

CHAPTER V

CONCLUSION

In conclusion, ASEAN recognizes the economic disparities as one of the obstacle towards the economic integration within the ASEAN Member States, where one of the indicators for economic disparities is shown by the Growth Domestic Product (GDP). The GDP shows the economic disparities among ASEAN-6 (Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand) and CLMV countries (Cambodia, Laos, Myanmar and Vietnam). The economic disparities become one of the obstacles in the ASEAN, since ASEAN has a goal to integrate its economic.

There are several milestone was created by ASEAN in order to integrate their economic. The aim for the economic integration is to obtain the mutual benefits from the economic cooperation. The two biggest milestones established by the ASEAN are the ASEAN Free Trade Area (AFTA) and ASEAN Economic Community (AEC). This research focuses on these two economic cooperations because the main agenda of regional economic integration are declared in these two programs. For instance are the reduction of trade barriers, creation of single market, and the increase of labor mobility. However, the economic disparities become the obstacles in pursuing the goals of the economic integration.

The economic disparities occur because among the member states there are differences of starting point, in which the CLMV countries are the latest member states of ASEAN. The differences of starting point among the CLMV and the ASEAN-6 also followed by the reason of difference political condition

within the member states. The CLMV countries tend to have the instability within the political and formal institution. The transitions and changes mostly happen in the CLMV countries compared to the other member states. Thus, this condition becomes the obstacles for the CLMV countries to adjust the policies of ASEAN and to catch up the development with the other member states.

However, ASEAN puts a concern on the idea of narrowing the economic disparities. ASEAN established the Declaration on Narrowing Development Gap (NDG) and the Initiative for ASEAN Integration (IAI). These two frameworks complement each others. The Declaration on NDG was established in 2000. The Declaration becomes a framework in which the member states agreed that disparities become the problem of ASEAN. Furthermore, the IAI is the derivation from the declaration. The initiative consists of the working plan to narrow the economic disparities. Until 2016, ASEAN has three working plans of IAI (2002 - 2008, 2009 - 2015, 2016 – 2025).

In order to establish ASEAN economic integration, ASEAN needs to narrow the economic disparities as its priority. Thus, ASEAN as an international organization has its role of arena to create policies for its member states. Thus, the role of ASEAN is to narrow the economic disparities, especially with the CLMV countries which are intensifying the economic cooperation among the member states and accelerating the economic development of CLMV countries through the Declaration on Narrowing Development Gap.

The roles of ASEAN are based on the principle of mutual benefit and reciprocal effect from the economic integration as they have been agreed by the

member states in the ASEAN Charter. Then, it becomes very important for ASEAN to prioritize the narrowing of economic disparities since it is one of the aim for ASEAN to alleviate the poverty among the member states and to narrow the development gap through the mutual assistance.

This research describes the role of ASEAN in narrowing economic disparities among its member states by portraying the previous working plan of ASEAN. Firstly, the intensification of economic cooperation is described by the development of cooperation within the ASEAN member states. This cooperation leads to the narrowing economic disparities. It can be seen that several policies are adjusted for the CLMV countries. For example is the different deadlines of tariff-reduction regulation in AFTA for the CLMV countries and the intensification of cooperation with ASEAN dialog partners to assist the CLMV countries.

Finally, the acceleration of economic development is emphasized on the establishment of Declaration on Narrowing Development Gap. This declaration derived the working plans in Initiative for ASEAN Integration, in which the initiatives have different project to assist the CLMV countries in accelerating their economic development. Thus, this undergraduate thesis is able to answer the research question regarding the roles of ASEAN in narrowing economic disparities among ASEAN member states in order to establish the economic integration.