

ASEAN 2030 Aspirations and Challenges

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Aspirations and Challenges

Aspirations by 2030

- Become a **Resilient, Inclusive, Competitive and Harmonious (RICH) region**

Key Challenges

1. Growing together through ASEAN integration
2. Dancing with the neighboring giants (China & India)
3. Coping with global players

Growing Through Integration in a Three-Tier ASEAN

Tier	Key Challenge
High Income(Singapore and Brunei)	Staying rich or sustaining high income (learning from Japan)
Middle Income (ASEAN4)	Avoiding the “middle income trap” (learning from Korea, Singapore and Taipei,China)
Lower Income(CLMV)	Reducing poverty (learning from the ASEAN3)

Growing through ASEAN Integration: Balancing National Interests and Regional Responsibilities

- Achieving a functioning AEC that pays enough attention to a fair sharing of “gains” and “pains” of regional integration
- Bridging the development gap is crucial – implies some tradeoffs between national interests and regional responsibilities
- This is more so for the richer countries but also requires cooperation from poorer countries

Growing through ASEAN Integration

- Would this mean strengthening the institutional base of ASEAN integration?
- Can the ASEAN Secretariat facilitate countries to play this balancing role of national vs. regional interests/responsibilities?
- What is needed to make this happen?
- More delegation with better resources for the Secretariat?

Dancing with Neighboring Giants (China and India)

- ASEAN countries did well to dance with Asia's first postwar giant (Japan) since the 70s (Japanese relocation of industries to ASEAN, FDI, etc.)
- Perhaps, dancing with Japan was simpler with easy steps (given at that period when China was still to emerge, primarily a rich-poor combination)
- Now the dance partners are big in economic size but still much poorer so both of them would put much more competitive pressure on the ASEAN
- ASEAN will now on have to **dance with an orderly China** on the one hand and **a chaotic India** on the other (complicates the dance steps)

Dancing with Neighboring Giants (China and India)

- Centrality of ASEAN is a new game now with China and India
- Quicker and deeper ASEAN integration can help, but in the process of economic nimbleness should not be sacrificed
- Forging strategic alliances with the neighboring giants is already under way (FTAs) – very encouraging
- But ASEAN policy makers may have to be constantly on alert to do midcourse corrections at short notice
- In some ways, orderly and copybook style China may be more predictable to dance with but India may be less so?

Coping with More Distant Players

- Global Economy may be on a “new normals” with subdued growth in U.S and Europe for sometime
- Stuck in the middle-income trap for some time now, Latin America (Brazil in particular) is now growing again – what challenge would it pose for ASEAN?
- Is Russia an opportunity or a challenge for ASEAN?
- Can Africa spring any surprises for some ASEAN countries?

Who Will Lead ASEAN?

- Addressing all the three strategic challenges cannot escape the question of: who will lead the ASEAN?
- Political scientists note three determinants that enable nations to play leadership roles:
 1. Resource
 2. Willingness
 3. Legitimacy

Who Will Lead ASEAN?

Potential Candidates

- Largest – Indonesia?
- Richest – Singapore?
- What roles for Thailand, Malaysia, and the Philippines?

A shared leadership model seems to have worked in the previous stages of ASEAN integration, but will it for the next stages of integration?

Thank You for Your Attention

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