

TIFO 25th Anniversary Symposium in ASEAN
ASEAN's Economic Development and the Role of International Cooperation

"FDI for the Future: Human Capital, Innovation, and Competitiveness"

Hosted by LPEM FEUI in partnership with GraSPP, The University of Tokyo
Sponsored by Toshiba International Foundation

November 24, 2014
Hotel Aryaduta
Jakarta, Indonesia

Background

The Association of Southeast Asian Nations (ASEAN) has been an integral element in Asia's ongoing socio-political and economic transformation. It remains an example for other regional groups of how carefully constructed cooperation can benefit all members, even if they are diverse in size, geography, culture, income level, and resource endowment. As we approach the target for the creation of an ASEAN Economic Community by the end of 2015, a major challenge will be to build a longer term strategy for the shared prosperity of ASEAN members, the wider Asian region, and the world in general.

As is widely acknowledged, continued foreign direct investment (FDI) inflows are an indispensable ingredient for sustained development of economies aiming at technological and productivity advancement. FDI is regarded as potentially contributing to avoiding the middle income trap by raising the productivity and international competitiveness of host country industries through positive spillovers of technology and organizational capability, and by linking local firms to international production networks and markets. FDI also can benefit innovation activity in the host country via a variety of spillover channels, and it is hoped that such activities can spur similar efforts in the domestic economy and add impetus to the nation's ascent of the development ladder.

However, FDI inflows to ASEAN economies are characterized more by inflows from outside ASEAN than intra-ASEAN flows, \$90 billion as opposed to \$20 billion in 2012 (ASEAN Secretariat, ASEAN FDI Statistics 2014). This fact suggests the importance of cooperation beyond ASEAN while intra-ASEAN FDI has its own potential to be promoted.

In response to this challenge, ASEAN needs a well-defined strategy to secure FDI inflows with positive spillover effects. Equally important is the need to harmonize business practices among countries as well as to make the most of human capital and so maximize gains when such positive spillover effects occur. ASEAN policymakers need to adopt deep structural reforms of their domestic economies and boost regional cooperation. If policymakers are unable to take bold action, ASEAN economies could lose their competitive edge and centrality in Asia's economic and institutional architecture.

This symposium examines the role of FDI in the context of ASEAN's economic development and the role of international cooperation, with a focus on two cases, Indonesia and the Philippines. In particular, we shall deliberate how FDI relates to human capital, innovation, and competitiveness.

Objective

This international symposium constitutes a series of networking activities initiated by LPEM

FEUI in partnership with the Graduate School of Public Policy, The University of Tokyo, its Japanese counterpart. Our last symposium was held in February 2014. In our meetings experts from academia, think tanks, government, and the business community discuss ways to make further progress in creating better institutional frameworks, and formulate policy recommendations. The outcome of each symposium is shared with relevant organizations in ASEAN countries and in Japan.

Networking activities especially aimed at encouraging dialogue between emerging and promising young researchers in academia, government, and the business community contribute towards the achievement of the TIFO goal of acting as a conduit for knowledge sharing between the Japanese and international communities. Sharing the outcome of this dialogue is expected to give both policymakers and academics an insight into ASEAN's economic development and the role of international cooperation.

Venue

The symposium will be held on Monday, November 24, 2014 in Hotel Aryaduta, Jakarta.

Program (as of October 20)

Academic working sessions (invited participants only)

- 8:00 Registration
- 8:30 Opening remarks I Kadek Dian Sutrisna Artha (LPEM FEUI)
- 8:40 Overview Masahiro Kawai (GraSPP)
Prema-chandra Athukorala (ANU)
"Harnessing FDI for Development: Opportunities and Policy Options"
- 9:20 Session 1: Indonesia
Chair Toshiro Nishizawa (GraSPP)
Presenter Kiki Verico (LPEM FEUI)
Lead discussant Siwage Dharma Negara (LIPI)
- 10:40 Break
- 10:50 Session 2: Philippines
Chair Komara Djaja (LPEM FEUI)
Presenter Rafaelita M. Aldaba (PIDS)
Lead discussant Maddaremmeng (FEUI)
- 12:10 Concluding remarks I Kadek Dian Sutrisna Artha (LPEM FEUI)
Toshiro Nishizawa (GraSPP)
- 12:30 Lunch

Public seminar (open to the public)

- 13:30 Registration
- 14:00 Opening remarks I Kadek Dian Sutrisna Artha (LPEM FEUI)
Welcome remarks Masahiro Kawai (GraSPP)
- 14:15 Guest remarks Embassy of Japan <TBC>
- 14:25 Keynote speech Mahendra Siregar
- 14:45 Break
- 15:00 Panel discussion
Moderator Komara Djaja (LPEM FEUI)
Panelists Rafaelita M. Aldaba (PIDS)
Prema-chandra Athukorala (ANU)
Masahiro Kawai (GraSPP)
Fukunari Kimura (ERIA, Keio University)
Kenichi Tomiyosi (JETRO)
Kiki Verico (LPEM FEUI)
- 16:20 Closing remarks Toshiro Nishizawa (GraSPP)
