Thematic Seminars ACYLS 2021 [September 25th 2021]

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





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



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 <u>effects on long-term development</u>, including the possibility of reversing the gains in human capital development, poverty reduction, gender equality and empowerment, if the pandemic is prolonged

ASEAN Scheme to Recover – a Snapshot on ACRF 2020



ACRF Key Principles and Approach

ASEAN Comprehensive Recovery Framework: Objectives, Key Principles and Approach

- Articulate ASEAN recovery strategy from COVID-19
- Guide ASEAN sectors to assess, realign, or expedite work and priorities
- Provide a reference and set priorities for ASEAN cross-pillar coordination and contribution from broader stakeholders
- Outline ASEAN recovery strategy for engagement with partners and external stakeholders
- Contribute to ASEAN Community Vision 2025 and the strengthening of future resilience



ACRF Broad Strategies and Its Enabling Factors

ASEAN Comprehensive Recovery Framework											
 Strategy 1: Enhancing Health Systems Building and sustaining current health gains and measures Maintaining and strengthening essential health services Strengthening vaccine security and self- 	 Strategy 2: Strengthening Human Security Further strengthening and broadening of social protection and social welfare, especially for vulnerable groups Ensuring food security, food safety, and 	 Strategy 3: Maximising the Potential of Intra-ASEAN Market and Broader Economic Integration Keeping markets open for trade and investment Strengthening supply chain connectivity and resilience Enabling trade facilitation in the new normal Elimination of Non-Tariff 	 Strategy 4: Accelerating Inclusive Digital Transformation Preparing for the Fourth Industrial Revolution Promoting e-Commerce and the digital economy Promoting e-government and e-services Promoting financial inclusion including through digital 	 Strategy 5: Advancing towards a More Sustainable and Resilient Future Promoting sustainable development in all dimensions Facilitating transition to sustainable energy Building green 							
 reliance including its equitable access, affordability, safety and quality Enhancing capacity of human resources for health Strengthening prevention and preparedness, detection, and response 	 nutrition Promoting human capital development Ensuring responsive labour policies for the new normal through social dialogue Mainstreaming gender equality throughout the recovery scheme and actions of ASEAN 	 Barriers (NTBs) and cutting down market-distorting policies Setting up travel bubble/corridor framework Strengthening transport facilitation/connectivity Accelerating sectoral recovery (tourism, MSMEs), and safeguarding employment in most affected sectors Streamlining and expediting 	 financial services and regional payment connectivity Providing digital platform and related policy for promoting MSME digital upskilling and providing digital technology and fintech to access markets Enhancing connectivity Promoting ICT in education Improving digital legal framework and institutional 	 infrastructure and addressing basic infrastructure gaps Promoting sustainable and responsible investment Promoting high-value industries, sustainability, and productivity in agriculture 							
 and resilience Enhancing capacity of public health services to enable health emergency response including ensuring food safety and nutrition in emergencies 	 Mainstreaming human rights in the process of post-pandemic recovery toward resilient region 	 investment process and facilitation and joint promotion initiatives Enhancing Public and Private Partnership (PPP) for regional connectivity Signing and early entry into force of RCEP 	 capacity Strengthening data governance and cybersecurity Strengthening consumer protection Promoting the adoption of digital technologies in ASEAN businesses 	 Managing disaster risks and strengthening disaster management Promoting sustainable financing 							

Enabling Factors: (1) Policy Measures and Responses; (2) Financing and Resource Mobilisation; (3) Institutions and Governance Mechanisms; (4) Stakeholder Engagement and Partnerships; and (5) Effective Monitoring



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 ASEAN Member States/ANS 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
	China	108,126	37	4,849	1,022,207,000	71.0%	75
	Brunei	5,586	0	31	161,683	37.7%	13,033

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

GDP Growth Rate Projections

O Pre-Covid ◆ Current



Post-Globalized Economy & Its Deglobalizing Impacts



TRAJECTORIES



Trajectories of Contemporary Global Economy



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



From the Heyday of Globalization to the Post-Crises Deglobalization

TINA – there is no Debt Crises of the 1980s (Highly alternative: "market Indebted Poor Countries/HIPC), economy is the only Bubble Economy Burst of Japan system that works" (1992), "Tequila Crisis" 1994, and [Thatcher -East Asian Monetary Crises 1997 Neoliberalism -Reaganomics 1980s] "Lehman Shock", Too Big Recurrent (Economic) Crisis, Too Fail Bailouts, Global Covid-19 Pandemic Recession, **Financial Crises 2008** 2020 and Beyond * A DEGLOBALIZED ECONOMY? * "The Return of Depression Economics" [Paul Krugman, 2008) "Current Impasses of the Capitalist World-Economy" [Abdal & Ferreira, 2021]



Covid-19 Stimulus Measures

Sustainability beyond stimulus measures – towards renewed enthusiasm in addressing the climate crisis

Green No Green Policies Policies Job Business ASEAN's economic response to COVID-19 focused on Income containing the pandemic, ensuring business continuity, job creation and minimising job cuts and loss of income

Recovery

Fiscal Measures, Taxation and Overseas Investments



ACRF for Green

Investment vs Environmental

International Green Funds



Work, Equality and Social Justice

Most short term stimulus packages in **ASEAN** have little focus on environment and climatealigned 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 vouths 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.

