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ASEAN IN 2025

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Will ASEAN ever progress beyond being a forum to discuss, and sometimes settle, differences?

In November 2015, the ten Heads of State/Government of Association of Southeast Asian Nations (ASEAN) signed the “Kuala Lumpur Declaration on ASEAN 2025: Forging Ahead Together” at the 27th ASEAN Summit. The signing capped off what was a celebration of “the formal establishment of the ASEAN Economic Community 2015” but also served as a vision statement ahead of ASEAN’s 50th anniversary.

In a follow-up document titled “[ASEAN Community Vision 2025](#)”, an ASEAN community was to be built on two other fronts besides the economic: political-security and socio-cultural. It was effectively a reiteration of ASEAN’s original goals of accelerating economic growth and promoting regional peace.

“It is because of the political stability and security provided by ASEAN that ASEAN has become the economic dynamo that it is today,” says **Elizabeth Buensuceso**, the Philippines’ permanent representative to ASEAN. “How can you conduct business when regions are in conflict?”

DEVELOPING ASEAN ECONOMIC AND CULTURAL TIES

In a recent panel discussion “The Future of ASEAN in 2025” for Singapore-based station Channel NewsAsia’s *Perspectives* programme, Buensuceso and SMU Chairman **Ho Kwon Ping** highlighted the fact that ASEAN’s original political purpose post-*konfrontasi* had been achieved. The goal of creating widely shared prosperity, however, had not.

“[ASEAN] has had many, many aspirations to be an integrated economic community, not only in terms of a free trade area but even in things like the ASEAN industrial joint venture where you were supposed to have an ASEAN level equivalent of Airbus,” Ho reminds the audience, recalling his days as a business and economics journalist. “At the economic level, [ASEAN countries]...are too disparate. The economic ambitions of ASEAN have not been achieved and I think it’s hard for anyone to argue that they have been achieved.”

Panelist **Edmund Koh**, head of UBS wealth management Asia Pacific, proposes a reinvention of ASEAN to address that issue.

“If you take the GDP of Singapore, it’s 50 times more than [that of] Laos for example,” Koh explains. “If you take the population of Indonesia, it’s 500 times that of Brunei. So if you were to reconfigure ASEAN today, I’ll take the ASEAN away and really look at RCEP (Regional Comprehensive Economic Partnership). I will say, ‘As opposed to 10+6 trying to get South Korea, Japan, China, India and all the rest in, I will take the 10 and add in 2 more each time and make it a separate pact.’”

“If I look at the real contribution that ASEAN has brought me from a PEST (Political, Economic, Social, Technology) point of view: the politics of it yes; the economics of it no; the social of it definitely because it comes with the politics; the technology, we’re not even linked because of security reasons.”

When asked how ASEAN could be more relevant economically, Koh proposed getting ASEAN billionaires to put in their own money to fund an ASEAN development bank to boost SME growth in the region. He says: “When you put the billionaires together and not government funding, they take a more pragmatic approach, a more entrepreneurial approach to cradle these companies and bring it to life. It is not [like] government-led initiatives. I know how [billionaires] think; I know exactly what values they want to drive through the economies.”

Ho questioned the wisdom of billionaires forming a bank post Great Financial Crisis, proposing instead an ASEAN SME venture capital fund bankrolled by the same billionaires who “no matter how philanthropic they are, they certainly wouldn’t mind having a good return on their money”.

Panelist **Noni Purnomo**, President-Director of Indonesia’s largest taxi operator Blue Bird Group, agrees with Ho.

“A lot of times, the small business organisations don’t know how to reach out,” she explains. “They’re the one who needs to have this support – infrastructure support, financial support – and to have this venture fund I think would help a lot.”

She adds: “But I find it interesting that we’re talking about the future of ASEAN and we don’t include the youth in it. I mean the future of ASEAN should be in the eyes of how our young generation view ASEAN in the future.”

“Now, you’re getting lots of young people traveling to other ASEAN countries,” says Ho. “I think that is critically important to really integrating ASEAN socio-culturally and it’s all happening with young people.

“ASEAN, perhaps because we’re now as a whole region reaching a particular level of affluence [and] because of low cost carriers...you’re now getting a lot more intra ASEAN travel on weekends at the drop of a hat. People will go for a weekend, it costs \$100 to go to Jakarta or they go to Phnom Penh. People didn’t used to do that before.”

GOING FORWARD

At the end of the “ASEAN Community Vision 2025” document, a paragraph called for “a strengthened ASEAN Secretariat” and “increased ASEAN institutional presence at the national, regional and international levels”. When asked if that is the answer to a more cohesive ASEAN, Ho demurred.

“I’m not sure that given the current lack of a really strong vision for the future of ASEAN among the current political leadership...that by strengthening the secretariat and providing it with more money [will] do anything other than just create a bigger bureaucracy with more money to spend.”

He adds: “I think it had a very strong vision at its creation and I think it has delivered on that vision. The question is whether a politically stable ASEAN as a forum for member states to discuss their problems, not necessarily to resolve them, [is] the vision. If the vision is to be more than that, I think that’s where the threads begin to sort of unravel.”

How, then, should ASEAN move towards the goal of ASEAN Community Vision 2025?

“I think for me, it will be education, inter-generational growth,” Koh says. “I will also have to accept that the 10 countries will grow very differently. Some will be [using] low-waged labor as a way of growing out of poverty to build a strong middle class. Some will actually accelerate their move into more R&D robotics but I would like ASEAN to be more intra [-focused] so that there are mutually more benefits for the 10 countries first before engaging further.”

Ho Kwon Ping: “I think the greater economic and cultural integration of ASEAN not only depends on young people nor governments but it depends very much on the private sector also. We talked a lot about diversity and inclusion and in my own company, we even have a D&I (diversity and inclusion) committee...We ourselves have set as an agenda for ourselves that diversity and inclusion means trying to get as many people from within the ASEAN countries as part of our leadership.

“If I cannot develop a leadership base which has got Cambodians and Vietnamese and Filipinos and so on and it’s either Singaporeans or what they call ‘angmohs’ (white people), that would be a total failure on my part as a company to achieve ASEAN integration. So I think that’s something a lot of companies can do, set a goal for integrating their own leadership base within ASEAN itself. “