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Sustainable Development: Can ASEAN Lead the Process?

By Kaewkamol Pitakdumrongkit

Synopsis

ASEAN is planning to establish its Centre for Sustainable Development Studies and Dialogue (ACSDSD). Whether the Centre will provide ASEAN leadership in SD cooperation depends on the entity's design. Southeast Asian policymakers should apply the lessons learned from ASEAN's past experiences and practices to craft the Centre's mandates and legal frameworks.

Commentary

LAST WEEK, the world's financial leaders convened the annual IMF-World Bank meeting in Bali, Indonesia on 12-14 October 2018. On the sidelines, Southeast Asian leaders held an informal gathering among themselves a day earlier, on 11 October. While these meetings involved different players, one thing in common was discussions on sustainable development (SD).

SD is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". In other words, development for the current generation but not at the expense of the future generation. Such development has been the guiding principle for countries to "achieve, in a balanced manner, economic development, social development and environmental protection".

Why is SD Crucial for ASEAN?

At the Bali IMF-World Bank gathering, the Secretary-General of the United Nations António Guterres highlighted high debt situations in some countries as a factor of concern; it could diminish governments' ability to utilise funds to fulfil their other

domestic needs and finance programmes to achieve the objectives outlined in the UN's 2030 Agenda for Sustainable Development.

Incidentally, the ASEAN Leaders' meeting was themed "Achieving Sustainable Development Goals (SDG) and Overcoming the Development Gap Through Regional and Global Collaborative Actions". The Southeast Asian nations stressed ASEAN's achievements in realising the Agenda 2030 and discussed the remaining challenges facing the SD.

Along with the IMF and World Bank, Southeast Asian states see SD as crucial for themselves on several accounts.

First, countries embarking on development schemes can eventually suffer a trade deficit which may require them to borrow hard currencies from the IMF to help its economy. For instance, the China-Pakistan Economic Corridor required Pakistan to import machinery to build it. Within the first two years of construction, Islamabad witnessed a 50% increase in its trade deficit, pressuring its government to ask for the Fund's bailout.

Second, development initiatives are utilised by powerful states as part of their power contestation game. In Southeast Asia, look no further than the Mekong sub-region in which China, Japan, and the US compete via their schemes – Lancang-Mekong Cooperation, Japan-Mekong Cooperation, and Lower Mekong Initiative, respectively – to gain influence in this area.

In addition, nations' pursuit of economic development may cripple their ability to pay back their loans. Sri Lanka, Kenya, Djibouti, Kyrgyzstan, and Mongolia, and Laos are among the examples.

This debt condition can ultimately jeopardise their sovereignty as reflected by the fact that Sri Lanka granted a 99-year lease of its Hambantota Port to China, its lender. Therefore, if ASEAN economies do not want to find themselves in the same situations, they must take SD seriously and step up their effort to take a lead in SD collaboration by being rule-makers, not rule-takers.

Enhancing ASEAN SD Leadership

There is evidence that Southeast Asian nations are pursuing such leadership. They are planning to launch the ASEAN Centre for Sustainable Development Studies and Dialogue (ACSDSD) next year.

The Centre is to serve as an institutional mechanism facilitating collaboration on SD in the region. The entity is expected to execute tasks ranging from supporting the implementation of projects and fostering dialogues between ASEAN and its development partners.

ACSDSD can enhance ASEAN leadership in SD collaboration because it can provide discussion platforms by summoning ASEAN member states and development partners to meet and exchange views regarding development.

Moreover, the Centre can enable Southeast Asian economies to have a say in project design and implementation, and align their development partners' approaches with ASEAN's commitments to the UN's Agenda 2030.

The entity can also address any issue of uncoordinated support by different players rendering certain programmes to be overfunded while others are underfunded. In addition, ACSDSD can help ensure that projects are executed in ways that uphold ASEAN's standards in terms of transparency and being environment-friendly.

Step in Right Direction, But...

While the idea to establish ACSDSD is a step in the right direction, more needs to be done. Most importantly, ASEAN leaders must devise an effective ACSDSD that is able to pool resources from different sectors and facilitate cooperation among different mechanisms. It is because SD is multi-faceted and cross-sectoral which requires the Centre to collaborate with different entities.

For example, to ensure that development programmes do not harm the environment, ACSDSD must cooperate with the ASEAN Working Group on Nature Conservation and Biodiversity. Also, to come up with a monitoring system of states' debts stemming from their pursuit of economic development, the Centre must work with ASEAN+3 Macroeconomic Research Office (AMRO).

How can such multi-faceted and cross-sectoral collaboration be realised? Answers can be extracted from ASEAN's past experiences and practices.

For instance, the ASEAN Coordinating Committee on Connectivity (ACCC) has assumed a brokerage role by screening projects proffered by external actors, and moving financial and other resources from certain areas to those needing greater assistance.

Moreover, the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) has successfully coordinated efforts of various players ranging from non-ASEAN states, international organisations, and private sector to execute disaster relief missions. Lessons learned from these cases can be applied to the design of ACSDSD's mandates and legal frameworks which can enable this entity to effectively provide ASEAN leadership in SD cooperation.

But while ASEAN's plans to establish ACSDSD is timely, whether the Centre will be formed in a way that helps ASEAN provide leadership in SD collaboration remains to be seen. Southeast Asian policymakers should apply the lessons learned from ASEAN's past experiences and practices to craft the Centre's mandates and legal frameworks. Doing so will enable this entity to effectively work with different sectors as well as facilitate collaboration among different mechanisms, hence providing ASEAN leadership in SD cooperation.

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