

**AIYC 2021: Advancing Partnerships for the Sustainable Development
of the ASEAN Economy**

Transcript of the Keynote Lecture by

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The complete lecture is online at: <https://www.youtube.com/watch?v=PfIMQhKEd54>

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Summary

The global pandemic has triggered supply chain problems, increased fuel costs, and led to a shortage of manpower, but a slow recovery may now be underway. However, the world was facing international challenges before the pandemic: in the form of trade wars, and the trend towards de-globalization. We live in an era where tensions are growing among the two biggest economies in the world, and our economies are caught in a middle income trap, and the region is fast aging. There are also challenges due to digital technology in terms of changing business models. The most important problem of all, which is clearly global in dimension, is climate change.

It's never been so important to support multilateralism, internationalism, and globalism.

ASEAN's past success was due to it looking beyond its borders, through which it achieved regional peace and substantial economic growth. When we faced crises, there was a commitment to keep our economies open, and to pursue agreements in trade and investment that enabled the region to retain its dynamism.

ASEAN is addressing today's issues of recovery, digitalization, and sustainability, but we should also recognize the limitations of our integration. There is a need for greater commitment to solidarity, regionalism, and internationalism, including the harmonization of standards and laws. Crucially, the people of ASEAN must feel that they really do belong to ASEAN, by sharing common values and a common identity for a common destiny.

The old ASEAN way, based on consensus and informality, served us well, but also held us back on some issues. Many of today's challenges are ultimately questions for humanity. Not just climate change, but also economic concerns, from growth, to equality, to sustainability

Complete Lecture

President of Prince of Songkla University,

Distinguished Participants,

Ladies and gentlemen,

First let me congratulate and commend Prince of Songkla University and her partners, the Universitas Airlangga, Indonesia and Universiti Utara Malaysia, for organizing AIYC 2021, an event that brings together youth from the Southeast Asian region and beyond to demonstrate their knowledge, and also their thoughts, on regional development. This kind of event greatly supports the programme of integration within the region and is also an important part of advancing partnerships for sustainable development of the ASEAN economy.

Ladies and gentlemen, we live in very challenging times; in the last two years we have been hit by a global pandemic, and its impact, not just on health, but also on economic and social development, has been profound. If you look at the figures for economic growth around the region, all the countries, as with the rest of the world, have experienced negative growth, but a slow recovery may now be underway.

Governments have devoted many resources to supporting their economies, therefore affecting their fiscal position, but it is clear that there will be limited potential for committing additional resources to further help the economy. This is a major challenge for all the ASEAN economies, as well as those around the world. It's also important to recall that even before the pandemic the world was facing challenges: in the form of a trade war, in the form of what I call the trend towards de-globalization, as we witness in events such as Brexit, causing the rolling back of globalization. Added to this, we live in an era where tensions are growing among the two biggest economies in the world: the United States and China. We are moving into a situation where many of our economies are caught in what we call the middle-income trap, and population structures are also changing, with the region fast aging.

The most important thing for us to recognize is that many of these challenges have a clear international or global dimension. Consider the global pandemic; it is clear that no one is safe until everyone is safe. We can see that the slow rates of vaccination in many parts of the world are hampering our efforts to overcome the situation and lay the foundations for economic growth and reopening. We can also see how the pandemic has triggered supply chain problems, with increased fuel costs, transport costs, and a shortage of manpower to handle goods and services. Tourism has been forced to close down, causing unemployment to rise in much of the service sector.

We also face challenges due to advanced digital technology, in terms of changing business models, in terms of the government's ability to collect revenues and taxes from tech. companies, and so on.

Labor shortages also raise the issue of the movement of people across borders to seek job opportunities. We should also not overlook social problems – issues concerning crime, drugs, people smuggling, all of which transform borders.

The most important problem of all, which is clearly global in dimension, is climate change. It affects everybody, and requires a global effort to coordinate our response, not just to address the impacts of climate change, but to prevent future disasters. Indeed, this could become an existential problem for humankind.

It has never been so important to support multilateralism, or internationalism, if not globalism. We need to look beyond our borders. We need to think beyond immediate domestic problems, to overcome these larger issues and achieve sustainable development for us all.

ASEAN's past success has always been due to it looking beyond borders. When ASEAN was founded, the region was being hit by the problems of war and communism. Instead of each nation going it alone, the five founding countries decided to set up a regional organization – an integration programme that helped steer the region through those difficult times. It was because of that solidarity, that the region was able to achieve peace. Eventually ten Southeast Asian nations joined the organization.

During the next phase of ASEAN integration, the success we achieved was mainly economic, due to the determination of its leaders to be outward looking, to practice what is called open regionalism, and to forge ahead with integration programmes. We now have an ASEAN political security community, an economic community, and a socio-cultural community.

When we faced economic crises in the past, whether it was the Asian financial crisis, or the global financial crisis from a decade ago, it was this commitment to keep our economies open, to pursue agreements in trade and investment, that enabled the region to retain its economic dynamism.

ASEAN wants to be central to much of the dialogue within the region, and so offers the ASEAN regional forum on security, and holds an annual event, the East Asia Summit, which includes not just the six dialogue partners in our free trade agreements, but also the United States and Russia.

All of this is a testament to the importance of being outward looking and having a commitment to multilateralism and internationalism.

During the last couple of years, ASEAN has been busy setting up one of the biggest economic partnership agreements in the world, the RCEP, which includes most of our dialogue partners. Negotiations are also underway with countries such as Canada on possible trade deals. In response to the pandemic, ASEAN is addressing the issues of recovery, digitalization, and sustainability. There has been progress concerning cooperation in the areas of investment facilitation, tourism reopening, non-tariff measures, e-commerce, agreements concerning energy and minerals, forestry, and also support for the circular economy. All of these form a very important agenda that we must pursue.

We also must recognize the limitations of ASEAN integration which hold back much of the region's potential. For instance, if we look at trade figures, despite all the agreements that I've mentioned, it is a fact that intra-ASEAN trade only makes up just over 20% of total trade in the region. In other words, we trade with countries outside the region four times more than we do among ourselves. These proportions are reversed in areas such as Europe; in the European Union most of the trade is among the European nations themselves.

It is also clear that we often do not show enough coordination and solidarity when we face challenges. For instance, when China launched the Belt and Road Initiative, ASEAN didn't respond as a block but instead individual countries negotiated with China on possible projects, despite the fact that we have our own connectivity agenda.

Despite RCEP coming into force soon, it's also the case that this agreement, compared to many other trade agreements, is not as deep, and not as inclusive of as many issues that are found in modern trade arrangements.

We can only make further progress if we increase our commitment to solidarity, regionalism, and internationalism. The easy parts have been done. Now we must harmonize issues such as standards and laws, which of course requires supportive domestic political developments. We need to engage not just government leaders and leaders of the bureaucracy, but also the private sector, and of course youth, to craft a vision for closer coordination and integration.

Many of the issues facing us, whether dealing with the digital economy, escaping the middle income trap, the aging society, or climate change, require very strong regional cooperation. That cannot happen until the people of ASEAN feel that they really do belong to ASEAN, and believe they are as much ASEAN citizens as Thais, Singaporeans, Vietnamese, Malaysians, or Indonesians. For us to achieve that, we must construct common values and a common identity for a common destiny. Only when that happens can we hope to achieve deeper integration, not just in the economy, but also in social and political coordination and integration.

We face many challenges that are global or regional in nature, and there will have to be national sacrifice, along with compensation and help across borders.

It is important that ASEAN finds its place in the world. We pride ourselves on providing centrality, but we have to recognize that without evolving common values or identity, ASEAN will face the issue of credibility. Consider two important recent problems: the Rohingya crisis and the political troubles in Myanmar; it is clear that the world expects much from ASEAN. I'm pleased to see that ASEAN has finally responded, but our contribution is often seen as either too late, too little, or too weak.

We need to find a new ASEAN way; the old way, where we operated through consensus and informality, served us well in many respects, but also held us back on some issues. I am not proposing that we blindly adopt values or ways practiced by other regions. We need to stick to our

cultures and identity, but we also need to recognize that the world situation now requires a swifter response, a more ambitious response. To formulate this new ASEAN way, to develop common values so that we have a common destiny and common identity, we must engage the people. My hope is that young people, for example the youth who are participating in today's event, will play a very significant role. These young people have grown up under different circumstances and environments, and fully recognize that our future is very much tied to global trends.

If we narrowly focus on national or domestic issues, without looking out, without seeking cooperation, without reaching out to new partners and allies, then we will fail to reach the potential offered by today's technology.

You have made a good start by participating in events like this, and you should now join hands to extend your networks to your counterparts in ASEAN region and beyond, to recognize how many of our challenges are ultimately questions for humanity. Not just the issue of climate change, but also economic concerns, from growth, to equality, to sustainability.

I hope you will enhance cooperation through your extensive networks and create a new ASEAN way to advance the ASEAN economy towards sustainable development in the future.

Thank you very much to his excellency Mr. Abhisit Vejjajiva for an inspiring lecture. Now let's move on to questions and answers.

Questions and Answers

Question 1

In your opinion what role can ASEAN youth play in overcoming the limits of ASEAN integration?

I think there are two aspects to what youth can do. The first, which I mentioned before, is that they build their own connections so that this generation has a much more extensive network in regional or international terms. Through that network, and through exchanges of ideas and experience, they will be able to craft out a common vision for the region for their generation.

The second important thing is that they must introduce this dimension into their political processes at home. If those processes are still too narrowly focused on domestic issues, ignoring international global trends and challenges, then it will be very difficult to pursue the kind of agenda needed for sustainable development of the economy.

So, two things: reaching out to create a network beyond borders and introducing this commitment to multilateralism and internationalism into the domestic political process.

Question 2

How do you see this new ASEAN way overcoming the challenges of COVID 19?

When the ASEAN charter was written, the idea was that ASEAN would be rules-based and monitor how member states dealt with agreements. This has to be enhanced so that ASEAN can respond more quickly to regional problems.

Consider the example of COVID 19. When the pandemic hit, ASEAN should have acted quickly to formulate a common vaccination program, in terms of access to vaccines, and in terms of distributing vaccines region-wide, not to mention the possibility of joint or common research on vaccines.

ASEAN should also respond to the problems of economic integration, and the disruptions caused by the tensions between the US and China. This response should come from a block of ten countries, not individual nations. Looking beyond the economic dimension, the tensions between the US and China have placed many countries in a very difficult position. We often feel that we have to take sides or are being forced to take sides. We can sidestep that problem if there is more solidarity among the ten countries. By dealing with the US and China as a block, we don't need to choose sides, and can be friends and allies with both, in order to advance sustainable development for the whole world.

Question 3

What should be the short-term and long-term plans for the ASEAN economy?

In the short term, every country is looking to reopen after dealing with the pandemic. That requires two things: the first is to make sure that the health situation is under control, so I again urge ASEAN countries to fully cooperate on issues such as vaccination standards and programmes. Of course, uncertainties continue in the health dimension. While people are waiting for their first vaccine shot in some countries, there are people in other countries who are onto their third, fourth, or maybe even fifth shot. This needs to be reorganized, especially for the reopening of travel and tourism. It would be nice to see ASEAN propose some standards about how we can open up to each other. Travel bubbles have been suggested as a solution since last year. We should set up criteria and rules by which countries can open up and admit travelers or visitors from other countries within ASEAN. This will be the first step in the full reopening of our economies.

In the longer term, we have to build on the integration programme that I've mentioned, making sure that the RCEP comes into force quickly. We must seek out new deals with countries, such as Canada, the European Union, the UK post-Brexit, and so on.

These are the kinds of issues that face us now. When we talk about sustainable development, it raises the issue of climate change, and how ASEAN as a block can deal with related problems such as carbon emissions, deforestation, and the annual haze. There needs to be a common response from us all on these issues.

Question 4

In your opinion, how can we start real integration?

Some of the issues are technical. For instance, we must address obstacles at borders, whether they're physical, legal, or in terms of regulations and standards. What's more important is that integration cannot really deepen until our people feel that they truly belong to the region as much as they belong to their own countries. That means that we need to care about whatever happens within the region, and find common solutions.

In all the parts of the world where there is deep integration, countries have had to give up various kinds of control on certain issues and allow the region to determine those decisions. For that to happen in a region, it has to be accepted by everybody, which means that we need to create a sense of belonging. The European Union is a very good example in the sense that they've been able to deepen integration through this process, by gathering around common values. Brexit is also telling, in the sense that if the people in a country within the grouping feel that they don't share the values, that they don't have the right to participate and determine their future, then they'll say "no we don't want to be part of this programme".

So integration can only build, can only deepen, if we engage people in that programme. I think ASEAN still has a long way to go, and a lot of work to do, on that front.

Question 5

You've talked about the problem of climate change, and how ASEAN members can address it. Do you have any practical suggestions on how to deal with smaller scale issues, such as trans-boundary pollution?

Also, you've talked about the European Union, which I would term a super-national organization which we lack. Instead we have the ASEAN way, with its emphasis on non-interference, consensus, and a sense of belonging. Do you have any suggestions on how we could move more quickly towards an EU model?

Let me be clear, I'm not advocating following the EU dogmatically. Instead, we should learn from the EU, from its successes, and from its failures and limitations.

In terms of climate change, there are two areas where we need a clear set of rules and regional cooperation. The first is in emissions, from industry, from transport, and from the energy sectors. Indeed, we do have plans on integrating the energy grid, and on how the region can transition to clean energy. However, if the ten countries work together as a block rather than as individuals, then there should be more options and opportunities. We need to get together and work these matters out collectively rather than leave energy plans to each member state to determine. That's one example of where we should quickly get together. Likewise, we need to do the same for problems concerning forestry and agriculture.

One problem is that sometimes a country may feel that by agreeing to this kind of common plan that they also have to make sacrifices. In that situation, ASEAN should have some kind of compensation scheme so that the more advantaged countries can help those that are in need of resources to make this kind of transition.

One other thing that I should mention as regards climate change is that we just had the COP 26 meeting. So why not have an ASEAN meeting beforehand to formulate a common ASEAN stance? For example, how should we approach agreements on deforestation, how should we deal with the issue of carbon emissions, how are we going to handle the trading of credits, or the need for resources to make transitions?

Question 6

Do you think it's possible for ASEAN to formulate a unified approach that addresses the migration crisis?

When we talk about community, this is the kind of issue that we should be working on together, searching for common standards.

We talk about economic integration. Ultimately, if ASEAN wants to be an economic community, it will have to allow free movement of people, and not just in labor terms.

This is a very good issue to illustrate the point that I've been trying to make, which is that change is only possible if there is joint political will, and enough support within each nation, each member state, from the people. Unless we can bring people together to have a common sense of belonging, this will be one of the most difficult issues that we have to address.

Question 7

As a follow-up, do you think your proposed scenario is really possible by communicating with ASEAN leaders?

The kinds of commitment we need are not easy to find. Certainly, over the last few years, many member countries have been caught up in their own domestic problems or even crises, Thailand included. Also, if we leave the ASEAN agenda to politicians and bureaucrats, things will continue at the same kind of pace as before. But if we encourage a process that engages the private sector, NGOs, civil society, and youth, then their input can act as a catalyst to stimulate leaders and bureaucrats to take more action.

The political process within each member state, and within ASEAN, is important. I recall talking with the late Dr. Surin Pitsuwan about this problem of democracy deficit in ASEAN countries, and in ASEAN itself.

We need to promote more democratic principles and practices in order to engage people, to stimulate participation, and a sense of belonging. We can then be more ambitious in our integration goals.

Question 8

Based on today's social movements in the region, where do you see ASEAN five years from now?

I always say that you have to be very brave to make predictions many years ahead. One good thought exercise when you're thinking about what might happen in five years is to think back five years. Could you have foreseen what's happening today? I can guarantee that no one could have envisaged our current situation.

The world, including ASEAN, will be in a much more volatile environment, with challenges coming from technology, from climate change, and from changes in population structures. These issues will become increasingly dominate. How well ASEAN does will depend on its ability to respond to those problems, to anticipate, and to pre-plan. It's clear that outcomes depend on our ability to swiftly respond, and to formulate more ambitious goals.

If we keep moving at the pace we're going now, my feeling is that ASEAN is going to be caught in deep problems concerning the tensions between the superpowers.

Also issues such as inequality will probably be very destabilizing unless they are dealt with in a systematic way. Concerning issues such as inequality, we can do so much more if we have international agreements. Of course, it took even advanced economies a long time to do this. For

example, it was only this year that the G7 began talking about minimum income tax for corporations and started to close loopholes concerning tax havens. This is the kind of cooperation that we need in ASEAN. For example, ASEAN should scrutinize global tech. companies. If they're going to make a lot of income from our people, then they should contribute a fair share back to the region. This means paying taxes and abiding by the standards of the region.

Question 9

How can our youth take part in sustainable development goals, and find good examples of regional groupings that have successfully influenced global sustainability during the COVID 19 crisis?

There are many examples of young people taking initiatives at the local level to address issues concerning sustainability and climate change, whether it's dealing with trash, or advocating for more environmentally friendly consumer behavior.

Starting from these local initiatives, we can begin to set up networks beyond our borders and start to exchange experiences and ideas. This will become a powerful example of how issues related to climate change can be addressed.

If the young people who have already taken action can link up, if they can share their experiences, then their groups will become much more powerful.

Question 10

Should ASEAN have a common commitment in terms of funding?

Yes, and part of the idea when the ASEAN charter was approved was that we would monitor the various agreements made by ASEAN member states, to make sure they carried out their commitments.

What's more difficult today, as we face situations such as the one in Myanmar, is how to commit ASEAN member countries to certain standards related to political issues. This is a necessary goal in order to make the region, in the eyes of the world, a credible organization that is able to deal with sensitive issues.
