



My ASEAN Experience



Rebecca Sta. Maria

In December 1981, when I took up my post at the then Ministry of Trade and Industry, my first assignment was as rapporteur for the ASEAN meeting of Senior Economic Officials. At that time, there were only five ASEAN Member States (Indonesia, Malaysia, Singapore, the Philippines, and Thailand). ASEAN was then just 14 years old, but work to deepen economic integration was already under way.

Fast forward to 2015 and we witnessed the fruition of years of work towards creating an ASEAN Community. Yet, despite those years of existence, it seems that ASEAN remains a well-kept secret. Walk up to anyone on the street and ask them what ASEAN is and I am sure most would not be able to articulate what it means to them.

My ASEAN experience has been enlightening as I have watched this grouping's growth. Brunei Darussalam became its sixth member on 7 January 1984 and Viet Nam the seventh on 28 July 1995. The Lao People's Democratic Republic and Myanmar were admitted into ASEAN on 23 July 1997, while Cambodia became the tenth member on 30 April 1999.

While the impetus for the establishment of ASEAN may have been political, the progress of the grouping has, to a large extent, hinged on its economic integration. Right from their first meeting in Jakarta in 1975, the ASEAN Economic Ministers have focused on economic integration, although it was largely limited then to trade and tourism. The steps to integration took the form of providing trade preferences through the Preferential Trading Arrangement. In a sense, this was a confidence-building measure as the five members of the region were fledgling economies, pretty much focused on commodities.

At the Fourth ASEAN Summit, in Singapore in January 1992, the ASEAN Leaders signed the Framework Agreements on Enhancing ASEAN Economic Cooperation that laid the groundwork for the ASEAN Free Trade Area through the Agreement on the Common Effective Preferential Tariff.

To be sure, the ASEAN Member States did not just look at integration through trade in goods. Recognising the growing importance of services in the global economy, the Ministers guided the process for the implementation of the ASEAN Framework Agreement on Services, signed on 15 December 1995 in Bangkok, Thailand. This agreement aimed at enhancing cooperation to improve efficiency, competitiveness, and supply of services, and liberalise further the trade in services among the ASEAN Member States.

Also realised was the importance of direct investment in sustaining the pace of economic, industrial, infrastructure, and technology development in the region. To achieve this, the ASEAN Investment Agreement was signed on 7 October 1998 in Makati, Philippines, aimed at attracting higher and sustainable levels of direct investment flows into and within the region through a more liberal and transparent investment environment.

These developments illustrate a thoughtful, deliberate process towards economic integration. Often, ASEAN is criticised for the slow pace of development, a situation that makes some of us impatient for bolder, faster integration of the region. But it is not the ASEAN way to take quantum leaps or big bold steps. Rather, ASEAN's journey towards economic integration is through gradual comfortable steps, perhaps akin to the measured, conscientious steps of the fabled tortoise who in the end beat the hare to the tape!

It was only when measures towards the ASEAN Free Trade Area were progressing well did the Economic Ministers take the next step, in 2006, of deepening economic integration by drawing up the ASEAN Economic Community (AEC) Blueprint 2015. The ASEAN Economic Ministers, chaired by Tan Sri Rafidah Aziz (Malaysia's then Minister of International Trade and Industry), decided that ASEAN was ready for the next important step.

In early 2006, the ASEAN Senior Economic Officials were challenged by their Ministers to craft the economic future of the grouping by establishing an economic community not by 2020, as stipulated in ASEAN Vision 2020, but by 2015. Thus began the work towards hastening ASEAN economic integration.

As Chair of the ASEAN Senior Economic Officials Meeting in 2006, I led the drafting of the AEC Blueprint 2015, which served as the guiding framework for further economic integration. Included in the process were measures for the implementation of the blueprint, which we were able to draw up after consulting our business community and engaging various sectoral groups to ensure that we were taking a holistic approach to economic integration. We also had discussions with our counterparts from the European Union as part of our own learning. However, it must be stressed that the final document was not modelled after any other regional bloc. We crafted the ASEAN economic integration in our own mould, taking on board the development concerns of each member state.

While our blueprint was built on the achievements of the ASEAN Free Trade Agreement, the ASEAN Framework Agreement on Services, and the ASEAN Investment Area, we did not see ASEAN as a customs union or an economic community in the mould of the European Union.

In the spirit of inclusiveness, the principle of special and differential treatment was core in the AEC Blueprint 2015.

For us, more important than the blueprint itself was the ASEAN Economic Community Scorecard, which tracked the implementation of the measures. As this was the first attempt at a candid assessment of our progress, we experienced some apprehension, even anxiety. We went through a fairly intense discussion about what form of reporting the scorecard should assume. Were we ready for a public ‘naming and shaming’ document? Should we have two versions of the scorecard: a ‘sanitised’ document for the public and a detailed version for the Leaders? We decided to produce a summary for those who wanted a quick take on our work, and a detailed version, both of which would be made available on the ASEAN Secretariat website.

Despite this attempt at candour and transparency, we were criticised more than once because the scorecard was seen merely as a compliance measure and not one of impact. I took the criticism in stride. For me, it was an important first step for ASEAN.

The impact of the AEC Blueprint 2015 was far-reaching for the region as it was, in effect, the impetus for the ASEAN Community 2015. Because the economic pillar moved the deadline of AEC’s establishment from 2020 to 2015, the political–security and socio-cultural pillars had to follow suit.

The implementation of the AEC Blueprint 2015 included a thorough review and updating of key economic agreements: from the ASEAN Free Trade Area to the ASEAN Trade in Goods Agreement, the ASEAN Investment Area to the ASEAN Comprehensive Investment Agreement, and the ASEAN Framework Agreement on Services to the ASEAN Trade in Services Agreement. These three core agreements are the foundation for making the region the ‘single market and production base’ that we have espoused.

As we approached 2015, the High-Level Task Force on ASEAN Economic Integration, which I chaired from 2011 through 2016, began the process of the next phase of economic integration. This took the form of the AEC Blueprint 2025, the starting point of which was AEC 2015. We critically assessed our achievements and limitations and confronted the unfinished business of AEC 2015.

The AEC Blueprint 2025 was drawn up in collaboration with the ASEAN Secretariat, the sectoral working groups, and the Economic Research Institute for ASEAN and East Asia. More importantly, this blueprint saw a deeper engagement with the business community, with the ASEAN Business Advisory Council playing a key role in ensuring that the concerns of the business community were taken on board and addressed in this phase of ASEAN economic integration.

The AEC Blueprint 2025 envisages ASEAN as (i) a highly integrated and cohesive economy; (ii) competitive, innovative, and dynamic; (iii) an economy with enhanced connectivity and deeper sectoral cooperation; (iv) resilient, inclusive, people-oriented, and people-centred; and (v) global.

The lofty rhetoric aside, this means that the ASEAN economic integration is ongoing. Mainly, AEC 2025 will make it easier, faster, and cheaper to do business in ASEAN. The focus will be on reduction, if not elimination, of non-tariff barriers and non-tariff measures. Equally significant is the stress on inclusive growth and sustainable development, and creating an enabling environment for ASEAN's small and medium-sized enterprises to be integrated into the regional and global supply and value chains.

AEC 2025 is laying the foundation for yet another important chapter in the region's economic integration. I am grateful for the opportunity to be directly involved in both AEC 2015 and AEC 2025.

As I look back from where we came in 1967, the region has indeed much to be proud of. We must ensure that the ASEAN spirit continues to permeate our society, such that we feel and think ASEAN. This is the next big challenge for all of us.

ABOUT THE AUTHOR

Rebecca Fatima Sta. Maria began her career in the Malaysian administrative and diplomatic service in 1981 and retired as Secretary-General of the Ministry of International Trade and Industry in 2016. In that post, which she held since 2010, she provided oversight in the formulation and implementation of Malaysia's international trade and industrial policies, and negotiations in bilateral and regional free trade agreements, including the Regional Comprehensive Economic Partnership between ASEAN and its six free trade agreement partners.

She had a key role in the economic integration of ASEAN and chaired the ASEAN Senior Economic Officials Meeting as well as the High-Level Task Force on ASEAN Economic Integration.

She is Senior Policy Fellow for the Economic Research Institute for ASEAN and East Asia and serves on the Board of Trustees of MyKasih Foundation, a non-governmental organisation that focuses on alleviating urban poverty, and Council Member of the Institute for Democracy and Economic Affairs.

In the academic field, she was awarded the Malcolm Knowles Award by the American Academy of Human Resource Development for the best PhD dissertation in 2000 in the field of human resource development.