EMBRACING AN ASEAN ECONOMIC COMMUNITY: ARE THAI STUDENTS READY FOR THE TRANSITION?
Ryan R. F. Barbin¹, Philip H. Nicholls²

Abstract: In anticipation of the commencement of the ASEAN Economic Community (AEC) in 2015, countries across the region are developing strategies to increase awareness and prepare their populations to embrace this new phase of economic regionalization. This paper is the outcome of a larger research project aimed at gaining insights into the extent to which tertiary students are prepared to embrace the upcoming changes heralded by the implementation the AEC. It focuses on evaluating the readiness of the students of a well-known Bangkok-based University in terms of “knowledge levels” and “attitudes.” It also explores the differences between the responses across the student demographics. All respondents were Thai nationals. In terms of the disclosed low levels of knowledge, it would appear that students are not prepared. However, in terms of attitudes, it is clear that the students are ready and willing to embrace the AEC.

Keywords: ASEAN, ASEAN Economic Community, students, AEC integration.

1. Introduction
This paper is the outcome of a larger research project aimed at gaining insights into the extent to which tertiary students are prepared to embrace changes heralded by the implementation of the so-called ASEAN Economic Community (AEC) by the 10-member Association of South East Asian Nations (ASEAN) by December 31, 2015. The research was conducted at one of Thailand’s major private universities in late 2012.

The focus of the research was to identify tertiary students’ levels of awareness both towards ASEAN and AEC integration and, incidental to these inquiries, whether knowledge levels and attitudes to integration varied between male and female students.

Universities and all educational institutions in Thailand have been enlisted to play an active role, as participants and informants, in the processes of integration as part of ASEAN’s efforts to increase awareness and eliminate concerns and misunderstandings towards the intended role of the AEC (ASEAN Secretariat, 2012). The government, in particular, has also spearheaded various initiatives in collaboration with institutions of higher learning to raise the level of awareness among the academic population.

The vision to establish an integrated ASEAN community was mooted at the 9th ASEAN Summit held in Bali, Indonesia, in 2003 (ASEAN, 2011). In consonance with the goals set by the 1997 ASEAN Vision 2020, ASEAN leaders signed an agreement, the Declaration of ASEAN Concord II (known as Bali Concord II), to develop an integrated community by the year 2020. This integration, with reference to the ASEAN Vision, aims to promote a stable, prosperous and peaceful living environment among the citizens of Southeast Asian nations as well as to dynamically develop partnerships within ASEAN member states. Specifically, Bali Concord II calls for the establishment of a three-pillar ASEAN Community including an ASEAN Political-Security Community (APSCC) and an ASEAN Socio-Cultural Community (ASCC) in addition to the AEC.

The signing of the Cebu Declaration on the Acceleration of the Establishment of an ASEAN Community by 2015 at the 12th ASEAN Summit held in Cebu City, Philippines in January 2007 pushed the integration five years earlier than the original target year. In September 2013, however, at 5th ASEAN Economic Minister (AEM) Meeting, held in Phnom Penh, Cambodia, the launch of the AEC was delayed for 12 months (to the end of 2015 from the beginning). ASEAN leaders settled on December 31, 2015 (not a day later) as the replacement date, obviously a face-saving decision after many years of “AEC 2015” sloganeering.

The adoption of an ASEAN Blueprint at the following 13th ASEAN Summit held on 20 November 2007 in Singapore was to serve a coherent master plan guiding the establishment

¹Ryan R. F. Barbin recently graduated from Assumption University, Graduate School of Business.
²Dr. Philip H. Nicholls, Ph.D. lectures in International Business Management at Assumption University, Graduate School of Business.
of the AEC. While the ASEAN Political-Security Community and the ASEAN Socio-Cultural Community aim to promote a peaceful environment within the region (ASEAN Secretariat, 2009a) and build a just and enhanced society (ASEAN Secretariat, 2009b), respectively, the AEC envisions a single market and production base along with a competitive economic region, an equitable economic development and a region integrated into the global economy (ASEAN, 2011).

It is foreseen that the implementation of the AEC in 2015/16 will offer both advantages and disadvantages within the ASEAN region. At its commencement, a single market and production base within the region will evolve, enabling free movement of goods, services and investment as well as freer flow of capital and skilled labor; competition policies, consumer protection, intellectual property rights, infrastructure development, taxation and e-commerce will be prioritized giving benefits to its member states; access to information, financing, technology and human resource development and skills will be increased advancing small- and medium-sized enterprises and the CLMV economies (those of the four late starters, also commonly referred to as ASEAN-4 countries, Cambodia, Laos, Myanmar, and Vietnam); and international practices and standards will be adopted to maintain the region’s attractiveness to foreign investors and within a globalized economy (ASEAN, 2011).

The Kingdom of Thailand is a leader and an active contributor in developing a regional economic community (Ministry of Foreign Affairs of the Kingdom of Thailand, 2011). There has been an active focus on a range of areas of connectivity such as trade and investment (tariff elimination and reduction), transportation and supply chain (infrastructure investment and development) and on compliance, coordination and cooperation (AEC Blueprint compliance) (Royal Thai Government, 2012).

As the clock ticks towards integration, it is important to ascertain the extent to which initiatives taken to date by universities, as information providers, have been successful. The tertiary students of today will be in the front line of newcomers to the ASEAN workforce at a time when mutual recognition of qualifications, and with it greater mobility in the workforce, becomes a reality across many professions.

After considering the methodology used in this research this paper examines the findings which it then discusses. It ends with some concluding remarks and recommendations as to what could possibly be done to increase ASEAN’s awareness and understanding among the student population.

2. Research Methodology

The research leading to the preparation of this paper was conducted using a random sample within a university student population. It involved one hundred undergraduate students. Judgment sampling was utilized along with stratified sampling to reflect the proportion of male and female students enrolled in its undergraduate programs. Judgment sampling, a form of non-probability sampling, refers to the purposeful selection of a target population to satisfy the specific objectives of the research. (Zikmund, 1991). Stratified sampling was utilized to take account of the relative numbers of male to female, and graduate to undergraduate, students in a total population and then to ensure that respondents were selected in the same relative proportions.

Through a questionnaire format, students were asked a series of questions to ascertain levels of knowledge about ASEAN. Specifically, students were required to state their sources of information about ASEAN, its formation, membership, and capital cities and populations. With reference to the AEC, respondents were asked about its formative history, attitudes towards membership, the possible accession of East Timor, and the creation of an ASEAN citizenship status.

The questionnaire then asked for respondents’ opinions on the importance of integration, changes in visa requirements, issues of job security related to increased job mobility (skilled labor), and the possibility of a single currency. With regard to the latter, it should be noted that, even though ASEAN leaders have at times taken an EU approach to boost cooperation among member states (for example, the EU “four freedoms”), fueling the perception that they sought to follow the path taken by the European trade bloc, they have long played down ideas such as a common currency or a regional financial market for Southeast Asia. They now see the EU as a cautionary tale and a case study for the region.
Finally, questions ranged from the importance and usage of English as a common second language, the skills needed to survive within the ASEAN region post-AEC and what they thought of the possibility of Thai culture being diluted by greater integration within ASEAN.

Regarding the Democratic Republic of Timor-Leste (formerly East Timor), Southeast Asia’s newest state (it gained its independent status in May 2002 and had been under Indonesian rule since 1975), it submitted a formal application for full ASEAN membership in March 2005. While there is no plan for future enlargement on an EU scale (the EU states increased from 15 in 1995 to 28 today), a Working Group was formed to assess Timor-Leste’s readiness to join ASEAN. The application, which has garnered the strong support of several member states, is currently being reviewed. When Timor-Leste, which consists of the east half of the island of Timor and a small territory around the port city of Oecusse inside Indonesian West Timor, becomes a member, ASEAN will be the only regional organization whose membership covers all the countries comprising the geographical region.

The key results of the student survey conducted in November of 2012 are outlined below.

3. Findings and Discussion

One point of particular interest at the onset is students’ sources of information. Students indicated that their main source of information came from News and Advertising (72% of the respondents) while the university was the primary source of information for 32% of them with females indicating greater reliance on the media and males finding the university a more significant source of information. 27% of the respondents also indicated that family members provided an additional source of information. Those respondents who identified the university as their major source of information indicated that English classes followed by Economics and Preparatory classes provided the greatest focus on ASEAN.

- Knowledge of ASEAN and the AEC

Less than 20% of students, male and female, identified 1967 as the year of establishment of ASEAN. Dates ranged from 1907 to the present!! When the respondents were asked to correctly identify the year ASEAN was established, the answers ranged from 1907 to 2016. Male students demonstrated a stronger knowledge in regard to the history of ASEAN.

The respondents were also asked to identify the years that the AEC was to come into operation. The answers ranged from 1970 to 2016. Forty-four percent of total respondents indicated that the AEC will be established in 2015, yet 8% suggested 2013 and in 2014. By gender, a majority of the male respondents (59%) have identified its establishment year to 2015 (although no mention was made of the fact that it had been delayed from January 1st to December 31st), followed by 11% considering it to begin in 2013. As for the female respondents, 32% of the female sample correctly stated 2015 while 14% have thought it had already commenced operation. It is important to note that at the time the survey was conducted, the AEC was established to begin in 2015. As noted earlier, the Cebu Declaration that pushed the integration five years earlier than the original target year (2020) had been adopted in early 2007.

- Awareness of Capital Cities and Populations

While most of the respondents were able to correctly identify ASEAN’s ten member states, there were a relatively few who included non-member countries. Five percent of the overall sample suggested East Timor (males: 11%, females: 0%), China and India (males: 9%, females: 2%), followed by Japan, Papua New Guinea, Australia and South Korea.

Thailand, Lao, Malaysia, Cambodia, Myanmar and Viet Nam were listed; however, Singapore, Indonesia, the Philippines and Brunei tended to be overlooked. It was no surprise that both males and females knew that the Kingdom of Thailand was known by all but 2% to be a member of ASEAN. The capital city and population was likewise well-known. In contrast, the corresponding data was less known with regards to Lao People’s Democratic Republic, Malaysia, the Republic of Singapore and Cambodia in descending order. Only 33% of respondents could correctly answer the demographic questions with respect to the Union of Myanmar, and although a majority knew the capital of Indonesia to be Jakarta, only about 40% could
estimate the population correctly. Even less was known of the demographics with respect to the Socialist Republic of Viet Nam with 69% of the total respondents (males: 61%, females: 75%) indicating Hanoi as its capital city while its population varies greatly and was estimated within a range of 7 million to 200 million. Of the respondents, 71% (males: 66%, females: 75%) were unable to even guess at the population size.

The Republic of the Philippines and Brunei Darussalam were the least known in demographic terms. While most knew the capital of the Philippines, fewer attempted to name the capital of Brunei Darussalam. While the population of the Philippines was estimated between 1,800,000 to 100 million, 40% could not even do so. The population of Brunei Darussalam was variously estimated between 40,000 to 40 million by the 40% who attempted to answer this question.

- Attitudes toward Changes in Visa Requirements for ASEAN Nationals

On the 25th of July 2006, the Ministers of Foreign Affairs of all ASEAN member states signed the ASEAN Framework Agreement on Visa Exemption (ASEAN Secretariat, 2009c). Seventy-four percent of the total respondents (males: 81%, females: 68%) agree that the visa exemption scheme for ASEAN nationals should be implemented. Twenty percent, on the other hand, disagreed (males: 14%, females: 25%) while 3% were indifferent (males: 5%, females: 2%). Three percent had no opinion at all (males: 0%, females: 3%).

Many of the respondents agree that there were real benefits from visa exemption simplifying processes in terms of traveling, working and studying within the ASEAN region. In contrast, about 20% disagreed, basing their arguments on concerns for security and safety, and the belief that present arrangements were adequate. Others opined that while it would make travel easier it could lead to a dilution of culture and increased difficulty in the management and control of both foreigners and local nationals from ASEAN states and could lead to increased crime rates within the region.

- Implementation of Common Visa for Non-ASEAN Nationals

Although the implementation of an ASEAN Common Visa for non-ASEAN nationals is expected to boost tourism within the region, many of its aspects are still under investigation (Ramesh, 2011). Fifty-six percent of the total respondents (males: 61%, females: 52%) agree that a common visa for non-ASEAN citizens must be implemented. Twenty-eight percent, on the other hand, believed otherwise (males: 32%, females: 25%) while 3% perceived it as an opportunity and a threat (males: 0%, females: 5%). Thirteen percent had no opinion (males: 7%, females: 18%).

The implementation of an ASEAN Common Visa, according to most of the respondents, is a representation of a united ASEAN region. Not only will it will render improved tourism and economy, but it will also provide learning opportunities for ASEAN citizens in terms of culture, foreign knowledge, skills and abilities. It can also aid in promoting ASEAN culture to non-ASEAN nationals. On the other hand, 28% disagreed on the notion that it may threaten the safety of ASEAN countries as well as the authoritative powers of every member state. A number of respondents perceive it as both an economic opportunity and a threat to national security.

- Attitudes toward Thailand’s Membership to ASEAN

Overall, the majority of those interviewed considered that the membership of ASEAN was a positive for Thailand. 87 percent of the total respondents (males: 89%, females: 86%) agree that the current membership of Thailand to ASEAN is beneficial while 11% believe otherwise (males: 11%, females: 11%). Furthermore, 2 percent of the total respondents are considering both options (males: 0%, females: 3%). Many agree that ASEAN membership has given benefits to the Kingdom of Thailand such as providing development and growth through an improved economy, an improved educational system, better transportation, efficient technology and plenty of foreign and local investments.

On the negative side, loss of national identity as an outcome of increased levels of integration was a concern. This was reflected in the fact that while 75 percent of the total respondents (males: 77%, females: 73%) consider themselves as ASEAN citizens, 22 percent preferred to be called Thai citizens alone (males: 21%, females: 13%). Three percent, on the other hand, have no opinion (males: 2%, females: 4%). It was apparent thought that many of the respondents consider themselves ASEAN citizens primarily because
they are Thai nationals and Thailand is part of ASEAN which further supports the contention that national identity is a real issue in the minds of many respondents.

- **Attitudes toward the Accession to Membership of East Timor to ASEAN**

In the discussion of the membership of ASEAN, the question of whether East Timor should be admitted as a member was posed to respondents. Fifty-one percent of the total respondents (males: 52%, females: 50%) agree to the accession to membership of East Timor to ASEAN would be a good idea.

Respondents who saw the accession of East Timor as a positive perceived that its membership will allow that country to develop further in terms of economy, education and transportation, especially with the aid provided by other ASEAN members, (something similar to the 2000 Initiative for ASEAN Integration designed to assist ASEAN four late starters). It was also pointed out that in the process, Thailand would gain opportunities to expand trading relationships. Of the 49 percent who disagreed, the principle reasons stated were that East Timor is a very small country and it is poorer than Cambodia, Lao, Myanmar and Viet Nam and its economic status may not bring net positive benefits to ASEAN. It should be noted, however, that the years ahead may belie this perception as East Timor is speculated to have plenty of natural gas off its shores.

- **The Benefits of AEC Integration and the Factors Promoting Greater Integration**

Respondents were asked to rank sectors that would benefit most from the impending far greater integration with the result that economic co-operation, education exchanges and development assistance were identified as the most important aspects of integration. Further down the ranking of benefits came increased cultural exchanges, security and military cooperation, political cooperation, tourism and sports competition. At the bottom of the list were competition, issues of standardization, and communication. As to those factors that would most facilitate integration, educational exchanges and sharing knowledge in the realms of science and technology and natural resource and environmental management were identified as important issues that would promote AEC integration. These are followed by reduction of poverty strategies, issues of health and disease control, and disaster prevention. Of least significance in promoting integration came issues of cultural literacy, artistic preservation and the maintenance of regional identity, which once again indicate concerns for loss of national identity.

- **Attitudes toward the Use of Single ASEAN Currency**

Without being asked to comment on how it might be achieved, 47 percent of the total respondents (males: 43%, females: 50%) agreed that a single currency would be beneficial in facilitating trade and travel particularly in terms of removing exchange rate costs and uncertainties. Those in disagreement cited the economic disparities that now exist and the fact that the wealthier economies might be jeopardized as has been the case in the European Union. Again, loss of national identity and autonomy were cited including a culturally significant fact that the image of the King of Thailand on banknotes would have to be abandoned.

- **Attitudes toward Job Security and Career Mobility within the ASEAN Region after the AEC Integration**

Kittisowan et al (2011) opined that economic integration will offer Thailand the benefits of reduced unemployment and overall the students agreed in so far as although they anticipated an influx of workers particularly from Laos and Myanmar, this was seen as a potential benefit rather than a threat given Thailand’s current reliance on foreign workers.

A majority of respondents (males 77%, females 71%) considered there would be an increase in the influx of foreign workers into Thailand once the AEC was operational. Likewise, the majority of respondents saw this as beneficial given the needs of Thailand’s industrial sector. Thailand was perceived by the respondents as being at the hub of Southeast Asia, giving it a demographic advantage over those ASEAN countries seen at the periphery. It is acknowledged that Thailand offers workers a low cost of living and salary advantages over a number of other ASEAN countries, specifically Myanmar, Lao and Cambodia. Citizens of these countries were identified as being most likely to take advantage of relaxation of current regulations. The counter view raised by respondents was that this fact raised the risks of
unemployment—overall, less job security for Thais.

- The Importance of English Language Skills

Article 34 of the ASEAN Charter (http://www.asean.org/archive/publications/ASEAN-Charter.pdf) declares English to be the working language of ASEAN, a factor that may be advantageous to some member states and not to others. In the discussion of job security for Thai nationals, the fact that many other ASEAN countries have a higher percentage of literacy skills in English was noted as a threat to Thai workers, given that many employers would prefer high levels of proficiency in English to meet the demands of ASEAN.

On being asked to rank the importance of other ASEAN languages, respondents indicated that Chinese (Mandarin) and Chinese (Hokkien) are the most necessary followed by French, Spanish, Bahasa Indonesia/Bahasa Melayu, Vietnamese, Lao, Myanmar (Burmese), Tagalog (Filipino), Khmer and Tamil. At the bottom of the list of preferred or necessary languages came Japanese, Korean and Arabic. Yet, while a range of language skills will be necessary for participants seeking to succeed within the “new” ASEAN, this reality should not obscure the fact that the whole compass of strategic corporate management capabilities, from computational skills to human resource management, will need to come to the fore.

4. Conclusions and Recommendations

As a lawyer might expostulate, res ipse loquitur; the results speak for themselves. More work has to be done to raise awareness. While the results of this limited study cannot be generalized, it is suggested that they are indicative of the fact that there is considerable room for a greater effort to be injected into informing sectors within the community of the impact and importance of the forthcoming implementation of the AEC reforms.

While the role of universities and by extension schools is very important, the significance of the media appears to be paramount in spreading the message. Areas of concern such as the erosion of culture may require special attention as indeed they have with the integration of numerous cultural identities within the European Union. Proactive interventions to ensure that the convergence of ASEAN cultures does not result in the extinction of Thai culture will require a carefully orchestrated strategy funded by government and perhaps even with the help of the private sector.

The overall attitudes of the respondents towards ASEAN and the AEC appear positive. A majority of the respondents, both males and females, considers that Thailand’s membership to ASEAN is beneficial. Those also consider themselves to be ASEAN citizens. The attitudes towards the AEC are also positive. In many instances, the responses of the males and females coincided. The possible influx of foreign workers into Thailand is envisioned as beneficial by most of both genders. There is no gender divide on all these issues.

As to the expansion of ASEAN, it is most interesting to note that the majority of male respondents consider that East Timor should be granted membership while the females are equally divided. Overall, most respondents (combining both male and female responses) believe that East Timor should become the eleventh member state.

Relaxation of travel restrictions was seen as beneficial and the introduction of a common ASEAN visa was linked to this. Both male and female respondents recognized the importance of increased skill levels in English language and at the same time considered that an ability to use Chinese (both Mandarin and Hokkien) should not be overlooked. Males emphasized the importance of maintaining Thai language skills to a higher degree than females.

Males had a negative perception towards the use and importance of a single ASEAN currency and this might be related to the cultural issue or to a strong sense of nationalism. Preservation of culture and a sense of national pride must inevitably be linked. Issues of the need to preserve Thai culture can be read as subtext to many of the responses to the issues raised by the survey.

A final suggestion is that on-campus career centers might need to be ‘realigned’ to take into account the benefits that may flow from the implementation of the many mutual recognition arrangements (MRAs). Not only should students as now be assisted with resumé writing and interview techniques, but also to raise their sights to consider the possibilities offered by the creation and integration of a greater ASEAN workforce.
References


