

Enabling Progress Through Regional Connectivity

Recently the world's social, political, and economic landscapes have been turbulent; while income, investment and trade have steadily increased, the benefits from this have been unequally distributed across countries, sectors and income levels. In response, the backlash against globalization have risen and the desire for protectionism has been rekindled, particularly among developed countries in Europe and America. This age of growing political uncertainty and sweeping protectionist tendencies emphasizes the need for greater cooperation, both within and among nations. As such, the world's focus has shifted to the ASEAN and the East Asian Region. In addition to exhibiting stellar economic performance, the ASEAN region also continues to pursue increased integration and connectivity among its member nations.¹ To foster connectivity, the ASEAN has developed an agenda to improve the linkages that not only enhance intra-regional trade, but also to deepen ties among the ASEAN people.

In the Master Plan on ASEAN Connectivity 2025, Connectivity is defined as the synchronization of physical, institutional, and people-to-people interlinkages; connectivity is the driving force to achieve competitive and inclusive growth and development for the ASEAN countries, both collectively and individually. Each facet of connectivity has its own area of focus; as per Pushpanathan (2010), physical connectivity pertains to infrastructure, energy, transportation systems, and ICT; institutional connectivity pertains to regulatory coordination as well as liberalization and facilitation of trade and investment; finally, people-to-people connectivity encompasses education, tourism, and socio-cultural integration. While significant progress has been made in these areas, there are still various challenges that must be hurdled at the regional level and at the domestic level.

While most of the ASEAN members seem to be amenable to increased connectivity, there is some apprehension as to how each country can find its place in an integrated and connected ASEAN. As such, each country must develop a unique approach to remain competitive in terms of productivity to ensure that equitable income distribution takes place in counterpoint to economic growth. The connectivity strategies should also be internalized at the domestic level for each country's economy to remain conducive for intra-ASEAN connectivity.

For the Philippines, this means decentralizing infrastructure and ICT projects beyond Luzon to maximize the growth potential in Visayas and Mindanao; this includes sustainable and efficient transportation systems, increased technological development, proper regulatory frameworks to prevent labor displacement and accessible online financing opportunities for MSMEs. The nation's political stability must also be maintained to secure consumer and investor confidence. Moreover, the Philippines must maintain its openness to trade and migration to capitalize on the knowledge spillovers, product diversity, and overall gains that these will bring. Finally, the country can remain competitive in the labor sector by improving human capital development through refining the quality and accessibility of education and healthcare.

To conclude, the current and future international challenges cannot be solved with obsolescent economic models resistant to openness. With the economic and political upheavals

¹ As per the Asian Development Outlook 2017 the ASEAN region has grown by 4.7% in 2016, and is expected to grow by 4.8% and 5% in 2017 and 2018 respectively. Its individual members are also performing well, with Cambodia, Lao PDR and the Philippines, and Myanmar leading the way with GDP growth rates of 7%, 6.8%, and 6.4% respectively in 2016.

affecting the world, the ASEAN must reinforce its centrality and unity to stay relevant in the global landscape. Indeed, connectivity is currently the ASEAN's best alternative to attaining competitiveness and inclusive growth. As young economists, our generation is next-in-line in managing the world's political and economic arena; most of our future hinges on the developments of today. The challenge for us now lies in improving our understanding of the advantages and trials brought by increased connectivity in the ASEAN region. We must remain committed to the vision of connectivity despite adversity, and also remain vigilant in these troubled times so that no country, region, or person falls behind or is deprived of the benefits of connectivity.

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