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Understanding Development Gaps in ASEAN

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One of the important agenda in the Bali Concord II is the narrowing of development gaps in ASEAN. Adopted at the ASEAN Summit in 2003 – the Concord has so far been the most significant among the regional measures in that it outlines the modalities and the extent to which the grouping's member countries are willing to go to realise an envisioned community of 'caring societies, peaceful, prosperous'. The Concord therefore can be seen as an embodiment of these aspirations as seen in the goals to establish an ASEAN Community via the three-pillared communities – namely the ASEAN Economic Community (AEC), ASEAN Security Community (ASC) and the ASEAN Socio-Cultural Communities (ASCC) - by the year 2020.

The regional frameworks for achieving these goals are pursued in a highly integrated manner - almost seamless. The significance of this must not be overlooked since they reinforce a *leitmotif* that characterised the regional approaches found in ASEAN. Be it in the area of security or development, this *leitmotif* is reflected in the emphasis placed on adopting a 'comprehensive' approach to any one of these areas. Similarly, this type of approach extends to the way security is conceptualized in the region.

This comprehensive approach to development and security becomes all the more relevant when one examines the issue of development gaps in ASEAN which are multi-faceted.

Economic Gaps

From the economic perspective, there are three points that are worth mentioning here with regard to the nature of economic differentials observed in the region. The first is the widening economic gaps between the states in the region. This is most visible when one compares the human development indicators of the ASEAN-6 countries with the newer CLMV countries (Cambodia, Laos, Myanmar and Vietnam). Indeed, concerns have been raised about the emergence of a "two-tiered ASEAN".

Based on the United Nations Development Programme (UNDP) Human Development Report last year, it is the smallest states - Singapore and Brunei - that fall within the 'high human development' category based on human development indicators such as GDP, life expectancy, education and health. Malaysia, Philippines and Thailand fall within the upper 'medium human development category', while Indonesia and Vietnam are categorised under the medium 'medium human development category.' Meanwhile, Cambodia, Laos and Myanmar fall within the lower 'medium human development' category.

It is in the poverty indicators however that this disparity is most revealing. For example, more than 30% of Cambodia's and Laos' population live below the poverty line. The economic gap becomes extremely stark when one compares the GDP per capita figures of the CLMV countries with the ASEAN-6. Singapore, the richest country in ASEAN, for instance has a GDP per capita that is 23 times more than the poorest country in the region i.e. Myanmar.

The second point is the fact that these economic gaps are also found even among the more developed ASEAN-6. Although coming after Singapore and Brunei in the ranking of ASEAN countries with high GDP per capita, Malaysia is a distant third. At the same time, Indonesia's GDP per capita is only about a third of Malaysia's, while the Philippines has the highest incidence of poverty among the ASEAN-6.

The third point is the often ignored, yet salient fact that there are striking income disparities within a country, such as those between urban-rural areas or between provinces, districts and municipalities. In the Philippines, for instance, poverty incidence is highest in the Southern Mindanao region compared with its capital, Manila. In Indonesia, inequality between regions, provinces, districts and cities are reported to be very high, with the province of Papua for example having half its population living below the poverty line. In the CLMV regions, it is in the remote rural areas inhabited by ethnic minorities that one finds the most deprived and the most vulnerable.

Resource Limitations

Beside the economic gaps, there are also salient disparities in institutional capacities and resources. While one would assume a certain minimum level of state capacity to address these development gaps, there are severe institutional and resource constraints faced by the less developed countries in the region. There are several reasons for these limitations. For one, most of the CLMV countries are agriculture-based economies and are still in transition from centrally planned to market-oriented economic systems. Institutional capacities are known to be extremely weak, reflected for instance in inadequate or underdeveloped institutional frameworks for business and investments regulations. Legal frameworks are not only weak but also rudimentary. Moreover, given that CLMV countries are heavily dependent on financial capital from abroad in the form of official development assistance (ODA), foreign direct investments (FDIs) and foreign loans, the problems become more pronounced with regard to their ability to optimally utilise and maximize foreign assistance.

Lack of institutional capacity stems primarily from the scarcity of qualified human resources and from lack of and poorly developed education systems, especially at secondary and tertiary levels. Training in technical and scientific areas is extremely limited, not to mention the poor access to information and communication technology (ICT). Hence, a major challenge for most of these countries is meeting the bare minimum requirement in institutional and economic reforms to facilitate further integration in the region and the world. Otherwise, they run the risk of being marginalised during the integration process.

Good Governance

Gaps in human development are now increasingly linked to governance. With the growing emphasis on people-centred development, there has been pressure to include governance as an important variable in measuring the quality of human development. While one could

readily agree with the argument that good governance creates the conditions conducive to the development of social, political and economic systems and institutions that promote human dignity and respect, the notion of good governance is however heavily contested.

Indicators of good governance usually include transparency, accountability, rule of law, efficient and effective institutions and participatory processes. Among the 5 components that define good governance, it is often the political - e.g. issues of participatory processes - that is contentious and where gaps are usually identified. Within the context of ASEAN, this becomes all the more complicated given the differences in political systems - from an absolute monarchy in the case of Brunei, to the communist/socialist oriented systems of Laos and Vietnam, the military regime in Myanmar and the democratic systems in Cambodia, Indonesia, Malaysia, Philippines, Singapore and Thailand.

Vientiane Plan of Action

Despite these challenges, one could argue that the ASEAN Community project raises the human and comprehensive development agenda right in the heart of each member's national policies. The Vientiane Plan of Action (VPA) launched at last year's ASEAN Summit provides the framework to realise these goals and set out the specific areas in the political, socio-cultural and economic sphere where specific action needed to be taken. In setting out the ASC, for instance, one of the strategic thrusts was political development. This specific agenda highlighted, among others, the need to promote human rights and obligations, allowing for the stock-taking of existing human rights mechanisms and equivalent bodies, including sectoral bodies that look into the rights of women and children; and expanding of an ASEAN instrument on the protection and rights of migrant workers.

Also, the VPA had adopted the Vientiane Integration Agenda (VIA) which also outlined specific areas and measures to narrow the development gap between the old and new members, albeit, mainly in the economic sphere. Among the measures outlined include the strengthening of the Initiative for ASEAN Integration (IAI) that explores modalities for more resource mobilisation, and programme on social development. Resource mobilisation under the IAI programme is an important agenda here since the quantum of resources committed under this programme especially those coming from the 'richer' countries in ASEAN are relatively smaller compared with other ODA received by CLMV. This is a salient point that needs serious attention given the lacklustre performance of the IAI initiatives to date.

Given the seamless nexus between human development and human security, the goal of an ASEAN Community that is secure, prosperous and caring can only be realised if member states are convinced of this integrated and comprehensive approach towards regional integration.

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