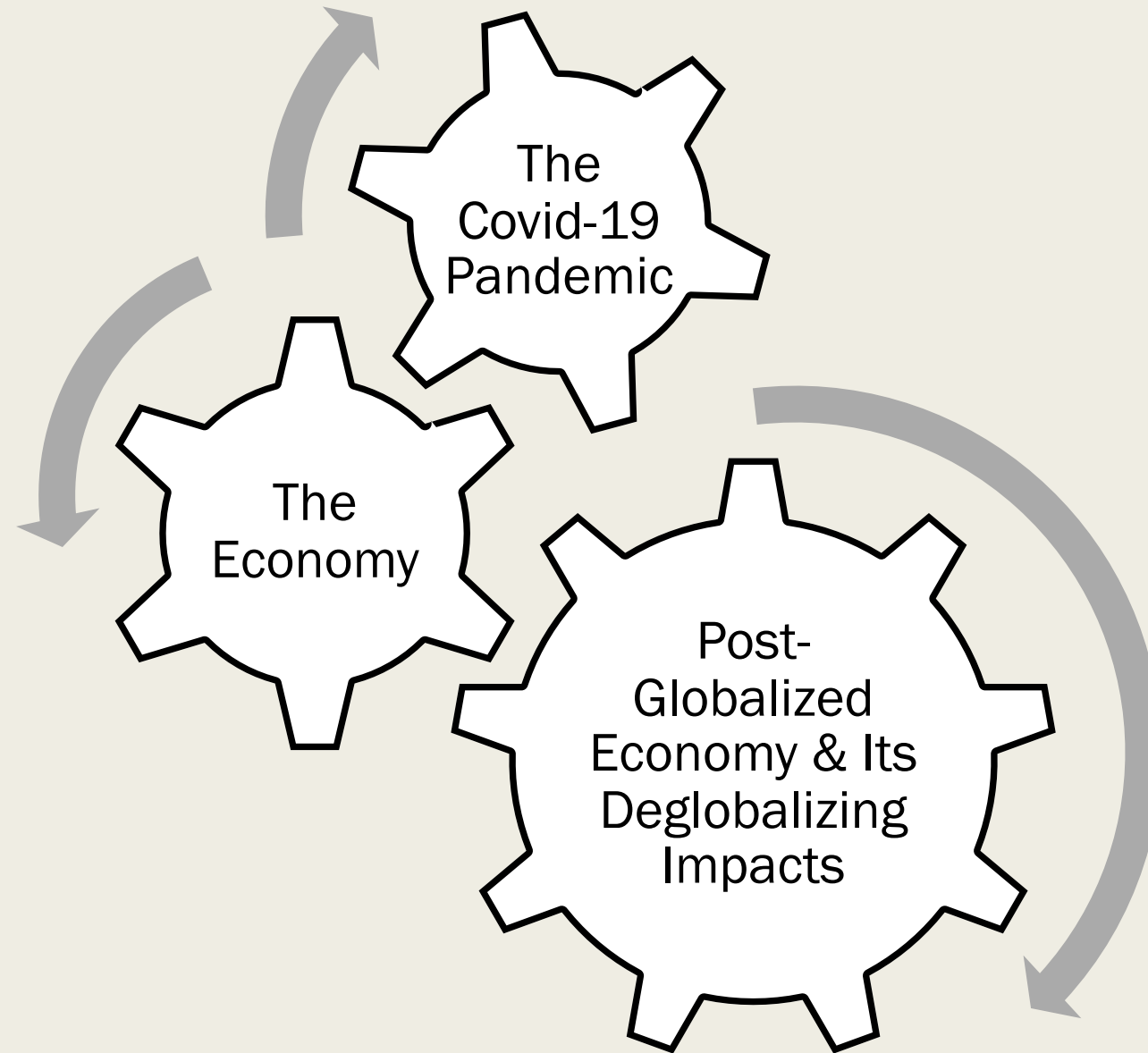


ACRF Broad Strategies and Its Enabling Factors



[ASEAN Sec, 2020]

How do ASEAN Prepare so far? Current State of Play



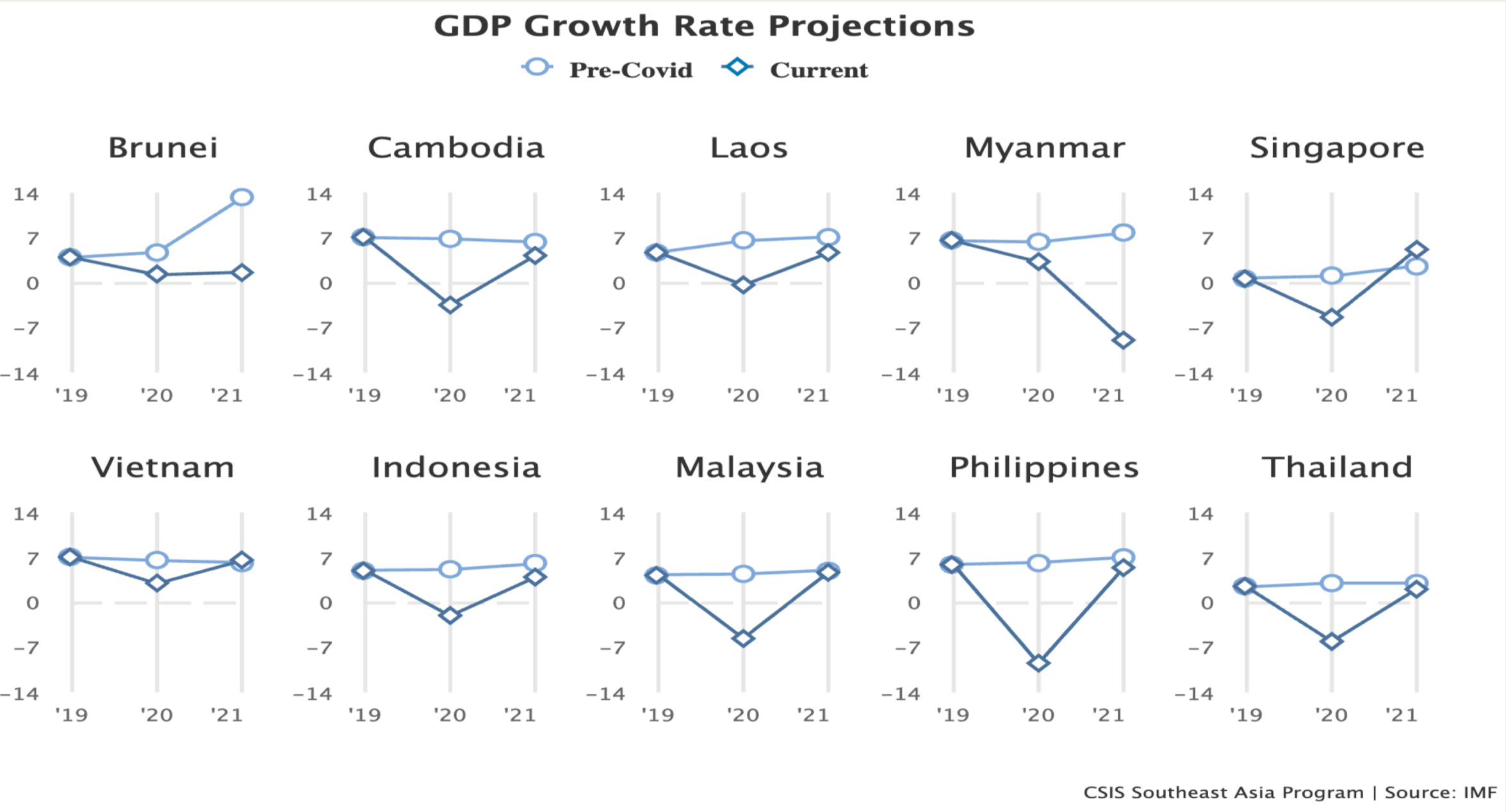
The Covid-19 Pandemic: Individual Country Status (as of Sept 23rd 2021)

	Country	Cases	Cases Last 24hr	Deaths	Total Fully Vaccinated	Percent Fully Vaccinated	Cases per Million
as compared to	World	230,313,830	537,985	4,722,586	2,535,176,976	32.5%	29,527
	USA	42,572,070	139,509	681,594	182,387,840	55.1%	128,615
	Philippines	2,434,753	17,334	37,405	23,282,540	22.2%	23,210
	Malaysia	2,142,924	14,990	24,565	18,986,347	60.9%	68,683
	Thailand	1,524,613	13,256	15,884	15,899,158	22.9%	21,968
	Vietnam	728,435	9,472	18,017	6,930,160	7.3%	7,624
	Singapore	82,860	2,961	70	4,554,738	81.2%	14,765
	Indonesia	4,201,559	2,881	141,114	46,496,177	17.3%	15,677
	Myanmar	453,407	1,744	17,343	3,471,251	6.5%	8,496
	Laos	20,646	694	16	1,909,360	25.9%	2,803
	Cambodia	106,619	638	2,176	10,624,382	66.4%	6,660
	Timor Leste	19,264	58	109	247,183	18.4%	14,378
as compared to	China	108,126	37	4,849	1,022,207,000	71.0%	75
	Brunei	5,586	0	31	161,683	37.7%	13,033

ASEAN Member States/AMS

[CSIS, 2021]

The Economy: Performance of Individual AMS (2019-2021)



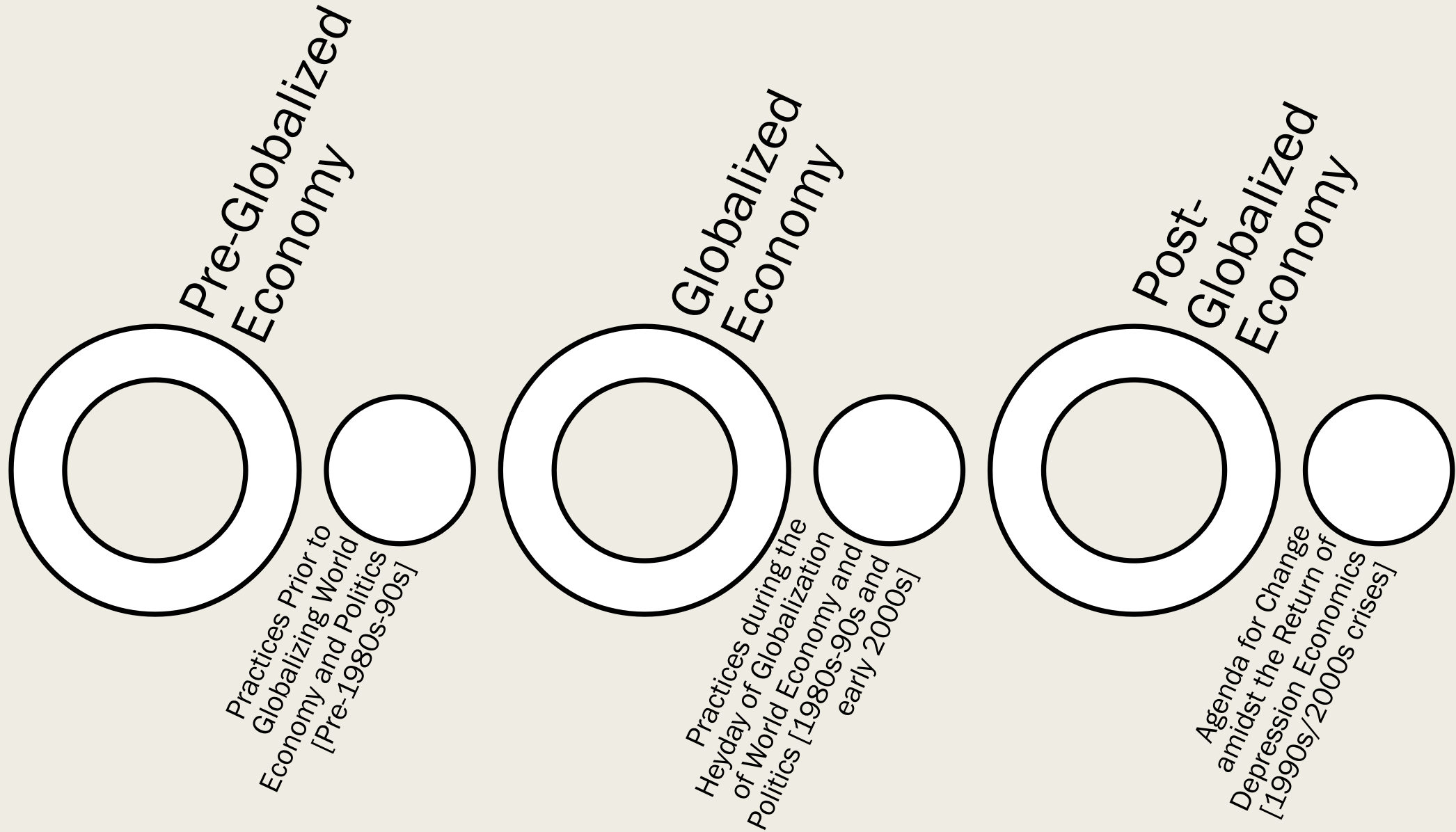
Post-Globalized Economy & Its Deglobalizing Impacts



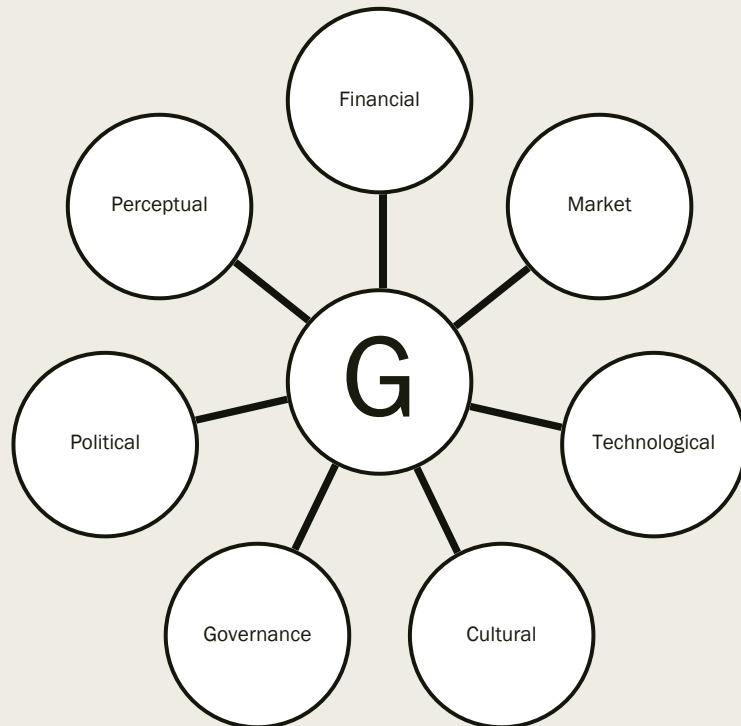
TRAJECTORIES

IMPACTS

Trajectories of Contemporary Global Economy



Key Features of Globalization [G] (Ruigrok & Tulder, 1995)



Financial

- Financial Market Deregulation
- Trans-national Capital Mobility
- Merger & Acquisition

Market

- World-scale Business Integration
- Integrated Business Operation
- Strategic Business Alliances

Technological

- Technological Diffusion as Primary Catalyst
- Information & Telecommunication
- Global Network

Cultural

- Transplantation of and Shifting to Dominant Lifestyles
- Uniformed Consumption Patterns
- Substantial Roles of Mass Media
- Cultural Product Transformation
- Exchanges of Cultural Products

Governance

- Reduced roles of national government and parliament
- Increased Roles of Global Institutions, Regimes, Conventions

Political

- World Polity
- Global Political-Economic System
- World Community

Perceptual

- One Earth
- Perception
 - Globalist Social Movement
 - Socio-cultural Processes
- Awareness
- World citizen

From the Heyday of Globalization to the Post-Crises Deglobalization

TINA – there is no alternative: “market economy is the only system that works”
[Thatcher - Neoliberalism – Reaganomics 1980s]

Debt Crises of the 1980s (Highly Indebted Poor Countries/HIPC), Bubble Economy Burst of Japan (1992), “Tequila Crisis” 1994, and East Asian Monetary Crises 1997

“Lehman Shock”, Too Big Too Fail Bailouts, Global Financial Crises 2008

Recurrent (Economic) Crisis, Covid-19 Pandemic Recession, 2020 and Beyond

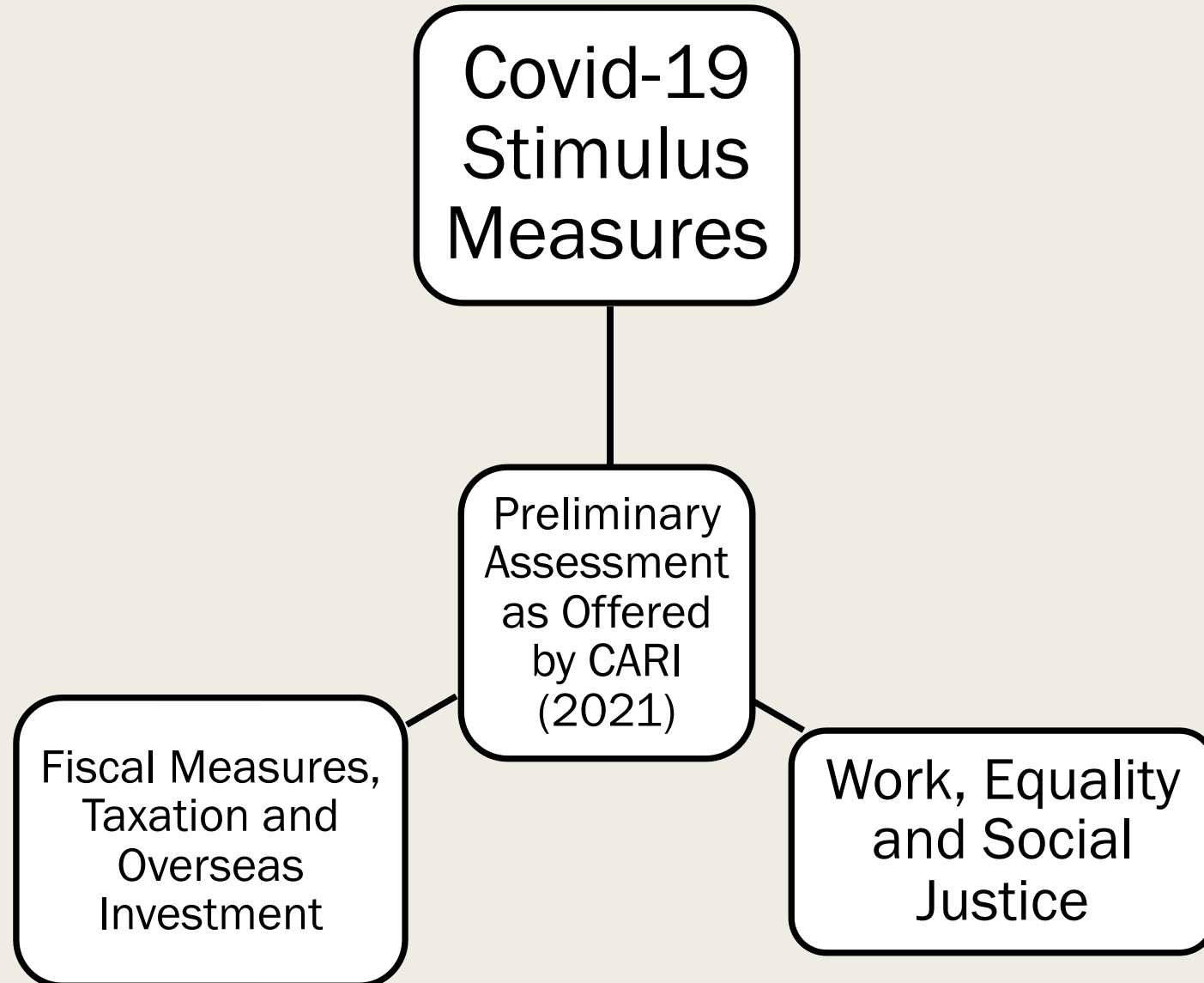
* A DEGLOBALIZED ECONOMY? *

“The Return of Depression Economics” [Paul Krugman, 2008]

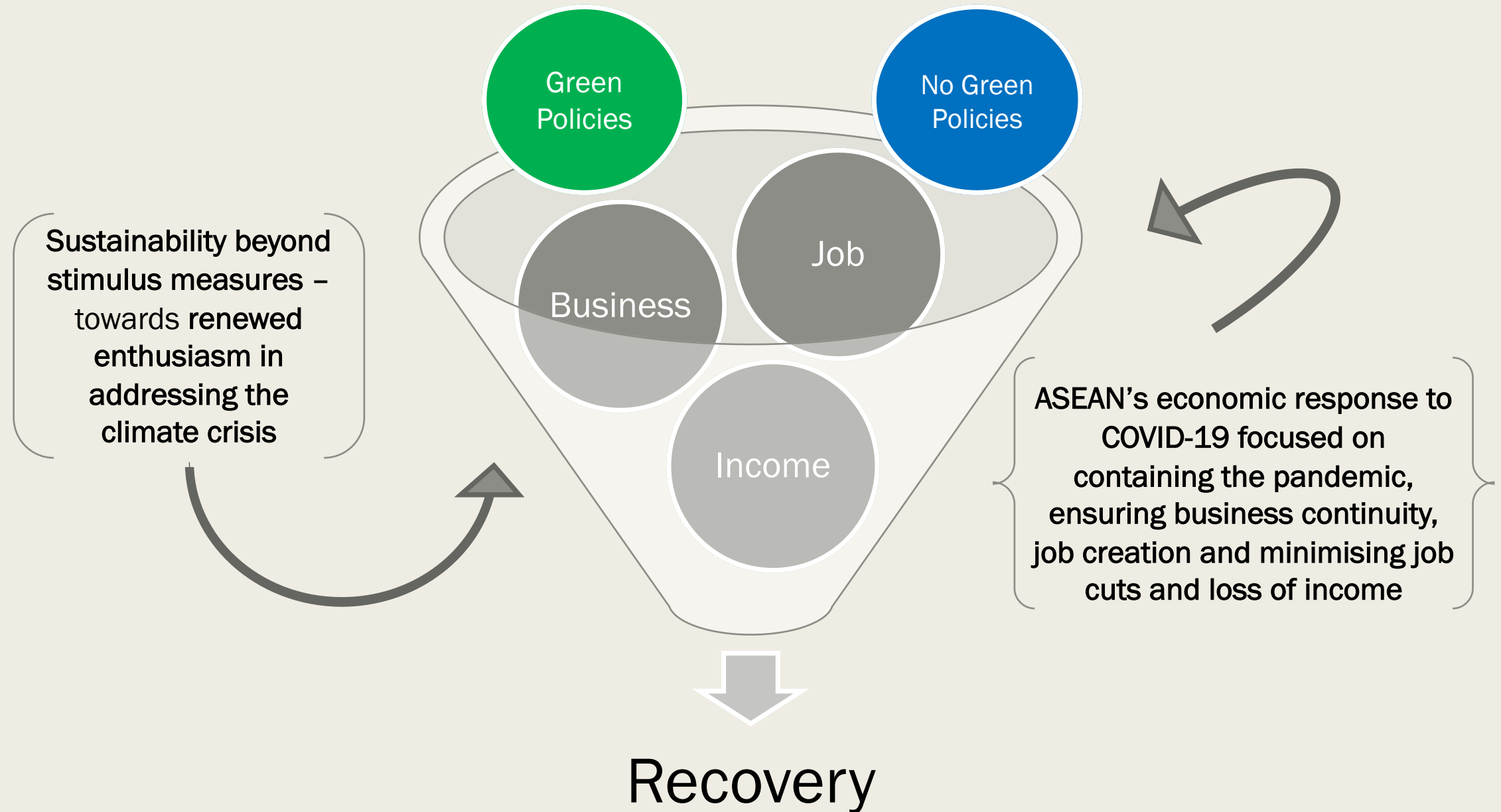
“Current Impasses of the Capitalist World-Economy” [Abdal & Ferreira, 2021]

Greening ASEAN Recovery–

How Deglobalized Economy Affects ASEAN Economic Recovery?



Covid-19 Stimulus Measures



Fiscal Measures, Taxation and Overseas Investments

- National budgets provide the next step following the fiscal measures introduced in COVID-19 stimulus packages

National Budget



- A mixture of taxation measures were introduced in ASEAN countries' stimulus packages to mitigate the COVID-19 crisis
- Taxation as a policy tool to drive the low-carbon transition

Taxation



- Pandemic drove ASEAN FDI down in the short term.
- However, FDIs have been identified as key drivers of recovery with green initiatives a must to ensure a resilient and sustainable recovery

Green Initiative FDIs



- ASEAN Comprehensive Recovery Framework (ACRF) focused on saving livelihood and a stable recovery, and green investments are critical in ensuring a sustainable and resilient recovery

ACRF for Green Investments



- Existing and newly signed International Investment Agreements (IIAs) and Free Trade Agreements (FTAs) involving ASEAN will influence transnational investment activities, but minimal evidence of environmental protection provision is present.

Investment vs Environmental



- Despite the drop in FDIs, green investments have picked up in ASEAN, driven by funding from international green funds.

International Green Funds



Work, Equality and Social Justice

Most short term stimulus packages in ASEAN have little focus on environment and climate-aligned agenda green jobs.

Short term government relief packages in ASEAN focus mainly on alleviating the immediate effects of the pandemic, and there are ongoing efforts to create and keep jobs impacted by COVID-19, but none of them green

COVID-19 has worsened income inequality for AMS with weaker fiscal capacity.

More than half of workers in most ASEAN states work in the informal sector, 70% of ASEAN households have had their income negatively impacted, the majority of those in vulnerable employment are youths aged between 15-24 years old.

The need to adapt work-life to pandemic has led to new work trends in the region while putting more jobs at risk due to the push for automation

The emergence and the acceleration of technology use have also further driven working arrangements in the region.

Imbalance in fiscal policy responses highlights opportunities for intra-regional ASEAN cooperation and solidarity

AMS demonstrates different abilities to match the level of fiscal expansion needed to counter the widespread labour market disruption.

RCEP could provide an economic boost amid COVID-19 shock and rising protectionism

Long-term economic benefits to accrue for RCEP's most externally oriented economies.

Key international green funds are supporting green initiatives in the region, encouraging AMS's move to increase social protection and look to green initiatives in creating jobs.

謝謝

{ thank you }