

Here to stay: ASEAN and the OECD

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In a witty attempt to explain two new global institutions of his day, renowned economist John Maynard Keynes once famously observed that the World Bank should be called a fund, and the International Monetary Fund called a bank. In short, what mattered was that they both finance global economic development, and indeed both have long played an invaluable role in the ASEAN countries. But what of the OECD? What added value does this organisation bring to the prosperity of the region?

One clear answer is policy intelligence, which is needed for any financing project to be effective. With the OECD's data, analysis, insights and recommendations, ASEAN has benefited from the "the most influential economic think-tank in the world", as Japanese Prime Minister Shinzo Abe [once described it](#). Now that some of the ASEAN countries are stepping into the "middle-income trap", in which inequalities are widening and society is ageing, the OECD's input has become more pertinent, particularly as our countries work to maintain a competitive foothold in the digitalised world economy.

Another unique role of the OECD is "standard setting". It provides international rules across a whole spectrum of public policies, such as trade and investment, labour, environment, corporate governance and anti-corruption efforts. By instituting these high-quality standards in our own systems, ASEAN has a better chance of forging sustainable and inclusive growth. Such standards can play an instrumental role in facilitating regional integration among both large and small neighbours in a liberalised and harmonious way. But on top of applying standards and norms it receives from others, ASEAN should also take a lead in global rule-making through its active participation--and future membership of its countries--in the OECD. In a nutshell, the OECD is not about money, but results, by creating policies and transforming systems through international co-operation.

However, no ASEAN country has yet joined the OECD, and this has not helped either side. On the one hand, the absence of Southeast Asia has underlined a sense of crisis at the OECD, and the ongoing decline of its share in the world's economy has led this body of advanced nations to engage more with emerging economies, especially in this region. On the other hand, stereotyping it as a “rich man's club”, as ASEAN and other countries sometimes do, has prevented it from taking any further steps.

However, this conventional image is not accurate. First, having started as the apparatus to rebuild Europe after the Second World War, it reorganised itself in 1961 into an international entity, aimed at promoting policy coordination among the world's economies based on free trade, markets and good governance, with a strong focus on assisting developing countries. Japan joined this Atlantic-centric body in 1964, followed much later by countries of Latin America and the former Soviet bloc. The constant enlargement has increased the membership to 35, whose geographical locations, profiles, and levels of economic and social development are quite diverse. Money cannot buy membership, but aspiration to reform and progress can.

Second, contrary to its brand as an exclusive club, no multilateral body could be more open, inclusive and transparent. It makes its treasure of works widely available to the public, and even non-members are invited to join cutting-edge policy discussions.

Third, it is not only men who steer the wheel in the organisation: 11 ambassadors out of 35 are women, as are several directors.

The valuable role that the organisation plays was reaffirmed at the [ministerial conference of the OECD's Southeast Asia Regional Programme \(SEARP\)](#) in Tokyo on 8-9 March, our first since the inception of the programme in 2014. Under the theme of “Inclusive ASEAN”, ministers demonstrated their collective will to leave no one behind, as ASEAN strives forward with domestic reforms and regional integration.

At the Tokyo conference, ASEAN renewed its political commitment to work together, and set priority areas, such as enhancing productivity of individuals and firms by assisting them to benefit from globalisation and digital innovation, widening their participation in the economy, and improving connectivity by reinforcing “quality infrastructure”. As connectivity is a key element of the ASEAN Blueprint 2025, ministers welcomed efforts to establish an ASEAN Smart Cities Network to further boost digital innovation, trade and investment.

These are just a few concrete examples of where ASEAN's aspirations and the OECD's strengths meet. It is high time that our two bodies enhanced such co-operation. Thanks to the Tokyo conference, the OECD and ASEAN are here to stay, and Japan will continue to act as a bridge between them.

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