

**ASEAN ROUNDTABLE 2009**

**THE GLOBAL ECONOMIC CRISIS:  
IMPLICATIONS FOR ASEAN**



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**ASEAN ROUNDTABLE 2009**  
**THE GLOBAL ECONOMIC CRISIS: IMPLICATIONS FOR ASEAN**

**Background**

1. The theme of the 2009 Roundtable reflects the current challenges ASEAN faces. The global economic and financial crisis - probably the worst the world has witnessed in the last 100 years – has spared none of the major economic regions. Stock markets have fallen, and GDP growth numbers have been severely downgraded. The impact is now being felt on employment, consumer spending and inflation, with deflationary effects in many countries. Asia, where two of the biggest developing economies – China and India – are located, is also experiencing the consequences of the crisis. As most of the countries in developing Asia are significantly export-oriented, the impact of the slowdown in the United States (US), the European Union (EU) countries and Japan has resulted in sharp contractions in several ASEAN economies in the last few quarters. While governments have undertaken policy changes and several measures to soften the blow and support employment and consumer spending, the effect of these measures are not yet fully evident. However, with the recent emergence of “green shoots” of recovery, financial markets seem to have rallied. The positive news on US financial institutions and the onset of an apparent stimulus to the Chinese economy have benefited ASEAN. It still remains to be seen whether the present situation points to genuine recovery and whether growth could be realistically expected to return to the pre-crisis levels of mid-2007. ASEAN should thus be ready with a preventive coordinated approach to boost economic growth and ease worries on the impact of the crisis.
  
2. These sobering thoughts, shared by Ambassador K Kesavapany, Director of the Institute of Southeast Asian Studies (ISEAS), set the tone for the ASEAN

Roundtable 2009, held on 18 June 2009 with the theme “Global Economic Crisis: Implications for ASEAN”. It was jointly organised by the ISEAS’ ASEAN Studies Centre with the support of the Konrad Adenauer Stiftung (KAS) at Pan Pacific Hotel, Singapore. KAS has partnered with ISEAS in organising annual ASEAN Roundtables for the past seven years. The themes of the roundtables address topical issues on ASEAN’s agenda, and the outcomes are published as policy reports.

3. The 2009 Roundtable aimed to study the impact of the current global economic crisis on ASEAN’s members and its community-building process, assessing it through the lens of regional security, economy and finance, and the social impact. Roundtable sessions involved representatives from the government, the private sector and academia. Some of the leading participants were Herman Kraft of the University of the Philippines-Diliman, Natasha Hamilton-Hart of the National University of Singapore, Yeo Lay Hwee of the European Union Centre in Singapore, Peter Van Rooij of the International Labour Organisation, Jakarta, Lim Teck Ghee of the Centre for Policy Initiatives, Malaysia, Lim Chze Cheen of the ASEAN Secretariat, Mohamed Ariff of the Malaysian Institute of Economic Research, Hui Cheung Tai of Standard Chartered Bank, Singapore, Jaseem Ahmed of the Asian Development Bank, and Raymond Atje of the Centre for Strategic and International Studies, Jakarta. Arin Jira, Chairman the of ASEAN Business Advisory Council, was the distinguished Luncheon Speaker. The programme and the full list of participants appear in **ANNEX I**.

### **Session I: Strategic and Political Implications**

4. The Roundtable’s first session addressed two questions:
  - How will the crisis affect the realisation of the ASEAN Political and Security Community (APSC)?

- Will changes in economic relationships have an impact on existing strategic relationships (within ASEAN and with Dialogue Partners)?
5. The APSC's contribution is most evident in laying the normative foundations for ASEAN. The ASEAN discourse has shifted its language and concerns, opening space for addressing norms such as human rights, governance and democracy. There is some concern over how ASEAN approaches such concepts as "human security", "comprehensive security", "human rights" and "democracy". Human rights as expressed in the APSC and the ASEAN Charter do not seem to be a shared goal for ASEAN, but rather part of a regional agenda to bring about change at the domestic level. High expectations of the new language of human rights in ASEAN may be misplaced, as interests do not merge on this as with other conventional security concerns.
  6. A related concern is ASEAN's aspiration to be a rules-based community. This may be difficult to achieve as some ASEAN members are not rules-based regimes. ASEAN should examine more closely the discrepancy in the practices espoused on the ground and the norms adopted at the regional level. This is not to belittle the efforts of the APSC, the ASEAN Charter and ASEAN's normative goals, but rather to clarify whether there is real commitment and will to pursue these goals.
  7. As the APSC underpins the normative element in the ASEAN Community, the impact of the crisis on regional political and security issues lies in distracting the focus of ASEAN member states. As it is, the APSC still lacks a clear definition of concepts like democracy and human rights. Preoccupation with the crisis would thus cause further delay in the clarification of and action on these issues.

8. ASEAN also faces the challenge of reconciling the rhetoric of its commitment to the realisation of the APSC with the reality of creating the necessary institutional mechanisms. This institutional weakness is not necessarily a failure or a lapse, as it appears to suit the regional process. However, institution-building under the APSC may be slowed down as member states turn to other concerns.
  
9. Nonetheless, the crisis will not stall or halt the APSC's overall processes, albeit slowing its pace. Progress – and its pace – would depend on the will and initiative of the ASEAN member states. The APSC provides a normative platform for ASEAN in a way that earlier commitments do not:
  - A rules-based community of shared values and norms;
  - A cohesive, peaceful, stable and resilient region with shared responsibility for comprehensive security; and
  - A dynamic and outward-looking region.
  
10. In responding to challenges in the political and security sphere, ASEAN's track record seems to indicate that it has often come out stronger from such challenges, as demonstrated during the Cambodian crisis and Vietnam's invasion of Cambodia in the 1970s. However, in situations where there was a confluence of external crisis and internal turmoil, ASEAN responses were not as effective. This could be seen in how ASEAN responded to the 1997-98 Asian financial crisis, when ASEAN countries had largely been preoccupied with domestic issues. Only when domestic situations stabilised at the turn of the 20<sup>th</sup> century – in Thailand, Indonesia and Malaysia – did ASEAN activism return, as did the enthusiasm for community-building.

### *Session I Conclusions*

11. ASEAN does not seem to have a clear-cut response to the security implications of the crisis. This could be due to the compartmentalisation of

the three ASEAN communities, despite their inter-linked nature. While a large part of the APSC's focus is on human security – which implies how changes in the economic and political situations of ASEAN states affect the lives of people – there are few activities in the APSC addressing this. The notion of “human security” itself could be double-edged, as seen in the experiences of Indonesia in 1998 and in Malaysia in 2008 resulting from economic and financial difficulties.

12. With regard to whether an over-arching regional institution was necessary to address transnational concerns, the general view is that creating such an entity would only add to the institutional noodle bowl in the region without necessarily delivering any substantive results. For example, the East Asia Vision Group's recommendations on community-building in East Asia have not yet been addressed.
13. At present ASEAN's dialogue partners, such as the US, the EU, China and India are all preoccupied with their own domestic problems arising from the current crisis. Nonetheless, there is an emerging recognition of ASEAN as a collective entity, as illustrated by the G-20's interest in engaging ASEAN. ASEAN is seeing a re-adjustment of strategic and security relationships, different from the situation in 1997-98.
14. ASEAN should identify and work on goals and aspiration that are truly common and shared by all members. ASEAN should emphasise with its actions that it is serious about deepening integration. ASEAN members should not use the crisis to delay or slow down implementation of the ASEAN community blueprints.

## **Session II: The Social Consequences**

15. The Roundtable's second session focused on two topics:
- ASEAN's response mechanisms for labour and social protection: challenges in creating crisis-resilient economies; and
  - What ASEAN could do to address rising poverty levels and social unrest.
16. ASEAN countries saw a substantial decline in economic activity only after the crisis had intensified in and ravaged its principal markets and sources of investment - the US, the EU and Japan. The decline had resulted in growing job losses with implications for future employment opportunities. The situation was aggravated in ASEAN countries with high population growth, and in those already facing youth employment challenges. The rising numbers of workers who have turned to informal and vulnerable employment, including the rural economy, are indicators of working poverty. Added to this is the fall in official aid flows from developed economies, as well as the decline in remittances from migrant workers (a source of income for poor households).
17. ASEAN members regularly share information on social protection at the regional level; however, there are no coherent regional policies or strategies to strengthen social protection. This can be seen in the outcome of the 14<sup>th</sup> ASEAN Summit held in February 2009 in Cha-am, Thailand, which placed more emphasis on economic and financial sector responses, rather than on regional poverty and the social impact of the crisis. At both national and regional levels, stimulus packages have given little attention to strengthening social safety nets and social protection programmes. There is no evidence of substantive efforts at formulating and implementing policies that systematically address the problem of rising poverty.

18. While in the short term macroeconomic policies can help to accelerate recovery and enhance resilience, governments will need to strengthen employment and social protection policies, as labour market recovery lags economic recovery by four or five years. Governments also need to provide support for the vulnerable groups in the labour market, as well as small and medium-sized enterprises, which are the “backbone of employment” and can bolster the growth of a dynamic private sector.

19. Social protection programmes should be incorporated into economic stimulus packages, which currently lack a social focus. This is important for ASEAN countries, as their social protection systems are in general at an early stage of development. Only Brunei Darussalam has a universal pension scheme. While public sector employees in ASEAN countries (except Cambodia) enjoy social insurance, the general public do not have similar coverage. The vast majority of informal sector workers are excluded from existing social protection (see Table 1). ASEAN also needs to work on shifting health financing towards social insurance and universal coverage and expanding unemployment insurance schemes. Social protection should not be seen as a cost but a key investment in human capital.

20. The crisis presents an opportunity to extend basic social protection to cover all citizens. It is also an opportunity for government and social partners to work together in designing and implementing responsive labour and social protection systems. In strengthening the social dimension of regional integration under the ASEAN Socio-Cultural Community (ASCC), ASEAN should:

- develop and implement social assistance programmes, such as targeted cash transfers and employment programmes to support the purchasing power of vulnerable households;
- invest in human capital as a critical driver of competitiveness;

- collectively seek to establish mechanisms for learning and sharing of information on strengthening social protection and extending it to the informal economy; and
- involve governments, employers and workers in social protection reform.

Table 1. Social protection schemes in ASEAN member states

	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
Old age	P/U		P	S	P		S	P	S	S
Invalidity	P/U		P	S	S/P		S	P	S	S
Survivors	P		P	S	S/P		S	P	S	S
Medical care	U		S	S	U	S	S	P/A	U/S	S
Sickness	E	E	E	S	E		S	E	S	S
Maternity	E	E	E	S	E		S	E	S	S
Work injury	E	S	S	S	S/E	S	S	E	S	S

Note:

S: social insurance, P: provident fund, U: universal, E: employer liability, A: social assistance  
 Source: Yamabana, Hiroshi "Overview of social protection scheme in Asia Pacific countries" a presentation delivered at Kuala Lumpur on 19 August 2008

21. The crisis has also affected those who had managed to climb above the poverty line but had now tumbled back below it as a result of the loss of jobs or income arising from the crisis. In a globally connected world, the key issue is how to protect the new middle class from falling back into poverty. With careful targeting, governments can identify the most vulnerable in key socio-economic and occupational groups affected by the crisis, so that stimulus packages or remedial measures reach the most deserving and needy amongst the traditional and the new poor. Lessons learnt from the 1997-98 crisis and best practices in poverty reduction highlight the importance of good governance; empowerment of the poor, especially women; placing rural poverty alleviation in the context of overall economic growth; promoting off-farm employment; addressing structural imbalances, especially access to land as the basic factor of production; combating graft, leakage and corruption;

promoting awareness and access to information and transparency; supporting the facilitating and monitoring role of NGOs; and building local leadership.

22. National and regional policy makers should focus on developing policies and programmes to respond to the poverty impact of the economic crisis in the light of:

- the impact on poverty numbers and poverty levels;
- the major ways in which the poor are affected by the crisis, and the types of remedial measures that can be of greatest benefit to the poor; and
- the complex relationship between poverty, inequality and the larger political economy in the longer run.

#### *Session II conclusions*

23. In terms of social protection, the issue of migrant workers is an area where a collective ASEAN initiative will make an impact. At present, the ASEAN approach to its regional social agenda tends to be more of a debate on “theological” issues rather than practical solutions. For more effective interventions on poverty reduction, ASEAN will need to change how it formulates and implements its social agenda. As regards measures to get people out of – and to stay out of – poverty, ASEAN countries should achieve greater progress in their microfinance endeavours. Microfinance and micro-insurance would complement social security schemes. As a collective entity, ASEAN would also do well to identify and address the “low-hanging fruit” from the Millennium Development Goals, which are to be achieved by 2015. Reducing child mortality and malnutrition are such “low-hanging fruit”. To do so, however, ASEAN should set and abide by time-bound targets to accomplish goals to which countries have collectively committed. 2015 is a feasible realisation date, which also coincides with the realisation of

the ASEAN Community. Finally, the rich countries should act as partners and facilitators, avoiding charitable or handout approaches to poverty alleviation.

**Luncheon Speech:**

24. Mr Arin Jira, Chairman of the ASEAN Business Advisory Council (ASEAN-BAC), was the distinguished luncheon speaker. He shared the experience of the private sector in doing business in ASEAN. According to him, the current crisis hampered the process of regional integration. The policy alteration and shifts undertaken by governments had shaken the confidence of investors. While multinational companies could still take advantage of the present situation, the small and medium enterprises tended to stay local. He expressed his belief that ASEAN should shift its strategy from reliance on US demand to more on intra-ASEAN trade. This was particularly relevant at a time when countries in the West were introducing measures that had protectionist undertones. Shifting to increased activity with neighbours would, however, require public-private partnerships as an essential factor. This was an area of weakness for ASEAN. ASEAN still lacked a formal mechanism for private sector involvement. Thus, both governments and private sector need to collaborate in helping businesses overcome bureaucratic hurdles.

25. Mr Arin Jira highlighted the lack of recognition of ASEAN brands. To address this, ASEAN countries need to increase the share of trade and investment among themselves. There should also be initiatives to increase the production and consumption of ASEAN goods and to raise their value. He cited the example of the ASEAN-BAC's initiative of conferring the ASEAN Business Award on outstanding ASEAN companies, thus giving them greater prominence and raising their profile. Similar initiatives or arrangements should be made to encourage SMEs to expand their operations in the region and to attract investments, including venture capital. In turn, successful

companies can share the business sector's views on and experience with difficulties encountered as a result of ASEAN's on-going regionalism efforts.

26. Mr Arin Jira concluded by calling for greater business interaction to transform the ASEAN region into a regional economic base. He suggested that this could be achieved through greater private-public partnerships. He encouraged ASEAN governments to initiate and create companies, provide direction and guidance, and open up opportunities to invest in the companies. This could be initiated first in the agriculture sector, from which ASEAN countries produce a significant percentage of the region's commodities. He cautioned, however, that cooperation among and within member states was important to regulate supply and demand, so as not to compromise national interests. ASEAN countries could all participate in this endeavour without differentiation. For example countries without natural endowments could contribute skilled labour and infrastructural needs. Mr Arin Jira's concluding advice was for ASEAN to put business "on the right track" as much remained to be done for ASEAN to realise its aspiration of becoming a regional powerhouse.

### **Session III: Economy and Finance**

27. The third and last session of the roundtable dealt with three main questions:
- How is ASEAN coping with the economic vulnerabilities that have emerged from the crisis?
  - How are the financial and banking sectors in ASEAN faring and coping?
  - What would be the implications of this crisis on building an ASEAN Economic Community (AEC) by 2015?
28. Current ASEAN responses addressing the economic and financial consequences of the crisis include enhancing competitiveness "at", "behind"

and “across” the border; consolidating schedules for eliminating tariffs and other barriers to trade and investment; and addressing structural gaps in infrastructure development. However, as implementation moves slowly in ASEAN, the economic initiatives would need to be regularly reported, monitored and evaluated through a “scorecard” system. This is a necessary compliance mechanism to ensure implementation coordination. ASEAN is also working on a feedback channel so that it can have more engagement with the private sector.

29. ASEAN member states responded individually to the economic crisis, through interest rates and monetary and fiscal policy measures. The crisis, however, is a clear reminder that a more coordinated response is needed at the regional level. Some suggestions for ASEAN are to:

- rebalance its growth through diversification, relying less on US consumption and diversifying its export markets;
- promote investment through infrastructure projects, as there is a need for fiscal stimulus to support real economic growth and infrastructure development (e.g. through initiatives such as the ASEAN Infrastructure Mechanism);
- strengthen financial systems and promote financial market development, including the development of a local currency bond market (to reduce dependence on foreign bond markets) and financial services liberalisation (to develop and integrate capital markets); and financial integration through information exchanges (to facilitate collective assessment of economic conditions, risks and vulnerabilities); and .
- participate in credible reforms of the global and regional financial architecture and voice ASEAN’s position and views on responses. Global fora such as the G-20, IMF, WTO and BIS are such venues. In addition, ASEAN should also undertake reforms in key areas, such as regulation and supervision, early warning systems, and regulatory

cooperation and coordination. This would assist ASEAN to act promptly and collectively in responding to the changing financial and economic conditions.

30. While this seems to paint a more or less positive picture, ASEAN countries should not downplay the severity of the global financial and economic crisis. For ASEAN, the impact of the global crisis is felt more in the economic sphere, with falling demand for ASEAN exports. The impact on other spheres of cooperation, however, should not be understated. Although stabilisation is now taking place, it will more likely be a W-shaped recovery rather than the V-, U- or L-shaped recovery that are being predicted. If so, the stimulus packages introduced by governments will not be able to sustain the recovery process, and the contraction will likely be prolonged, possibly lasting up to 2011. Similar to the Great Depression of 1932, protectionism would prolong the recession. ASEAN countries should learn from mistakes, unlike the G-20 nations, who have not heeded those Great Depression lessons and have drawn up such protectionist measures again.

31. It should also be borne in mind that current ASEAN-wide regional initiatives are not a direct result of the current crisis. These initiatives had been devised much earlier to address the impact of the 1997-98 financial and economic crisis in Asia. With no substantive monetary or fiscal cooperation, ASEAN will be ill-prepared for the next crisis, which is likely to be the collapse of the US dollar. This may cause exchange rate volatility and serious inflation problems, and ASEAN should be prepared to respond to these problems.

32. However, from the finance and banking sector perspective, the opinion is that Asia's fundamentals are intact and capital flows are better. Asia has not experienced as much deterioration in credibility as developed regions, such as the US and the EU, as shown in the recovery of the equity markets to pre-Lehman levels and in the tightening of sovereign credit default swap spreads.

Even so, the reduced demand for capital due to a sudden and substantial fall in business activities has reduced the volume of trade finance. Consequently, month-on-month lending has fallen even further. It should also be noted that ASEAN economies do not have the same kind of attraction for capital inflow as their North Asian counterparts. Another pertinent point is the rapid development of Islamic banking in Asia, which requires ASEAN to include this in its economic plans. Overall, ASEAN countries will face three challenges in the financial and banking sector:

- Deterioration in credit quality brought about by slower economic growth
  - i. Non performing loan ratios are expected to rise on account of the slowdown in growth and the difficult business environment
  - ii. ASEAN banks' strong growth and limited exposure allow them to reduce leverage and improve profitability and liquidity
- Capital flow returning to Asia leading to asset overvaluation
  - i. Investors will look to re-enter select ASEAN markets, as risk appetite improves and they regain confidence in the region's economic and currency outlook
  - ii. Prompt intervention by authorities is needed to limit volatility
- Change in the regulatory landscape in Asia, particularly to ensure responsible consumer finance practices
  - i. Ensuring adequate capital, quality and quantity
  - ii. Further ingraining risk management culture into governance
  - iii. Extending the reach of regulation across products, financial institutions and geographies
  - iv. Increasing international coordination

33. Regulatory action is required to further mitigate risks. The US policy response in the aftermath of the Lehman crisis was immediate and unconventional, with a significant expansion in the Fed's balance sheet. The Fed stood as the lender of last resort for US banks and simultaneously offered swap lines for other central banks globally, including in Asia. As a result,

stock prices and exchange rates stabilised. However, bond yields and the cost of government access to market finance are still high. The downturn is expected to be prolonged in the EU countries, the US and Japan. The policy response to the financial crisis in the US has been effective so far, but could prove to be inadequate in the medium term. As a result, banks would be operating on borrowed time until the end of 2009. It remains to be seen how the market will react in a situation when there is no longer government intervention. Recent market events can prove to be a “false dawn” despite indications that a normal level of risk appetite is returning. The G-7 sovereign borrowing spreads are still rising. Yet, bond yields continue to fall in Asia, which implies a rising risk appetite in Asia in preference of the US or the EU. However, it is still too early to gauge whether this is sustainable.

34. As to whether the global crisis will cause serious delays for realising the AEC by 2015, the panoply of agreements and responses makes it difficult for outsiders to adequately monitor and verify AEC implementation. ASEAN will have to remove many barriers behind and at the border if the AEC blueprint is to be realised. Furthermore, the ASEAN Secretariat currently lacks the capacity to undertake the tasks expected of it. The peer review mechanism is also seen as ineffective. There are a number of reasons for ASEAN countries to delay the implementation of the AEC blueprint:

- Intense domestic pressure stops or even reverses economic reforms. Economic reforms lead to a reallocation of resources from one group to another. It is politically tempting to give in to the “losers”.
- Member countries do not consider the implementation of the blueprint as their top priority. The current crisis could be used as an excuse to defer further reforms. If so, the damage to the reputation of ASEAN and regional cooperation will be long lasting.

35. Thus, an independent body should monitor AEC implementation. The ASEAN Secretariat is not independent in this sense, as it is the secretariat for an inter-governmental organisation and relies on the inputs of government agencies. These agencies may have their own interests (or reasons) not to reveal the actual status of implementation, even with the scorecard system. In addition, officials may be motivated to prevent the disclosure of reports that are detrimental to their countries' interest and may instead provide a watered-down version of the actual implementation status and problems.

### *Session III Conclusions*

36. Generally, it can be said that for the economy and finance sectors:

- ASEAN has had a rough ride but has shown resilience;
- the region has avoided severe damage due to reforms undertaken earlier; and
- even though credit default swaps have risen, this is primarily reflective of risk aversion and not of the fundamentals.

37. The MNCs' view of the slow pace of progress in ASEAN is reflected in the business sector's opinion that ASEAN needs to have a sense of urgency. ASEAN must also speed up AEC implementation. As the traditional markets are drying up, MNCs are looking for new markets, which, in the present situation, are China, India, Russia, Vietnam and Indonesia. ASEAN should start working on creating a business-friendly environment in the region, and not wait for 2015 to act.

38. The US regulatory structure has helped it avoid three out of five crises. For ASEAN, regulations are such that it tries to prevent five of next the three crises, with tight control measures such as those being imposed on the banking sector and capital markets. As this is a comprehensive crisis, which requires consistent rules across markets, institutions and instruments, every

highly leveraged institution must be highly regulated by a prudent regulator. All this will mean low profitability of banks and a new financial architecture. Institutions will have to be less complex and smaller instead of the pre-crisis conglomerates.

39. When the current crisis is over, the world will not go back to its previous growth rate. There will be a global imbalance as the past driver of economic growth – US consumption – will go down. This must be addressed, i.e. the East must save less and spend more, and the US must spend less and save more. This is where ASEAN can play a very important role, by putting into place a mechanism for the ASEAN Plus Three (East Asia) to be the driver of growth.

40. Some principles should also be set for risk management but with room for flexibility. After the crisis, there will be much criticism of western regulation. But some degree of synchronisation and coordination is still needed across all financial markets. Finally, for Asia (and ASEAN) a coordinated approach within the region is more effective than individual countries working on their own.

### **Conclusions and Policy Suggestions**

41. Participants felt that the crisis has a significant impact on the region, and ASEAN needs to have a better co-ordinated approach if it is to weather the storm. This has to be in the form of both regulatory reform of the financial sector, with more oversight by the central banks, and policy actions to kick-start growth and employment as well as sustain them through the recovery stage.

42. The region in particular has to remember that the developed countries and regions like the US and the EU will take a long time to heal the scars of the

crisis, notwithstanding the “green shoots” of recovery that are visible today. Hence, while export-led growth policies have served the region well, governments will now have to think of policies that are oriented more towards domestic or regional markets. This could take the form of more spending on infrastructure development, among others. Anticipating the immediate future and responses is thus crucial for ASEAN. The right actions will ensure that capital continues to flow into the region, both as direct investments and into the financial markets, signalling confidence in the region’s governance.

43. One of the main findings of this conference is that the notion of “security” is not definite, and can be ambiguous at times. Countries in the region have frequently explained away the source of insecurity in political and military terms, overlooking other aspects of regional “insecurities.” The current financial crisis, considered as a new kind of insecurity, has hit the countries in the region hard. Many initially failed to respond coherently to the crisis, let alone attempt to really understand the nature of the crisis. Hence, future treatment of the issue of regional security should be reconceptualised and anticipate the possibility of future threats that may emerge from the economic realm.

44. As ASEAN countries continue to grapple with the impact of the crisis, the region must also be ready to implement measures that will minimise the negative impact of the crisis on the most vulnerable groups. ASEAN has not fully addressed the social – particularly the poverty- implications of the current crisis. This is a cause for concern, as the region has recently seen job losses in critical sectors. Given the increasing tendency of the crisis to push many people in several ASEAN countries into poverty - including the most affected groups, such as the existing poor, youths, migrant workers and their families – ASEAN cooperation in labour and social protection needs to take bold steps now to prevent the crisis from causing further social damage.

## ANNEX I



### **ASEAN ROUNDTABLE 2009 THE GLOBAL ECONOMIC CRISIS: IMPLICATIONS FOR ASEAN**

**Thursday, 18 June 2009  
Pan Pacific Hotel, Singapore**

#### **PROGRAMME**

##### **Wednesday, 17 June 2009**

7.00 pm Welcome Dinner for Speakers, Discussants and Chairpersons  
Global Kitchen Café, Pan Pacific Hotel

##### **Thursday, 18 June 2009**

8.30 am – 9.00 am Registration

9.00 am – 9.15 am **OPENING REMARKS**

*Ambassador K KESAVAPANY*  
Director, Institute of Southeast Asian Studies, Singapore

*Dr Colin DUERKOP*  
Regional Representative for Southeast Asia, Konrad Adenauer  
Stiftung, Singapore

#### **SESSION I STRATEGIC AND POLITICAL IMPLICATIONS**

Chairperson: *Dr CHIN Kin Wah*  
Deputy Director, Institute of Southeast Asian  
Studies, Singapore

9.15 am – 10.15 am    **Paper 1:**            **How will the crisis affect the realization of the ASEAN Political and Security Community?**

Paperwriter:    *Professor Herman Joseph KRAFT*  
Assistant Professor, Department of Political Science, University of the Philippines-Diliman

Discussant:    *Dr Natasha HAMILTON-HART*  
Associate Professor, Southeast Asian Studies, National University of Singapore

10.15 am – 11.00 am    **Paper 2:**            **Will changes in economic relationships have an impact on existing strategic relationships (within ASEAN and with Dialogue Partners)?**

Paperwriter:    *Dr YEO Lay Hwee*  
Associate Director of the European Union Centre, Singapore

Discussion

11.00 am – 11.15 am    **Coffee**

## **SESSION II    THE SOCIAL CONSEQUENCES**

Chairperson:    *Mr Rodolfo SEVERINO*  
Head, ASEAN Studies Centre, Institute of Southeast Asian Studies, Singapore

11.15 am – 12.00 noon    **Paper 3:**            **ASEAN's response mechanisms for labour and social protection: Challenges in creating crisis-resilient economies**

Presenter:    *Mr Peter VAN ROOIJ*  
*Deputy Director*, International Labour Organisation, Jakarta and ASEAN Liaison, Indonesia

12.00 noon – 1.00 pm **Paper 4:** **What can ASEAN do to address rising poverty levels and social unrest?**

Paperwriter: *Professor LIM Teck Ghee*  
Professorial Fellow, Malaysian Institute of  
Development and Asian Studies, UCSI  
University, Malaysia

Discussion

1.00 pm – 2.30 pm **Lunch**

**Distinguished Luncheon Speaker**

*Mr Arin JIRA*

Chairman

*ASEAN Business Advisory Council*

**Presentation of Gift of ISEAS Books to Myanmar Libraries**

*To be presented by ISEAS Director Amb. Kesavapany to  
H.E. Win Myint, Myanmar Ambassador to Singapore*

**SESSION III IMPACT ON ECONOMY AND FINANCE**

Chairperson: *Dr Omkar Lal SHRESTHA*  
Visiting Senior Research Fellow, Institute of  
Southeast Asian Studies, Singapore

2.30 pm – 3.15 pm **Paper 5:** **How is ASEAN coping with the economic vulnerabilities that have emerged from the crisis?**

Paperwriter: *Mr LIM Chze Cheen*  
Assistant Director of Strategic Planning and  
Coordination Division, ASEAN Secretariat,  
Indonesia

Discussant: *Emeritus Professor Datuk Dr Mohamed  
ARIFF*  
Executive Director, Malaysian Institute of  
Economic Research (MIER), Malaysia

3.15 pm – 4.30 pm **Paper 6:** **How are the financial and banking sectors in ASEAN faring and coping?**

Paperwriter: *Mr HUI Cheung Tai*  
Regional Head of Research, South East Asia,  
Standard Chartered Bank, Singapore

Discussant: *Mr Jaseem AHMED*  
Director, Southeast Asia Department, Asian  
Development Bank

4.30 pm – 5.15 pm **Paper 7:** **What would be the implications of this crisis on building an ASEAN Economic Community by 2015?**

Paperwriter: *Dr Raymond ATJE*  
Head, Economics, Centre for Strategic and  
International Studies, Jakarta

Discussion

5.15 pm – 5.30 pm **Closing Remarks**

*Mr Rodolfo SEVERINO*  
Head, ASEAN Studies Centre, Institute of Southeast Asian  
Studies, Singapore

*Dr Wilhelm HOFMEISTER*  
Regional Representative for Southeast Asia, Konrad Adenauer  
Stiftung, Singapore

5.30 pm

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| **TEA RECEPTION** |  
| (Farewell to Dr Colin Duerkop and to welcome Dr Wilhelm |  
Hofmeister)

**ASEAN ROUNDTABLE 2009**  
**THE GLOBAL ECONOMIC CRISIS: IMPLICATIONS FOR ASEAN**

Thursday, 18 June 2009  
Pacific Ballroom I & II  
Pan Pacific Hotel, Singapore

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