



Connectivity



Brussels Report on Strengthening Asia Europe Connectivity: Drawing Synergy from Global Development and Governance Programmes

Edited by Anita Prakash

The European Union hosted the 12th Asia–Europe Meeting (ASEM) summit in Brussels on 18–19 October 2018, where the ASEM leaders met under the theme of ‘Global Partners for Global Challenges’ to chart ASEM’s common response to global challenges. Leaders also took stock of Asia–Europe cooperation and connectivity mechanisms and their contribution towards the realisation of global development programmes.

Building on ASEM leaders’ resolve for sharing common goals and objectives of important global partnerships and cooperation programmes that add value to ASEM’s vision of connectivity, the ‘Brussels Report on Strengthening Asia Europe Connectivity: Drawing Synergy from Global Development and Governance Programmes’ draws out Asia’s and Europe’s contribution towards these goals and objectives. The report suggests pathways for ASEM connectivity mechanisms to contribute to global development programmes and to draw synergy for ASEM connectivity from the progress made in realising the developmental goals. The Brussels Report brings out the importance of ASEM’s voice in global development and governance programmes, and its important role in sustaining the spirit of consensus and multilateralism in global governance. The Brussels Report draws out the interlinkages that will help ASEM to fulfil these roles, strengthen ASEM connectivity across all its three pillars, and also facilitate the tasks of ASEM Pathfinders Group on Connectivity.

The Eurasian Land Bridge: The Role of Service Providers in Linking the Regional Value Chains in East Asia and the European Union

ERIA Discussion Paper 2018-01

By Richard Pomfret

Rail links between China and Europe are typically analysed in the context of China's Belt and Road Initiative, focusing on China's economic rise and the implications for international relations. This paper argues that establishment of the China–Europe Land Bridge predated the Belt and Road Initiative and has been market-driven, as service-providers identified and responded to demand for efficient freight services along pre-existing railway lines. Governments' role was trade facilitating, i.e. reducing delays and costs at border crossing points, rather than investing in hard infrastructure. Service-providers responded by linking European and Asian value chains (e.g. in automobiles and electronic goods) and reducing costs for traders shipping between China and Europe. The Eurasian Land Bridge provides a case study of 'servicification' as a component of increased trade in the 21st century.

Division of Labour Amongst Innovation Intermediaries in Agricultural Innovation Systems: The Case of Indonesia

ERIA Discussion Paper 2018-06

By Nobuya Fukugawa, Masahito Ambashi, and Yuanita Suhud

Innovation intermediaries are individuals and organisations that enhance connectivity amongst constituencies of national, sectoral, and regional systems of innovation, thereby facilitating knowledge spillover. This paper articulates the whole picture of Indonesia's agricultural innovation system, with a special focus on how different innovation intermediaries play different roles in technology transfer and knowledge dissemination. First, the public sector accounts for more than half of the actors involved in research and extension, but insufficient routes to transfer local needs to the public sector impede efficient feedback. Second, village unit cooperatives are closely associated with extension workers, suggesting the presence of a feedback mechanism, but many of them face serious financial distress. Third, private agricultural research and development and extension are organised and managed efficiently where they involve fewer internal actors working in an environment with minimal bureaucracy. However, a vague regulatory environment makes it difficult for multinational enterprises to hold a positive view towards agricultural research and development and extension from the public sector. Last, the changing governance system and the ensuing shift in political decision-making have introduced uncertainties to the arrangement of actors and resources in the system, which may take some time to resolve.

Rethinking Migration Governance in the Mekong Region: From the Perspective of the Migrant Workers and Their Employers

ERIA Research Project Reports 2017 No. 19

Naomi Hatsukano

Workers in the Mekong Subregion migrate within their countries and beyond their country borders in search of better opportunities. Factories and other enterprises in the region also relocate within their home countries and beyond their home country borders to optimise opportunities and minimise costs in the era of the ASEAN Economic Community. This project explored the various aspects and dimensions of migration in the Mekong Subregion, including workers' decisions to work within or beyond their home country border, the related consequences, the situation of employers and enterprises, their attitude towards migrant workers, and the policy environment for migration and development in the Mekong Subregion.

Cross-border Transport Facilitation in Inland ASEAN and the ASEAN Economic Community

ERIA Research Project Reports 2018 No. 18

Edited by Masami Ishida

The ASEAN Economic Community (AEC) was realised in 2015 and the Master Plan of ASEAN Connectivity (MPAC) was implemented between 2010 and 2015. This report examines transportation facilitation through the development of hard and soft infrastructure development. Regarding hard infrastructure, the report reviews the missing links identified in the MPAC and the effects of newly developed roads. As for soft infrastructure, the report reviews bilateral and multilateral agreements on exchange of traffic rights including the Cross-Border Transport Agreement (CBTA), the ASEAN Framework Agreement for Facilitation Goods in Transit (AFAFGIT), road traffic laws, and road signs of countries in the inland ASEAN subregion. The final chapter of the report also simulates the impacts of the newly developed roads on the economies of the whole subregion.

In this report, road signs are examined in detail, especially in the 'CLMV countries' (Cambodia, Lao PDR, Myanmar, and Viet Nam). What will happen if road signs are different once vehicles are able to cross borders freely? It was found that road signs in the countries of the subregion follow the Vienna Convention on Road Signs and Signals in 1968 and, while there are some differences between the road signs in some countries, no potentially dangerous incompatibilities were discovered.

Economic Potential of the Vientiane–Ha Noi Expressway Based on Experience of the Mekong Region

ERIA Discussion Paper 2018-11

By Masami Ishida

The Vientiane–Ha Noi Expressway (VHE) will connect the capitals of Lao People’s Democratic Republic (Lao PDR) and Viet Nam, which have established special relations in politics, security, and ideology. Vientiane, however, has closer economic relations with Thailand than with Viet Nam and is further from Ha Noi than from Bangkok. Lao PDR trade is skewed towards Europe and India but weaker with the Pacific island countries, with which the VHE has the potential to increase trade. The economic effects of developing an expressway in northern Viet Nam show that the VHE could promote tourism, attract foreign direct investment, and create agricultural infrastructure for supplying vegetables and fruits to major cities; such effect on foreign direct investment is verified statistically. To ensure the VHE’s success, cross-border costs need to be reduced on both sides, and relations amongst friendship cities and provinces in Lao PDR, Viet Nam, and Thailand need to be deepened and expanded.

Asia Africa Growth Corridor: Development Cooperation and Connectivity in the Indo–Pacific

ERIA Policy Brief 2018-03

By Anita Prakash

Asia and Africa are conjoined by the Indian Ocean and the two regions provide a renewed opportunity for partnership for sustainable development. The conceptualisation of an Asia Africa Growth Corridor (AAGC) by Prime Ministers Shinzo Abe and Narendra Modi is the convergence of the Free and Open Indo Pacific (FOIP) and Act East Policy of the two countries. The AAGC will bring out the economic gains for Africa through its integration with India, South Asia, Southeast Asia, East Asia, and Oceania. It sets out a new paradigm of connectivity and cooperation in the Indo–Pacific region. AAGC draws on the strength of shared values, convergent interests, and complementary skills and resources, to promote economic and social development, capacity building, connectivity, and infrastructure development in the Indo–Pacific region. It is expected to be a model for inter-regional growth, propelled by mutual trust and cooperation amongst friends and partner countries in Asia, Oceania, and Africa.

Balancing Investment and Development Assistance in Africa: Growth Prospects from Asia–Africa Connectivity

ERIA Policy Brief 2018-01

By Anita Prakash

Africa's young demography and developing economy require integration and expansion into the global value chains. Asia can share its growth experience with Africa. Africa can benefit from trade, investment, and development cooperation through a measured combination of investments and development assistance. The policy challenge facing the countries of Africa and their development partners is to balance official development assistance programmes with foreign direct investment initiatives, as physical, institutional, and human resource capacities must grow simultaneously.