
Aritenang, Adiwan

Southeast Asian Studies (2014), 3(2): 467-470

2014-08

http://hdl.handle.net/2433/189562

Departmental Bulletin Paper

Kyoto University
Indeed, small quibbles in no way detract from Tagliacozzo’s formidable achievement. Juxtaposing archival and ethnographic research with a strong commitment to accessibility and jargon free prose, *The Longest Journey* will serve both as an important resource for scholars of Islam in Southeast Asia as well as an indispensable primer for anyone who wants to learn more about the global history of the Hajj.

Joshua Gedacht

*Asia Research Institute, National University of Singapore*

**Achieving the ASEAN Economic Community 2015: Challenges for Member Countries and Businesses**

**SANCHITA BASU DAS**, ed.


The ASEAN Economic Community (AEC) 2015 is the most anticipated economic integration project for the people in ASEAN countries. Despite being a form of state-level cooperation, the inclusion of the private sector in integration is undoubtedly a crucial factor in the implementation of AEC. This book’s aim is to examine the progress of the states as they implement soft and hard infrastructures to milestones that were attained over the years and how the private sector responded to these achievements.

In the first part of the book the first chapter by Sanchita Basu Das specifically explores ASEAN member countries’ challenges including their infrastructure effectiveness to ensure regional integration and the importance of their business sector’s involvements in realizing an effective AEC by 2015. The second chapter by Pushpanathan Sundram highlights the future challenges that include integration process management and focuses on the non-implementation of regional commitments, and the importance of private sector engagements as drivers of economic integration.

The second part of the book examines the readiness and challenges of individual ASEAN member states with regard to the AEC. The chapters show that as the ASEAN economies widely diversify the variation in progress and challenges also become apparent. For example, chapter 4 by Chan Sophal and Larry Strange, chapter 5 by Pradeep Srivastava, and chapter 11 by Vo Tri Thanh highlight the fact that the main problems for the new member countries of Cambodia, Myanmar, Laos, and Vietnam (CMLV) are domestic ones such as poor capacity for resources mobilization, a lack of private sector coordination and networks, and institution-building. In particular, the importance of the Cross-Border Transport Agreement (CBTA) in Cambodia and Laos on cross border transportation for trade facilitation highlights sub-regional integration issues. On the other hand, the original member countries—with the exception of the smaller ones such as
Singapore and Brunei Darussalam—face political and resources mobilization problems. Furthermore, both the Philippine and Indonesian governments are under pressure to address governance issues that may hinder gaining advantages from regional integration and additionally we also see that in Malaysia, ethnic policies have hindered state institutional capacities to support economic growth (p. 96).

The third part of the book discusses the private sector’s readiness for the AEC. This part includes studies drawn from interviews and data analysis of the private sector’s perception and demands on AEC implementation. However, this part is insufficient as it only has one chapter on Vietnam, and lacks concrete studies that deal with CMLV countries case studies. Chapter 18 by Vo Tri Thanh and Nguyen Anh Duong shows how the private sector’s main problem with AEC is poor information dissemination and knowledge. Interestingly, this problem is also the main issue for original member countries: that ASEAN and member countries’ attempts have been insufficient in promoting and accelerating AEC implementation beyond government and academic research. This limited attempt at information dissemination and poor governance of ASEAN as a supra-national institution has been recognized since the implementation of ASEAN Free Trade Agreement (AFTA) with the poor performance of Form D. This form is for applications for a lower tariff under the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for AFTA (Nesadurai 2003; Chandra 2008). The cases in Indonesia and Thailand show that limited dissemination of information on integration processes, tariffs, regulations, and Rules of Origins (ROOs) has undermined the private sector’s enthusiasm for AEC. Furthermore, the chapters on the Philippines and Malaysia show how cultural-related business activities have hindered the rate of AEC acceptance and implementation in these respective countries. Race policy in Malaysia restricts business ownership and poor governance has had a negative effect on the investment climate and private sector innovation, as seen in the continuity of the “Ali Baba” business scheme where the “Ali” or the Malay as the sleeping partner and “Baba” is the Chinese as the active half of the alliance (Whah 2007). In the case of the Philippines, the term *ningas cogon* (p. 270), is employed to refer to people who are enthusiastic about something but then lose interest quickly. As a consequence, the Philippines faces regulation inconsistencies and constraints with long-term commitments on law enactment, corruption eradication, and rent seeking abolition (Lim 2013). This hinders the country’s development in the realms of business innovation and trade. Finally, the Singapore case provides an exception whereby the private sectors that felt themselves to be marginalized from the AEC have demanded that the Singapore Business Federation (SBF) accelerate consultation, coordination, and transparency on AEC milestones programs.

The book provides a general discussion and analysis of the readiness by ASEAN governments and respective private sectors to implement the AEC. The chapters offer discussion, based on secondary data and formal documents, of the achievements of the governments, while questionnaires and fieldworks were used to assess the readiness of the private sector. Based on these
studies, the book highlights the importance of private sector involvement in the implementation of AEC and argues that it should go beyond information dissemination and become involved in domestic regulations and administrative reforms.

However, the book suffers from a few structural and analytical problems such as repetitive discussion on individual country’s readiness on AEC in parts two and three on the comparisons of states and business achievements in Brunei Darussalam (chapters 3 and 12), Indonesia (6 and 13), Malaysia (7 and 14), the Philippines (8 and 15), Singapore (9 and 16), Thailand (10 and 17), and Vietnam (11 and 18). Similar discussions, structures and themes among countries lead to a rather monotonous presentation of information and facts. For instance, the lack of information dissemination and poor government capacities are referred to as common challenges faced by the region as it prepares for economic integration. Furthermore, the variation of data availability and questionnaire sizes creates an unbalanced discussion on the analysis of private sector readiness for AEC. These issues should have been addressed by the editor, who should have made sure that qualified researchers and the papers compiled would ensure a better balance and more in-depth discussion on state and private sector readiness on AEC.

Recent developments point to an interesting direction for AEC. For instance, Indonesia has established the AEC preparatory committee to analyze, evaluate, and advise the government on AEC issues. The reason for the establishment of this committee is that Indonesia is not ready and has merely been forced to welcome AEC in 2015. Furthermore, recent riots in Singapore involving immigrant workers have led to further questioning of the national security of member countries following free labor movement under the AEC.

Overall, this book provides a wide-ranging semi-academic analysis on state readiness and achievements, and the current level of private involvement towards AEC. This is an important book, as there are few that detail the current progress of both sectors and how they communicate with each other. In this sense, the book achieves its main aim. However, differences in the depth of analysis and the quality of discussion of specific countries and specific state-private sectors potentially lead to a skewed perception of each country’s progress in the build-up to 2015. Nevertheless, the book provides a comprehensive analysis on AEC challenges for member countries and business up to 2010.

Adiwan Aritenang

Agency for the Assessment and Application of Technology, Indonesia.

References


