A LITERATURE SURVEY OF EDUCATIONAL, POLITICAL, AND ECONOMIC CHALLENGES IN THE ASEAN COUNTRIES: A CRITICAL ANALYSIS

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Abstract

It is now obvious that numerous issues need to be considered to make the ASEAN Community (AC) a reality rather than an illusion. The current state of education, economy, and politics in ASEAN remains far from satisfactory in achieving the desired vision in the ASEAN Charter and goals in its three blueprints: the ASEAN Political-Security Community (APSC) Blueprint, the ASEAN Economic Community (AEC) Blueprint, and the ASEAN Socio-Cultural Community (ASCC) Blueprint. Thus, ignoring challenges and opportunities presented in the scholarly literature, reports, the media, and other outlets would result in substantial dilemmas in terms of growth and development in different sectors in the region. The purpose of this article is to articulate and emphasize challenges that ASEAN governments should confront and add it to their agendas to achieve the APSC, the AEC, and the ASCC goals. This paper consists of four sections. Section I describes educational challenges in the ASCC. Section II illustrates economic challenges in the AEC. Section III presents political challenges in the APSC. Section IV explores critical thinking questions about all areas covered in the paper. Finally, the authors drew a succinct conclusion.

Keywords: ASEAN, AEC, APSC, ASCC, Educational, Political, Economic Challenges

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INTRODUCTION

Discussions and literatures concerning Association of Southeast Asian Nations (ASEAN) matters focus on specific themes. These are: the history of ASEAN in educational, political, and economic cooperation; the ASEAN Free Trade Area (AFTA); the foreign elements that will shape and determine ASEAN countries' cooperation in the future; and the conflict between intra-regional and extra-regional strategies. However, this paper is intended solely to articulate and emphasize challenges that ASEAN governments should confront and add it to their agendas to achieve the APSC, the AEC, and the ASCC goals. Thus, this paper comprises four sections: (a) educational challenges in the ASCC; (b) economic challenges in the AEC; (c) political challenges in the APSC; and (d) discussion questions.

Purposes and Significance of the Study

Despite the recent noticeable changes in the attitude of ASEAN governments regarding the APSC, the AEC, and the ASCC, considerable challenges in the region remain stagnant and untracked. Therefore, this paper is intended to stimulate the awareness of particular challenges that are very significant in bringing about changes in the whole region. From the authors' points of view, recognizing challenges can often lead to knowledge generation, application, and dissemination. Particularly in the ASEAN Community (AC), the authors view that without dissemination, application, and generation of knowledge, the region is less likely to be unified regardless of the efforts made to enhance cooperation among the ASEAN members. Hence, individuals in ASEAN must continually be informed about potential risks and challenges that might be considered hurdles to achieve the APSC, the AEC, and the ASCC goals in 2015 or regardless of the year specified. Briefly, the fundamental purposes of this paper are: to draw attention to some educational, economic, and political challenges for ASEAN; and to raise critical thinking questions regarding challenges confronted by ASEAN governments and individuals in the AEC era.

Methods

The authors employed the interpretive paradigm, which is also termed as constructivist or constructionist paradigm for this study. According to Tracy (2013, p. 40), "if a tree falls in the woods and there is no one there to hear it, did it really make a sound? Answers would be less clear-cut and more involved than the positivist answer." Interpretive scholars might say that the issue depends on the meaning of the word 'sound.' Thus, the authors are hoping that the challenges and the critical questions provided in this study would make a sound to identify particular issues considered inevitable to achieve the AEC. Qualitative and quantitative data were collected from both primary and secondary sources (e.g., observations, analysis of existing journal articles, textbooks, and reports). The literature reviewed determined the authors' niche or field of study, which contributed to the formulation of the purposes and supplied suitable concepts. For the analysis task, the authors segmented data in what they thought to be relevant and meaningful. According to Boeije (2010, p. 77), "Segmenting is also referred to as

unfolding, unraveling, breaking up, separating, disassembling or fragmenting, and the process is followed by reassembly of the data." Finally, the authors interpreted the data with careful attention to their own biases and subjectivity in order to provide a trustworthy interpretation.

Educational Challenges in the ASCC

Southeast Asia's universities, compared to those of the United States and Europe, remain less developed. Arguably, efforts for shifting education toward creativity and innovation in this region should no longer be viewed as a long-term vision, but a short-term vision. To achieve this goal, ASEAN governments will be required to employ particular strategies. For example, boost the allocation of resources to develop the infrastructure needed to support future growth, promote experimentation and innovation in high schools to enhance the students' cognitive skills, build research capacity and offer incentives to promote innovative research based on collaboration and partnership with industries and international organizations, train outstanding students in leading foreign universities, while encouraging them to return to their home countries after finishing their studies, guarantee adequate competencies required for technological entrepreneurship and commercialization of research, and promote a culture of lifelong learning (Yusuf, *et al*., 2003). Above and beyond, it is crucial to recognize where the fundamental gap is between strategy development and strategy implementation in higher education institutions in the ASEAN region (Moussa & Somjai, 2014; Moussa & Somjai, 2015). Additionally, ASEAN universities need to place a great importance on, and investigate the following issues: What should universities provide in the fast technological era? What skills should be excelled in the knowledge-based economy? What epistemologies should ASEAN universities adopt? Can maximum autonomy to all individuals and few restrictions on processes and procedures in ASEAN universities be permissible? Moreover, linkages between universities and industries in the whole region remain insufficient and should be enhanced; meanwhile, tertiary education systems should contribute towards the growth of innovation and creativity. The poor quality of education and the lack of industrial competencies in the region are quandaries that must not be avoided if the ASEAN countries desire to achieve the AEC Blueprint goal.

Perhaps, intermediaries such as the Knowledge Integration Community (KIC), which was originally developed by the Cambridge-MIT Institute (CMI), can make universities in the region more responsive to the needs and challenges of the ASEAN. According to the Office of the National Economic and Social Development Board in Thailand (2008), each KIC includes delegates from universities, industries, and government institutions. This diverse composition of participants can facilitate knowledge transfer, better policy frameworks, and better quality of education, enhance productivity, and stimulate linkages between different sectors. The utmost significance of the KIC sessions is to minimize the occurrence of any conflicts that may arise between governments and universities, governments and industries, or between universities and industries in the region as a whole. Significantly, the Asian

Development Bank (2007) drew considerable implications and challenges for ASEAN as follows: (a) more resources are needed for tertiary education, (b) the need for technical and vocational education and training (TVET) compliant with global market needs, and (c) the need for upgrading skills and knowledge to cope with rapid changes in global markets.

The ASEAN Community (AC) should thoroughly promote the harmonization of skills standards across the 10 member countries to enhance workforce productivity, competition, and job matching in the region. Particularly, corporations and their representatives should consider the following measures:

- Develop, monitor, and assess skills development policies as they affect organizations and programmes;
- Improve and promote analysis of skills deficiencies, together with projections of skill shortages and industry needs, by region and by sector;
- Coordinate targeted policy discussions between industries and education policy-makers;
- Establish links with universities and training institutions through joint councils of academia and corporations to help promote university linkages with industries and practitioners;
- Promote a culture of lifelong learning;
- Ensure that training systems encompass awareness of productivity needs; and
- Promote fair competition standards to diversify the supply of education and investigate better future roles for private sector corporations (Rynhart & Chang, 2014).

One of the critical challenges that ASEAN governments should emphasize and develop appropriate tactics to accomplish is the ASEAN countries' capacities to attract talent. A recent quantitative study showed the ASEAN countries' capacity to attract talent, as illustrated below:

Source: World Economic Forum, "Country Capacity to Attract Talent," Global Competitiveness Report 2013-14. Adopted from: Rynhart and Chang (2014) from http://www.ilo.org/public/english/dialogue/actemp/downloads/publications/working_paper_n7_en.pdf

Figure 1. WEF Executive Opinions on Countries' Capacity to Attract Talent (7=best), 2013

Furthermore, Shawyun (2014) thoroughly explored common challenges at both macro and micro levels. At the macro level: urge governments to combat corruption, enhance necessary reforms in higher education institutions (HEIs) to offer genuine support to their societies, and focus on the quality of education through compulsory practices. At the micro level: all HEIs in ASEAN must improve the quality of their education, which requires new systems if the goal is to reserve a place in the competitive market of higher education. Hence, it can be said that the future of HEIs in the ASEAN era can be bright, only if each HEI adopts a moral approach enshrined in its mission or practices. While this can be easier said than done, a strong desire and strong will to apply ethical approaches can lead to a better future of each HEI in the region. Meanwhile, administrators and policymakers in universities in ASEAN may consider the following activities for a plethora of purposes.

Table 1. Suggested Activities and its Purposes in Higher Education Institutions in ASEAN

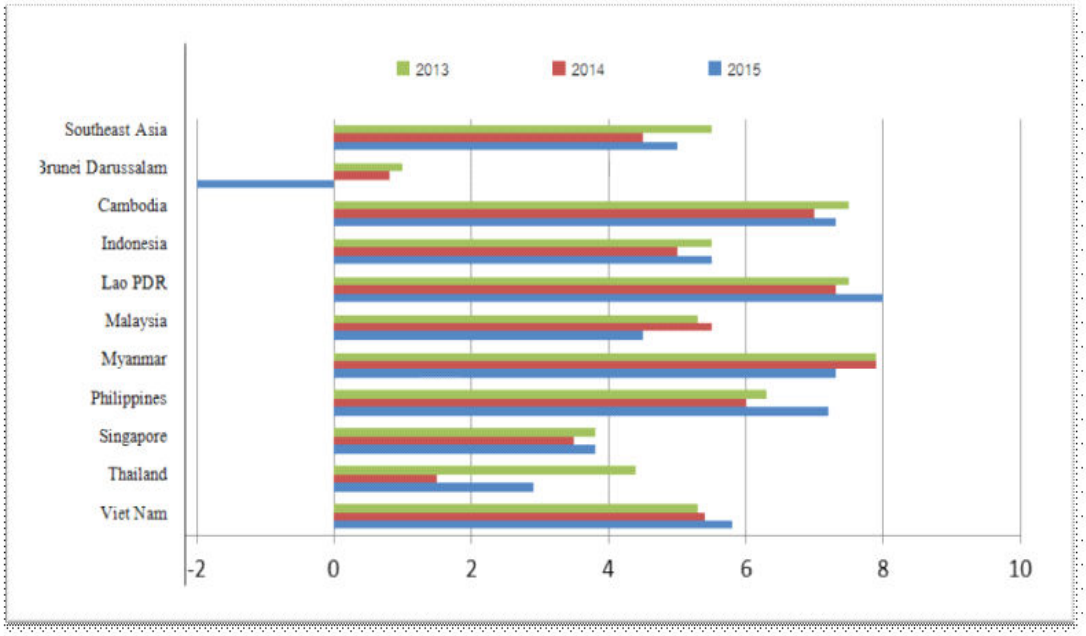
Activities	**Purposes**
1. Organize courses for various target groups (e.g., students, faculty members, or village leaders)	To stimulate participants' awareness of the significance of the ASEAN community
2. Invite government officials and pose questions at the end of each session	To directly convey government messages to the targeted groups and free exchange of ideas on specific government policies/treaties
3. Develop a mechanism for dialogues with the media, non-governmental organizations (NGOs) and religious heads to discuss the ASEAN countries' problems, suggestions, and solutions to problems, and involve faculty members in these discussions	To obtain feedback from various quarters on community quandaries and solutions, wishes, and needs, and to enhance faculty members' knowledge of the ASEAN community
4. Arrange for some on-site visits to several government development projects	To acquire field experience, and knowledge of government projects and programs
5. Arrange for luncheon/dinner with other ASEAN universities' administrators	To foster peace, unity and integration among different groups, and strengthen ties among ASEAN universities
6. Design and implement small development projects and provide services for other universities	To confront particular issues/problems, and reach consensus on integrated solutions from all participants
7. Invite specialists, professionals, experts depending on the issue to be tackled	To obtain professional feedback and practical solutions to specific topics
8. Develop some forums for knowledge/skills transfer on possible projects, activities, plans	To transfer valuable knowledge/skills to other groups

9. Invite human rights organizations	To ensure that individuals possess similar basic goals and values regardless of their ethnic groupings or other differences
10. Promote the development of an effective Management Information System (MIS) for all ASEAN activities, projects, seminars, workshops, etc.	To continually assess and update information gathered from such projects and recognize what is missed or needs improvement in future plans, strategies, performance, etc.
11. Formulate effective mission statement which must be adequate to accomplish all given outcomes	To continually attempt to define precisely who will benefit from the organization's activities
12. Formulate strategic plans through participation from all relevant individuals (e.g., leaders, specialists, etc.)	To update the organization's plans, goals, and objectives whenever required without major difficulties
13. Ensure that the ends are attainable and adopt a pragmatic approach	To distinguish between what is practical and realistic and what is based on ivory towers in order to expect the maximum possible rather than the maximum conceivable
14. Do not allow organizational structures to constrain individuals' thinking	To promote a culture of openness, creativity, and innovation
15. Ensure appropriate framing of issues	To ensure that all problems can be solved and all assumptions are considered

Source: Adapted from Moussa and Somjai (2014) from http://pubs.sciepub.com/education/2/8/13/

Economic Challenges in the AEC

Although most ASEAN countries may be classified as less developed, there is considerable variation in per capita income levels. The region contains some of the wealthy countries (e.g., Malaysia and Singapore) as well as some near the bottom of the world scale (e.g., Myanmar and Cambodia). Despite these variances, economic development is a commonly shared goal by all ASEAN countries. Practically speaking, some countries in the region are very small and weak, while others are suffering from political and economic instability. Thus, it is crucial that all countries in the region cooperate as a group instead of remaining individual competitors, if the goal is to achieve the AEC. The following figure shows the GDP growth in Southeast Asia from 2013-2015.



Lao PDR-Lao People's Democratic Republic.

Source: Asian Development Outlook Database. Adopted from Hnanguie, *et.al.* (2014) Asian Development Bank, from http://adb.org/sites/default/files/pub/2014/ado-2014.pdf

Figure 2. GDP Growth, Southeast Asia

In the last decade, Devan (1994) drew critical challenges for ASEAN countries, as follows:

- Accelerate people's level of awareness of the ASEAN free trade agreement (AFTA). All members of ASEAN should embark on a speedy programme of across-the-border tariff cuts to make the region a free market;
- Enhance resource-based industries among all ASEAN states and strengthen international bargaining power;
- Endeavour a marketing strategy that markets all ASEAN states as a single tourism market;
- Adopt a common foreign direct investment (FDI) strategy to prevent excessive and costly concessions to foreign investors;
- Cooperate in developing a human resources development (HRD) training ground for all ASEAN citizens to allow greater mobility, and enhance labour skills; and
- Develop more growth triangles, such as SIJORI, to strengthen and optimize economic links in the region.

Many of these challenges have been dealt with, while some challenges remained sluggish. The remaining challenges involve: promoting greater labour mobility of skilled workers; narrowing the 'development divide' to ensure that the developing countries catch up more rapidly with other economies in the region; and identifying risks such as contagion and safety nets (Menon, 2014). In addition, critical steps to be considered if the 31st of December 2015 deadline is missed, involve: guaranteeing that reforms continue beyond 2015 and giving AEC commitments more teeth is a critical challenge; and investing in both hard and social infrastructure to boost capital inflows, efficiency, and productivity. Other risks and challenges in AEC building can be classified as '*intra-regional*' and '*extra-regional*' (Wattanakul, 2010; Wattanapruttipaisan, 2006). They interpreted intra-regional factors as, *inter alia*, large gaps in institutional development and implementation capacity within ASEAN; insufficient innovation and creativity; dependence on obsolete technologies; environmental problems; terrorism and crimes. Similarly, extra-regional aspects include disruption of oil supplies and high oil prices; competitive pressures for markets; the steady rise of disruptive and revolutionary technologies; sluggish achievements under the Doha development agenda; geo-political dilemmas; and trans-regional terrorism and crimes. Another study by Soesastro (2008) indicated the main challenges if AMS desires full integration into the global economy, as follows: (a) development of approaches and mechanisms to reinforce ASEAN's role as a hub in the East Asian integration; and (b) development of influential and open regionalism cooperation schemes with other regions in the world (e.g., North America, Europe, and Latin America). Other challenges include barriers to trade, accelerating investment and service trade liberalization, and dealing with the proliferation of FTAs. Perhaps, speeding investment and service trade require ASEAN countries to diversify their economies or consider market diversification. The following table illustrates the contemporary ASEAN economic diversity.

Table 2. ASEAN Economic Diversity

	Population Million	GNI: Total US$ Billion	GNI: Per Capita US$	Total Trade US$ Billion	Trade/GNI Ratio %
Brunei	0.4	10.3	26930	Na	Na
Indonesia	226	373.1	1650	210	56
Malaysia	27	173.7	6540	323	186
Philippines	88	142.6	1620	108	75
Singapore	5	149.0	32470	563	378
Thailand	64	217.4	3400	294	135
Cambodia	14	7.9	540	10	123
Laos	6	3.4	580	2	71
Myanmar	49	Na	Na	9	Na
Vietnam	85	67.2	790	109	163
ASEAN10	564	1144.6	1383	1497	140

Source: Adopted from Yue (2014) from http://www.iseas.edu.sg/ISEAS/upload/files/07_Chia.pdf

Following this line of thought, multinational corporations (MNCs) have been seeking markets to invest and do business where they can produce and export goods at a competitive price to the world market, while taking advantage of economies of scale. However, a significant number of challenges that AMS have been confronting, include: loss of import revenues when import tariffs are reduced; reforms to comply with ASEAN treaties, which resulted in more transparency and cost reduction for doing business; goods need to comply with international standards to find consumers and gain competitive prices; and inadequate financial resources to participate in all ASEAN economic activities (Rithi, 2014). Corporations that produce goods and services to satisfy domestic markets also need to enhance the quality of goods and services to compete with goods imported from ASEAN countries that are highly competitive. Hence, the challenge here is better quality and competitive/lower prices. Domestic producers that are unable to compete would encounter considerable losses eventually leading to bankruptcy. It should also be mentioned that the sectors in which foreign investment are restricted differ greatly among the ASEAN + China, Japan, and Korea, as shown in the following table (Table 3). These differences in the restricted sectors among ASEAN + 3 have to be dealt with in order to establish a free investment environment.

Table 3. The Number of Sectors under Restriction on Foreign Ownership

Country	Number of Restricted Sectors
Brunei	18
Cambodia	23
Indonesia	15
Lao PDR	29
Malaysia	59
Myanmar	23
Philippines	50
Singapore	10
Thailand	63
Vietnam	45
China	40
Japan	12
Korea	21

Source: Adopted from Lee (2009) from http://www.thaifta.com/ThaiFTA/Portals/0/eafta_phase2.pdf

Recently, Sovannara (2014) recommended AMS to ensure suitable enabling factors in every state in the region to meet challenges, such as land and demographic constraints, enhancing labour productivity, developing business and investment climate, fostering human capital, diversifying the economy, developing effective management of natural resources, and strengthening governance and institutions. Emerging issues and challenges confronting economic integration of the region also involve global economic slowdown; increasing non-tariff protectionism; trade facilitation becoming a barrier to trade; and rationalization and consolidation of FTAs (Austria, 2013).

Perhaps the biggest challenge for the region at present is innovation rather than policies targeting specific industries. However, innovative economic systems cannot function well without a highly educated workforce. In addition, Yusuf *et al*. (2003, p. 144) noted:

For a sufficient number of creative sparks to arise and produce positive economic outcomes, several inputs are needed: people with the appropriate world-class skills, expenditure on R&D, capital investment

(including venture capital) that finances research and production facilities, and foreign direct investment (FDI).

Hence, in order to nurture innovations in the whole region, a significant shift from the past is required. However, this would entail several challenges, such as redesigning and prioritizing existing policies, even for countries with a significant history of economic development. Some hold the view that ASEAN can no longer rely on their traditional exports to more developed countries for which the demand for it grows very slowly. In terms of export, to benefit from opportunities associated with AEC integration, including the reduction of tariffs and no-tariff barriers as well as other trade facilitation provided by other ASEAN member states (AMS), it will be crucial to enhance competitiveness by improving the quality of products and seeking niche markets (Leebouapao, 2014).

The most apparent challenges and impediments in the region lie in whether the underdeveloped states can catch up with the developed one. However, one of the objectives of ASEAN integration is to narrow the gap in ASEAN by providing aids to the newer members of the group, namely, Cambodia, Lao PDR, Myanmar, and Vietnam (CLMV). Similarly, Vutha (2014) noted that ASEAN is divided, and the most striking divides are: variances in income, economic structure, investment and infrastructure, and other human development dimensions that spate the newer members of ASEAN (CLMV) from the ASEAN- 6 countries, namely Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand. The authors of this paper believe that economic growth is necessary but insufficient for reducing poverty. According to Ahuja and Staal (2012), the poor seldom benefit from economic growth, due to the complexity of accessing particular services, assets, and skills. Therefore, it is recommended that dynamic public interventions enhance public and private investment in sectors that have the potential to reduce the increase in poverty. Another critical issue is that although the AEC has never been constructed to model the European Union (EU), the most common response from the non-public sector to the idea of the AEC, is undoubtedly how it compares to EU experience, and what are the disparities between the two regional co-operations? (Dosch, 2013). Hence, ASEAN needs to focus on areas in which closer economic interaction and an increase in transactions can be achieved, on the basis of the proven structures and institutions of inter-governmental interaction. What the AEC achieved is still quite far from the EU in terms of achieving a single market. The table 4 depicts the current situation.

It is clear that significant efforts need to be taken to accomplish the AEC vision fully. However, it is noteworthy to realize the major differences between ASEAN and the EU. This encompasses the lack of synchronization of economic policies across the ASEAN members (Charoenphon, Kanchanapinyokul, & Jongsaliswang, 2011). For example, identifying and dismantling unnecessary non-tariff barriers, particularly import surcharges and quotas to complement the ASEAN-wide elimination of tariffs; amending legislation and regulations to conform to the blueprint, especially those that currently impose caps on foreign ownerships in services and investment and, thus, delay or obstruct the integration process; and relaxing domestic

Table 4. The European Union (EU) and ASEAN

Features	European Union	ASEAN
		
1. Becoming a single market and production base		
- Trade in Goods		
• Internal tariff rate	- reduced to 0%	- reduced to 0%
• External tariff rate	- all member countries enforcing the same tariff	- each member country enforces its own rate
- Trade in services (share ownership)	- 100%	- 70%
- Movement of labors	- free flow of labors	- free flow of only skilled labor
2. Other aspects of integration	- Single currency - European Central Bank : ECB - Supra-national authorities with central organizations such as: • European Parliament • European Court • European Legal System • European Competition Commission	- National currency - Intergovernmental method without clear authority over each member state

Source: Adopted from Charoenphon, Kanchanapinyokul, and Jongsaliswang (2011) from http://www.tourismkm-asean.org/wp-content/pdf/AEC-ASEAN-FTA/Moving-forward-with-the-AEC.pdf

regulations on movements of professional labour in order to reduce barriers that would make mutual recognition agreements more effective (Kanithasen, Jivakanont, & Boonnuch, 2011). They also added two critical issues: (a) currently, there are only a few ASEAN banks that consider a 'go region' strategy; and (b) banks would need to increase productivity and efficiency by adopting competent business strategies, such as finding new market opportunities, offering financial innovations on products, and considering increasing the productivity of employees or adopting a technology-oriented strategy, which helps minimize operating costs in the long run. ASEAN should also consider establishing an ASEAN export-import bank in order to promote trade in the region. In short, the success of any area alone would not contribute to the ultimate achievement of the AEC. In fact, it would be inefficient if one state would accomplish its targets while other states are left behind.

An ASEAN single market and production base shall comprise five fundamental elements: (a) free flow of goods; (b) free flow of services; (c) free flow of investment; (d) freer flow of capital; and (e) free flow of skilled labour. In addition, the single market and production base also include two important components, namely, the priority integration sectors, and food, agriculture, and forestry. Based on the ASEAN Secretariat (2008), in order to allow effective implementation of the ASEAN blueprint, the following prerequisites shall be taken into account: (a) regular consultations with different quarters and feedback on what needs to be done to accomplish the plans developed; (b) continually report the progress of AEC to ministerial meetings and conferences; (c) promote transparency in all economic agreements; (d) decision-making processes by economic bodies shall be made by consensus, and where there is a difficulty to reach consensus, ASEAN should consider other alternatives with the objective of speeding the decision-making process; (e) consider the ASEAN Minus X formula to expedite the implementation of economic activities; and (f) flexibility should be paramount, while not delaying the overall progress and implementation of the AEC. Thanh (2012) argued that the question of whether ASEAN can practically become one community by 2015 depends on ASEAN countries' commitments and actions to make it a reality. To make the AEC a reality at the specified agenda, ASEAN states should espouse the AEC blueprint, as shown in the figure below.

Leggett (2014) promoted particular strategies for rapid development in ASEAN 2015 and beyond, as follows: effective

Source: Adopted from Damuri (2013) from http://www.esri.go.jp/jp/workshop/130927/data/250927_rizal.pdf

Figure 3. Strategic Schedule of the AEC Blueprint (2008-2015)

planning within ASEAN; short-term regulations and long-term implementation; revamp all systems and processes, according to ASEAN goals; enhance one's knowledge of the markets and its constituents; comprehend the plethora of marketing tools and strategies available to ASEAN; enhance capabilities through networking; develop alternative approaches to local problems; develop effective monitoring systems for all business practices in the region; and develop effective talent mobility programs and plans within and between member states.

Political Challenges in the APSC

The authors of this paper share the same view with those who believe that the future of ASEAN will be determined by politics rather than by economies. Hence, politicians cannot ignore pressures on the priorities assigned to economic growth in the region; meanwhile, careful considerations of security, social justice, and national survival are inevitable. If development or economic integration are achieved without freedom and social justice, the danger of political instability can be a significant threat. The main priority for governments in the region should be the creation of an environment based on mutual trust and goodwill. Importantly, each member state should be open enough, and free enough, from discrimination and prejudice; however, the diversity of ethnic groups and differences among them will continue to pose serious quandaries for governments and policy-makers. Apparently, many governments in the region have been successful in reinforcing rather than in disrupting the sense of distinctiveness that ethnic groups have about themselves (e.g., Thailand and Singapore). The evidence of that can be seen through the continual increase of diversity in these societies with no major problems among individuals from different cultural backgrounds. Given the potential effects of culture on such integration among ASEAN states, cultural norms, values, and beliefs should be of paramount importance (Moussa & Somjai, 2014; Moussa & Somjai, 2015). Nonetheless, some governments consider diversity a potential obstacle to successful national development. Particularly in countries where relations between ethnic groups have deteriorated, their governments should play a vital role in developing effective tactics/strategies to resolve existing conflicts. Otherwise, violence, hostility, and antagonism would become attributes of some nations in the region. As a caveat, if great powers support one or another ethnic community, they will help escalate violence and deepen the negative feelings between groups that should live together in harmony. Alternatively, leaders of each state should devote more time to resolving problems of security and stability in their respective societies.

Other critical issues that ASEAN governments should seriously deal with involve: corruption and integrity problems. Several strategies can be taken into consideration, which are likely to make a radical change in the region. For example, increasing the income of government officials; developing effective measures that promote social responsibility and accountability; encouraging public involvement against corruption; developing effective monitoring systems; and permitting greater media freedom to send and receive public information about corruption. Among the most significant challenges in this era will

be to improve local governance capacity so that local leaders are better able to promote policies. The table 5 shows the Corruption Index of ASEAN economies in 2013.

The Corruption Perception Index 2013 does not paint a positive picture; of the 177 countries surveyed, 8 of the 10 ASEAN states scored a 50 or lower, showing a relatively high perceived corruption level that serves as a reminder that power abuse and bribery continue to ruin states in ASEAN.

Moreover, a single market requires a competition law and other competition policies to promote competition. Lloyd and Smith (2004, p. 12) noted:

In the absence of perfect competition, markets will be segmented by having different prices in different segments of a market which will not equalize prices across segments.

Second, a single market also requires full information for buyers and sellers. Positive costs of gathering information lead to deviations from the law. If these two conditions are met (spatial) arbitrage will establish a single price within the nation, adjusting for the costs of transport between locations.

Accordingly, there should be a political will to incorporate the idea of ASEAN integration into domestic laws, regulations, and master plans (Kanithasen, Jivakanont, & Boonnuch, 2011). However, even if effective policies, rules, laws, and regulations are in place, they are not necessarily entirely enforced. The main obstacles include the discrepancy between political ambition and the capacities of several member states to take appropriate actions, and lack of commitment and compliance. Dosch (2013) perceived the hurdles in the process of the ASEAN economic integration, in general, and liberalizing regional trade, in particular, are largely of a political and macroeconomic nature. For example:

- *Oversized ambition*: governments regularly emphasize the benefits of the economic integration and have actively signed several ASEAN agreements; however, the

Table 5. Corruption Perceptions Index 2014 of ASEAN Economies

Rank	Country	2014 Score	2013 Score	2012 Score
7	Singapore	84	86	87
	Brunei	N/A	60	55
50	Malaysia	52	50	49
85	Philippines	38	36	34
85	Thailand	38	35	37
107	Indonesia	34	32	32
119	Vietnam	31	31	31
145	Laos	25	26	21
156	Cambodia	21	20	22
156	Myanmar	21	21	15

Source: Adopted from Corruption Perceptions Index 2014: Results from https://www.transparency.org/cpi2014/results

development of national policies and legislative procedures to accomplish the agreed plans remain inactive.

- *Structurally unready*: regional cooperation and harmonization in areas, such as tariffs, standards, intellectual property, foreign investments, etc. have been progressing at a slow rate.
- *Development gap*: ASEAN countries are at different levels of economic and political development within the region, ranging from one of the wealthiest nations in the world (e.g., Singapore) to Laos, Cambodia, and Myanmar, which are among the poorest in ASEAN.
- *Stagnation of intra-ASEAN trade volume*: so far, regional free trade is not completely achieved, not even among the ASEAN-6.

Additionally, ASEAN governments should make significant efforts to address each sector concern, particularly, the conflicting regulations, standards, and quality issues. More importantly, reflect all concerns in each country's constitution and any other legal framework. However, there is no easy task when considering that domestic laws or even the Constitution may have to be amended to accommodate ASEAN economic community accords (Menon, 2014). In this regard, it is fundamental for ASEAN states to formulate a new legal framework for embodying new rules, policies, procedures, and legislations. Besides, fully equipped and well-functioning regulatory agencies should enhance public awareness of the significance of standards, quality, and conformance initiatives of the AEC. In conclusion, despite progress in different areas in ASEAN, a slowdown in the process of the AEC has been observed, and critics have expressed in various outlets that it may come to an illusion if no major decisions are made by the member governments. In other words, many things need to be done to make the AEC a reality; however, the prospects for ASEAN and AEC are bright despite the difficulties and challenges involved.

Critical Thinking Questions

According to Parameswaran (2014), there are several trends to watch carefully in 2015. These are: (1) What is next for regional integration? (2) How will Malaysia balance the challenges and opportunities of becoming the chair of ASEAN as well as holder of a non-permanent seat on the UN Security Council? (3) Will there be another turbulent year in the South China Sea? (4) Can the Indonesian president deliver on his bold reforms? (5) Will Thailand step towards an eventual return to democracy? (6) How will Southeast Asia respond to the threat of the Islamic State (ISIS)? (7) Will Singapore call snap polls? (8) Can the Philippines sustain peace with rebel groups? (9) How will oil prices affect Southeast Asian economies? Moreover, ASEAN governments will be determined to maximize their authority in order to manage a plethora of development plans. Thus, the next decade will witness a considerable centralization of political power in the region. One would argue that an authoritarian government is not a threat to the political stability of Southeast Asia. Perhaps the questions that are more important than the issue of government managerial style are: Has my government maintained peace in the country? Has my government brought welfare and prosperity to the people? Is my

government dedicated to the country's problems and developmental issues? Do national efforts solve problems of unemployment and low living standards? What internal issues exist to disrupt the stability of the states? These are several questions to be posed and there can be no definite answers to them. Nevertheless, it may be feasible to refer to the nature of threats to the security or stability of ASEAN.

Many argue that financial burdens or the limited funds to finance ASEAN projects are considered another big hurdle to ASEAN cooperation in both public and private sectors. However, ASEAN governments will have more access to economic resources (e.g., overseas loans and investments) than they have had in the past. Such increases in resources however, may be escorted by growing debts. To overcome the barrier of economic resources, attitudes towards MNCs in all ASEAN states would be crucial. MNCs can significantly contribute to each state's potential resources (e.g., their ability to mobilize resources, the application of sophisticated marketing techniques and methods, and their innovative spirit). Therefore, critical questions need to be considered for further studies: What is the economic significance of MNCs in ASEAN? How do MNCs differ from domestic private corporations? What determines the activities of MNCs in ASEAN? What is the ontology of the conflict of objectives between MNCs and ASEAN states or sectors in the region? What methods can be used to resolve such conflicts? What policies should ASEAN governments develop for MNCs and their subsidiaries? Can we establish an ASEAN institute or centre for MNCs operating in the ASEAN region? Finally, if this can be realistic and attainable, what are the barriers and challenges?

Based on several research publications, the following concerns and criticisms took place: Are the roadmaps for the APSC, the AEC, and the ASCC realistic, regarding the timeframe set to achieve it? Does the progress made in all sectors to speed the ASEAN integration remain on track? Are ASEAN states capable of addressing the economic gaps among their member countries? (Soesastro, 2008).

CONCLUSION

In conclusion, dealing with future challenges in the ASEAN era necessitates the following: developing and promoting special incentive-based systems in all institutions for individuals, who make significant contributions to the APSC, the AEC, and the ASCC blueprints, plans, implementation, monitoring, and evaluation; supporting systems that improve production and productivity; promoting innovation and better technologies in all sectors; taking initiatives rather than waiting for governmental guidance or plans; developing effective methods to deal with resistance to change in all sectors; investing heavily in better surveillance and monitoring without encroachments on people's privacy and rights; and considering better resource allocation from governments. Moreover, challenges in the AEC involve gaps between people; building unorthodox structures in all sectors and institutions; developing practical frameworks in all sectors; time taken to accomplish particular issues; allowing change whenever required, and recording and tracking change. Importantly, ASEAN governments need to look for ways that could

create change agents in all sectors and institutions rather than just developing employee competencies, commitment, and loyalty as a means of stepping towards the accomplishment of the AEC (Moussa, 2015). In addition, more opening and increasing imports from ASEAN states may create social and environmental effects (e.g., cultural effects, crime, and environmental problems). In terms of labour migration, workers might migrate to ASEAN countries where they obtain higher incomes, which could lead to a shortage of domestic workers, create labour migrant management challenges, and increase competition for job opportunities in the country.

Among the major quandaries in the AEC roadmap are: (a) the absence of authentic evidence that articulates the ASEAN states' propensity to accept the unfavourable effects of regional integration and (b) their level of understanding of the changes and efforts required to achieve their goal. From the authors' points of view, the disclosure of these issues through accurate and objective evidence could help build more realistic and effective plans, visions, and timelines. Various studies emphasized that progress in the AEC depends on four critical factors. These are (a) the practicality of the objectives; (b) timetable of objectives' achievement; (c) implementation mechanisms choice; and (d) effective auditing and monitoring systems. In a nutshell, the future challenges for the ASEAN states to make the AEC a reality remain daunting. Desires and subjective opinions would achieve little in each ASEAN state, but it may not be possible to achieve regional integration across the 10 member countries. Cooperation among ASEAN states requires an appreciation for each state's domestic problems and priorities to be able to share markets, to share common views on global economic trends, and to prioritize ASEAN projects more effectively.

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