



# The Rise of Industrial Policy and Structural Transformation in ASEAN

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**Public Relations UPNVJ** - Various global economic events appear to be increasingly encouraging a reality that has been ignored, namely the industrialization process which has not been maximized in most countries in the world, including ASEAN.

Meanwhile, new problems are inevitable, namely the new economic norms promoted by China, climate change and the digital economy.

The situation has become more complicated with the Covid-19 pandemic and war in Ukraine and Palestine. Efforts to maximize the work of the economic engine amidst these conditions are certainly not easy and require extra efforts, including cooperation between countries.

For this reason, ten researchers from 10 countries in ASEAN gathered at the School of Labor and Industrial Relations, University of the Philippines, Diliman, on 14-18 March 2024 to discuss industrial policy and structural transformation in ASEAN.

This event is a series of activities that were previously held at the Center for Sustainable and Strategic Development Studies (SSUD) at the Jakarta Veteran National Development University last year.

Organized in collaboration with the Asia-Europe Institute Universiti Malaya, this activity is a book writing workshop which will later be published by an international publisher. In this activity, SSUD UPNVJ was one of the agencies invited as a speaker representing Indonesia.

Together with other researchers, most of whom are economists, Dr Fachru Nofrian delivered his presentation on industrial policy and structural transformation in Indonesia. In his presentation, he explained industrial policy for each period of development in Indonesia, starting from guided democracy, the new order, reform, post-reformation and the Jokowi effect.

Various industrial policies have been implemented ranging from nationalization, liberalization, globalization to infrastructure. These various policies have an impact on industries ranging from basic industries, strategic industries, key industries, infant industries, to financial efficiency. However, industry was not fully developed and industrialization had not yet been achieved. The added value is actually decreasing, not as expected.

The activity began with a presentation by Prof. Rajah Rasiah from Universiti Malaya who said that current industrial policy is not limited to manufacturing. Developed and developing countries are each experiencing deindustrialization.

For this reason, ASEAN must look for new institutions to restore industrial policies which are increasingly needed now. For countries like Laos, which have just joined ASEAN, cooperation with Chinese companies to develop robots in the metal and mineral smelting industry is one of the industrial policies that is expected to realize structural transformation.

Dr Latdavanh conveyed how industrial policy in Laos is. Next, Dr Cassey from the Yusof Ishak Institute, Singapore, gave a presentation regarding industrial policy in Singapore which started in 1965 with a good service sector, then experienced a decline and rise again until now.

During this period, Singapore managed to overcome various challenges such as labor shortages until it finally succeeded in developing R&D and succeeded in becoming the advanced industrial country it is today.

Dr Miao ZHANG from the University of Xiamen, China explains industrial policy in Malaysia. He explained industrial policy as an institution, namely initiation, implementation and calibration and its application in Malaysia for the ICT industry and global value chain.

The presentation continued by Dr Teerawat Charoenrat from Khonkaen University, Thailand explained that manufacturing is an important sector that has made a significant contribution in Thailand, for example semi-conductors used in the automotive industry which is a key industry in the country.

Prof. Rene from the School of Labor and Industrial Relations, UP Diliman, explained about industrial policy in the Philippines which faces the challenge of corruption. He also explained how Samsung used to be a partner of Sanyo before it became as big as it is now.

Dr Bach Tan Sinh from the University of Vietnam explained industrial policy in Vietnam covering mechanical, automotive, electronics, shoes, textiles and garments.

Dr Osumanu from Brunei Darussalam gave an explanation of industrial policy in Brunei where the livestock processing and refineries sector is one of the industries that has been successfully developed.