



EUROPEAN POLICY BRIEF

COMPETING INTEGRATIONS IN SOUTHEAST ASIA

Non-Tariff Measures in ASEAN: From Evidence to Policy



ASEAN is a high user of standard-like non-tariff measures (NTMs) which create “hidden” trade barriers in the form of burdensome procedures directly associated with the regulations. Harmful NTMs serve a dual purpose of policy objectives and protectionism; they signal a shift towards “murky” protectionism in the region. Regulatory reform for standard-like NTMs is therefore needed at the country-level to remove these “hidden” barriers, prior to efforts to streamline the NTMs on a regional front.

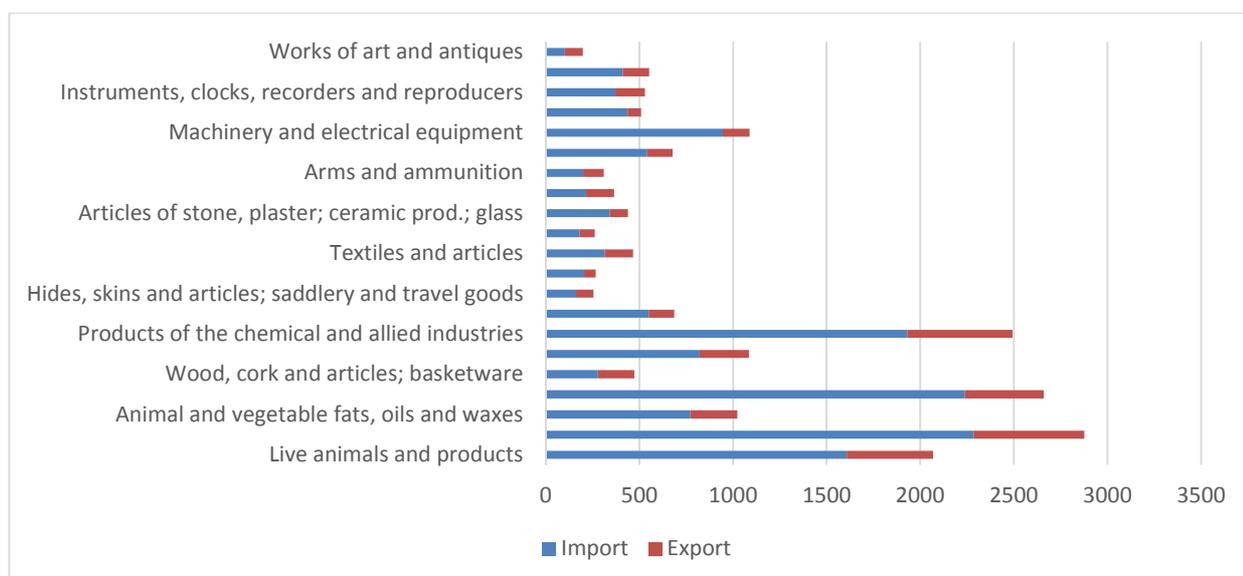
Evelyn S. Devadason, August 2019

INTRODUCTION

The average tariff rates have been reduced to below five percent on a trade weighted basis for almost all ASEAN member states. One could wrongly conclude from the progress made that policy makers in ASEAN have resisted to regulate trade. This, however, is not the case, as the increasing incidence of non-tariff measures (NTMs)¹ in ASEAN has been counterproductive to the decline in tariffs. ASEAN recorded a total of 9,492 public NTMs² as at August 2019. Thailand recorded the highest number of NTMs (3,276) in ASEAN, followed by the Philippines (1,222), Indonesia (971) and Malaysia (920). Approximately 83% of NTMs in ASEAN relate to imports, though export measures are widely used by Thailand, Vietnam, and the Philippines. The sectors that are found to be highly regulated in ASEAN include the following: vegetable products; prepared foodstuff, beverages, spirits, vinegar, tobacco products; chemical and allied industries; and live animals and products (Figure 1).

¹ NTMs are regulatory tools, other than standard border tariffs, that can have potential economic effects on trade – either a decrease in quantities traded, an increase in their price, or some combination of both.

² The number of NTMs is not a reflection of the restrictiveness or stringency of the regulations.



Source: Derived from the TRAINS (2019) database. <https://trains.unctad.org/Default.aspx>

Figure 1: ASEAN - Distribution of Number of Import- and Export-Related NTMs, by Sectors (as of August 2019)

At 66% of total NTMs in ASEAN, standard-like³ NTMs or sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBTs) dominate the portfolio of ASEAN. SPS measures generally apply to agriculture and foodstuff, while TBTs largely prevail in chemical and allied industries, foodstuff, and machinery and electrical equipment. SPS measures and TBTs are generally considered legitimate (instituted for non-trade policy objectives such as safety, security and environmental protection). The shift towards these policy instruments are therefore referred to as moving from protection to precautionary motives. That said, there are also concerns that these non-traditional behind-the-border policy instruments have subtle protectionist elements, as the regulations are qualitative, heterogeneous across products and countries, opaque (less visible), difficult to monitor and their impact unclear. For these reasons, more countries fall into the temptation to misuse NTMs for political reasons, which is to increase the number of NTMs to protect their domestic industries. In some instances, the NTMs have also been designed in such a way as to serve a dual purpose; impart an intentionally protectionist effect while serving a public policy objective.

Recognizing the distorting and discriminatory effects of some NTMs, this trade issue has now emerged in the policy space of the ASEAN agenda. ASEAN has set a target to reduce the transaction costs of NTMs by 10 percent by 2020. To guide regulatory reform in the region, policymakers need a clear understanding of the complexity of the regulations and the protectionist elements in standard-like NTMs.

EVIDENCE AND ANALYSIS

It is difficult to distinguish legitimate NTMs from protectionist NTMs as standard-like NTMs are presented as a package and not as single stand-alone measures. The 'harm' in standard-like NTMs is not visible when it is not directly related to the measure or requirement itself but originates from the application and the administration (involving implementation and enforcement) of the NTM, which is country specific. They are derived from national regulations that involve specific procedures in complying with a given regulation. The complexity or restrictiveness of the NTMs can therefore only

³ The term 'standard-like' is used to describe SPS and TBTs as they often take the form of standards to be met by imports as well as their domestic counterparts. SPS measures correspond to standards and procedures to protect human, animal and plant health from diseases, pests, toxins and other contaminants. TBT features technical regulations, product standards, environmental regulations, labelling and other related measures that have bearings on human health and animal welfare.

be assessed through the procedures that surround those NTMs. Since obstacles may lie in the compliance procedures, the burdensome NTMs are detected through country specific business surveys, such as those conducted by the International Trade Centre (ITC).

One common barrier identified by the ITC is overlapping, complicated cross-bureaucracy and somewhat conflicting responsibilities of regulators in ASEAN. This is not surprising, as standard-like NTMs motivated by various policy objectives, involve multiple regulators beyond the Ministry of Trade/Commerce (agriculture, fisheries, health and environment) in the respective ASEAN member states. In Indonesia, the problem is even more compelling as some national regulations for imports even conflict with local by-laws. Though national regulations dictate import policies, regional governments issue additional requirements for imports to enter their jurisdiction. This is noted in the case of imports of alcoholic beverages. Further, delays for fumigation procedures and delays due to export inspection combined with high fees and charges for the waiting time, arbitrary behaviour by officials (in terms of informal payments for the issuance of certification for heat treatment and classification and valuation of the product) and the requirement for a large number of different/redundant documents are cited as additional obstacles to comply with technical requirements (including conformity assessment procedures) for food and agro-based products in the Indonesian case.

Redundancies in obtaining certifications for public health and environment safety, procedural obstacles, in the form of technical compliance, are also cited as a major issue in the Philippines. Specific problems for exporters relate to inadequate product testing (lighting, electromagnetic compatibility and interference) facilities, high costs of fumigation to obtain SPS certificates for agro products and pallets for automotive, and discrepancies in export procedure policies between Customs or port authorities and in the provinces causing delays, additional informal payment and more paperwork. From the import perspective, abuse in the form of informal payments is rampant in order to obtain the license for regulated chemical imports. Importers attribute such discriminatory behaviour of government officials favouring local suppliers. The procedural obstacles identified in the Philippines are also found to be common in Thailand.

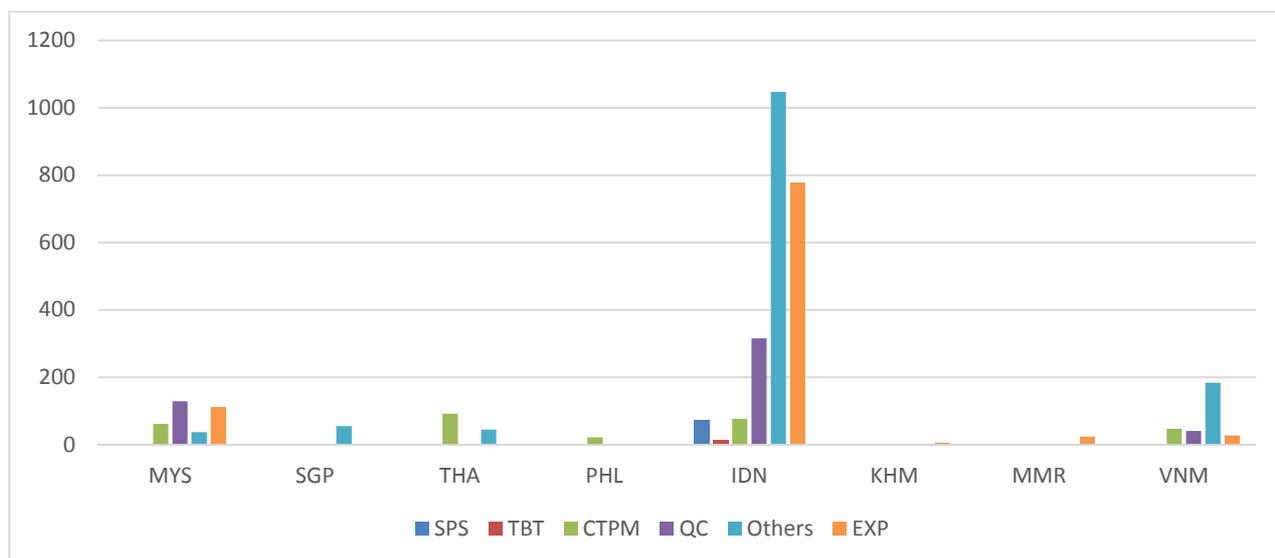
For the newer member states, the procedural obstacles are even more serious due to capacity constraints and lack of information. For example, in Cambodia, the SPS legislation is still weak. The lack of accredited laboratories for testing and certification remain a critical issue, affecting not just exports but also imports of food, cosmetics and drugs. Some medicine samples have to be sent abroad for testing and certification. Cambodia is also saddled with other barriers such as multiple and duplicate documentation, long processing times, problems with classification and valuation of imported products and corruption.

Apart from procedural complexities and obstacles, the protectionist intent of NTMs can be grasped through the stringency of national level regulations in comparison to globally accepted standards. For example, in the case of nutrition labelling (though not mandatory in all member states), some countries in ASEAN have gone ahead to make the measure more restrictive than the legitimate goal of providing information to consumers (Devadason and Govindaraju, 2019). Through a business survey conducted with the Food Industry Asia in 2017 (Devadason and Govindaraju, 2018), it was identified that elements of nutrition labelling in ASEAN, namely nutrition (and function) claims, nutrient reference value, nutrition information panel and tolerance and compliance level to be more complex than the Codex Alimentarius⁴ guidelines. The reason for this divergence is the unique national (rather than regional or international) standards.

The use of “harmful” NTMs in ASEAN are reported by the Global Trade Alert (GTA) database, and as shown in Figure 3. A typical policy response to protect domestic industries is to employ measures such as state trading/ aid, production subsidy, government procurement restrictions and measures restricting investments through ownership, local content and treatment (categorized as ‘others’ in Figure 3). This is largely evident in Indonesia, followed by Vietnam and Malaysia. In fact, Indonesia tops the list of imposing harmful measures from both the import and export perspectives.

⁴ Codex Alimentarius is relevant for international food trade, as the food standard (both product and process) issues cover specific raw and processed materials characteristics, food hygiene, pesticides, residues, contaminants and labelling and sampling methods.

Export restrictions to ensure domestic supply, specifically for agricultural products and commodities, include export tax, export quota, export licensing and export ban. The Indonesian statistics in Figure 3 is rather consistent with the ITC business survey results that find export inspection and export registration to be somewhat burdensome in Indonesia. Harmful quantity control measures through licensing are also an issue not just for Indonesia, but also Malaysia, especially in the case of heavy construction equipment.



Notes: 'Harmful' refers to the red measures in the GTA database, described as: "the intervention almost certainly discriminates against foreign commercial interests". It only includes announcements made by national-level agencies and those that are currently in force. For consistency with Figure 1, the types of NTMs in the GTA database are matched with the UNCTAD classification of NTMs. QC – quantity control; EXP – export related measures. All other acronyms are defined previously and in Figure 1.

Source: GTA database. <https://www.globaltradealert.org/>

Figure 2: ASEAN - Number of Harmful NTMs, 2008 – June 2018

Worth noting here is that the standard like NTMs are reported to be harmful only for Indonesia in Figure 3. Indonesia was also the major ASEAN country subject to specific trade concerns, recording a total of 35 cumulative SPS and TBT concerns raised between the 1995 to 2018 period (derived from the SPS-IMS and TBT-IMS databases). The reported concerns centre on the complexity and lack of transparency and trade-impairing effects of Indonesia's import licensing and labelling requirements, especially with respect to horticultural products, animal and animal products, electronics, ready-made clothes, toys, footwear, food and beverages. The database is however not complete in that it is not able to detect the less visible 'harm' embedded in the procedures linked to NTMs.

POLICY IMPLICATIONS AND RECOMMENDATIONS

Procedural obstacles, a result of poorly designed standards and technical measures, has shifted the motives for trade policy in ASEAN from protectionism to precautionary, and subsequently to "murky" protectionism. As such, NTMs should be reviewed in the individual ASEAN member states to tease out the concealed objectives (if any) and discriminatory application in those NTMs. A non-harmonized ASEAN can derive lessons from a harmonized EU to advance its agenda of streamlining NTMs within the region.

Removing "hidden" barriers in NTMs and having a coherent regulatory framework that reduces the differences and conflicting standards will lower the costs of doing business across the region. In that regard, a two-step approach for policy reform is suggested as detailed below:

- (1) At the national level, unnecessary (restrictive and obsolete) NTMs and domestic procedural obstacles should be removed, and complex regulations simplified. The decision to **remove**

NTMs should be confined to those measures that are used to favour some economic agents over society, while the **reform** process should be for those that serve a dual purpose of policy objectives and protectionism and those that are considered burdensome and pose difficulties to businesses. For legitimate standard-like NTMs, procedural reforms are needed, as removal of these measures is not an option.

- (2) Once the overall regulatory reform is completed at the national level, there should be a clear understanding on where regulatory convergence should be promoted. Only then it can be placed on the regional platform for the purpose of harmonizing cross-border standards. Since complete harmonization is politically not feasible for a region like ASEAN, coordination through mutual recognition agreements (MRAs)⁵ of conformity assessment procedures may be the next best option. The focal point of ASEAN should therefore be on streamlining targeted NTMs across ASEAN to ensure regulatory coherence, (and indirectly deal with restrictive standards), reduce opacity and discourage “murky” or “hidden” protectionism.

Finally, it should be recognized that NTMs are not a pure trade policy instrument and should not be viewed as a negotiating issue in trade agreements; NTMs cannot be reduced or negotiated down like tariffs. However, cooperation beyond trade agreements is still important, such as capacity building in the area of procedural compliance with NTMs. In that context, ASEAN and the European Union can work together.

RESEARCH PARAMETERS

Competing Regional Integrations in Southeast Asia (CRISEA) is an interdisciplinary research project that studies multiple forces affecting regional integration in Southeast Asia and the challenges they present to the peoples of Southeast Asia and its regional institutional framework, ASEAN.

CRISEA innovates by encouraging ‘macro-micro’ dialogue between disciplines: global level analyses in international relations and political economy alongside socio-cultural insights from the grassroots methodologies of social sciences and the humanities.

Coordinated by the Ecole française d’Extrême-Orient (EFEO) with its unique network of ten field centres in Southeast Asia, the project brings together researchers from seven European and six Southeast Asian institutions, with three objectives:

1. Research on regional integration

Multiple internal and external forces drive regional integration in Southeast Asia and compete for resources and legitimacy. CRISEA has identified five ‘arenas of competition’ for the interplay of these forces, investigated in the project’s five research Work Packages. It further aims to assess the extent to which they call into question the centrality of ASEAN’s regional model.

2. Policy relevance

CRISEA reaches beyond academia to engage in public debate and impact on practitioners in government and non-government spheres. By establishing mechanisms for dialogue with targeted audiences of policymakers, stakeholders and the public, the project furthers European science diplomacy in Southeast Asia and promotes evidence-based policymaking.

3. Networking and capacity-building

CRISEA reinforces the European Research Area (ERA) in the field of Asian Studies through coordinated EU-ASEAN academic exchange and network development. It connects major research hubs with emerging expertise across Europe and Southeast Asia. CRISEA also promotes participation of younger generation academics in all its activities, notably policy dialogues.

⁵ MRA involves the acceptance of different forms of regulation amongst countries as ‘equivalent.’

PROJECT IDENTITY

PROJECT NAME	Competing Integrations in Southeast Asia (CRISEA)
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FUNDING SCHEME	H2020 Framework Programme for Research and Innovation of the European Union – Research Innovation Action (RIA) – Europe in a changing world, Engaging together globally
DURATION	November 2017 – October 2020 (36 months).
BUDGET	EU contribution: €2,500,000.00
WEBSITE	www.crisea.eu
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FURTHER READING	Devadason, E.S. 2019. "Importance of Streamlining Non-Tariff Measures in ASEAN." In Fumitaka Furuoka, Aida Idris, Beatrice Lim and Rostika Petrus Boroh (eds.), <i>ASEAN-EU Dialogue 2018 - Regional and Inter-Regional Economic Cooperation: Identifying Priorities for ASEAN and the EU</i> , Kuala Lumpur: Asia-Europe Institute (AEI), pp.2-7. Devadason, E.S. and V.G.R. Chandran. 2019. "Regulatory Incoherence in Nutrition Labelling of Prepackaged Food in ASEAN: What Next?" In Aida Idris and Nurliana Kamaruddin (eds.), <i>Contemporary Issues and Challenges in Regional Integration: The Case of ASEAN</i> , Palgrave MacMillan: Singapore, pp.203-229. Devadason, E.S. and V.G.R. Chandran. 2018. "Nutrition Labelling on Prepackaged Food: Impact on Trade in ASEAN." Technical Report submitted to Food Industry Asia (FIA) and ASEAN Food and Beverage Alliance (AFBA): Singapore. Available at: http://afba.co/wp-content/uploads/2018/02/Nutrition-Labelling-on-Prepackaged-Food-Impact-on-Trade-in-ASEAN_v2.pdf Devadason, E.S., V.G.R. Chandran, K. Kalirajan. 2018. "Harmonization of Food Trade Standards and Regulations in ASEAN: The Case of Malaysia's Food Imports." <i>Agricultural Economics</i> 49(1): 97-109.

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EUROPEAN POLICY BRIEF



COMPETING INTEGRATIONS IN SOUTHEAST ASIA

Is FDI-led industrialization the way forward? A labour perspective

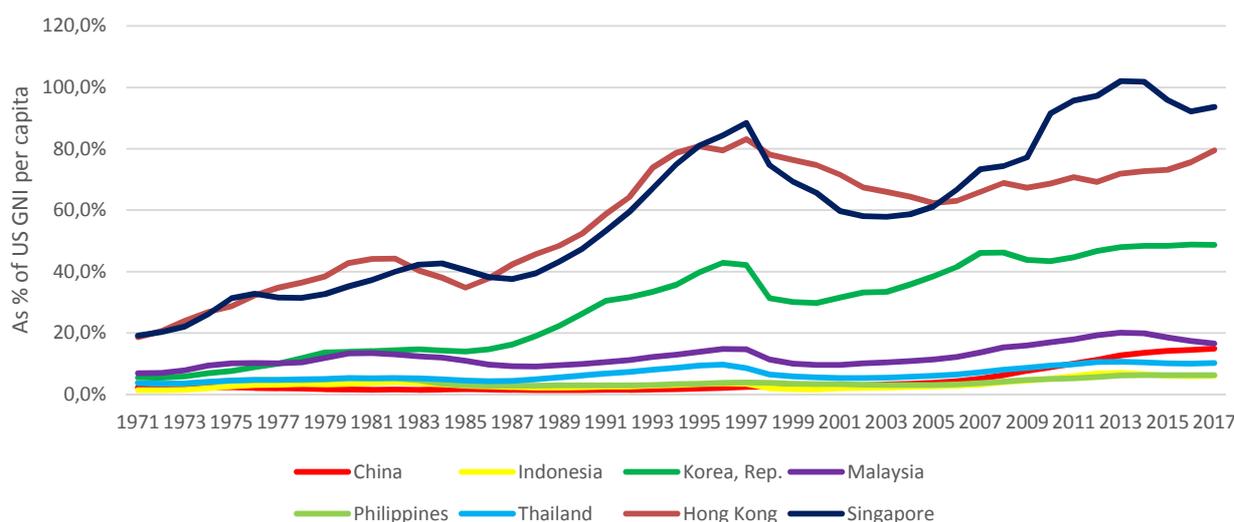
Pietro Masina, January 2020

INTRODUCTION

ASEAN countries have achieved high levels of GDP and GDP per capita growth over the last forty years. Growth was accompanied by a sharp decline in absolute poverty levels. This makes Southeast Asia, compared to other world regions, a success story. In the wider framework of East Asia (including both Northeast and Southeast Asia), however, the performance of the ASEAN countries emerges as more questionable. The regional crisis of 1997-98 represented a watershed rather than a temporary pain as growth rates did not return to previous levels. The poorest countries in the region – Cambodia, Laos and Malaysia – joined Vietnam as new actors in the regional production networks, but their growth model seems to repeat the pattern of ASEAN's more mature economies.

The fundamental problem is the failure to close the gap with industrialized countries, repeating the impressive catching-up achieved by Japan and then the four “tigers” – Hong Kong, Singapore, South Korea and Taiwan. Figure 1 measures the performance of several Asian countries as a percentage of the American GNI per capita in current US dollars. Figure 1 shows that while Singapore and Hong Kong have now GNI per capita levels similar to the United States and South Korea levelled at about 50%, Southeast Asian countries have failed to improve their relative position. The best performer, Malaysia, had the same GNI per capita as South Korea in 1980 and reaches now only 20% of the American one.

Figure 1 – GNI per capita growth, 1971-2017 (Current US\$)



In recent years, the literature on Southeast Asian economies has used the expression “middle-income trap” to describe the challenges for these countries. The trap would be a result of competitive pressure from neighbours with lower labour costs and the inability to move upwards to more value adding productions. However, this concept describes the problem rather than explaining the difficulties involved in climbing the value chains. The present policy brief builds upon current CRISEA research looking at how the failed catching-up can be understood as a result of a development pattern where ASEAN countries and firms appear to be in a relation of dependence on foreign capital – a relationship in which ASEAN countries are locked in labour-intensive and low value-added productions. Contrary to prevailing wisdom, low wages and poor working conditions are not the temporary price to be paid to climb the value chain but tend to become a permanent feature of ASEAN industrial participation in regional and global production networks.

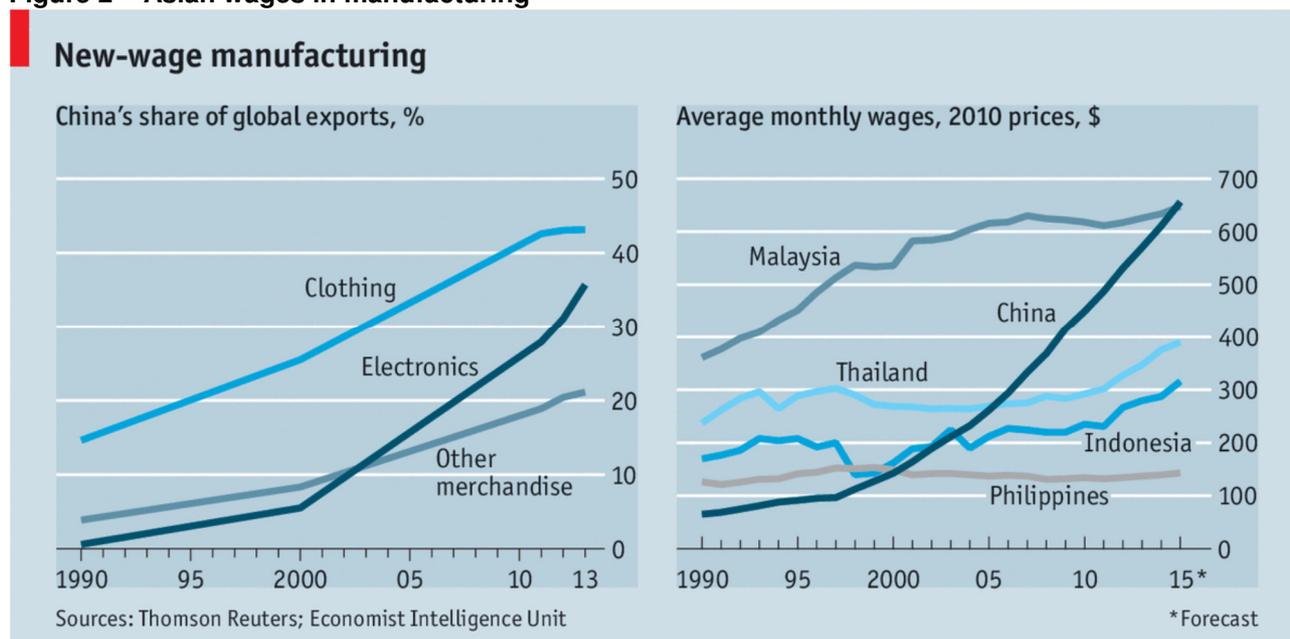
EVIDENCE AND ANALYSIS

The inclusion of Southeast Asia in a Japan-led regional system of division of labour emerged in the second half of the 1980s. After the Plaza Agreements (1985), Japan, soon followed by South Korea and Taiwan, responded to currency appreciation and high labour costs by moving labour-intensive productions to Malaysia, Thailand, the Philippines and Indonesia (particularly the island of Batam). The role of Southeast Asia in regional production networks become even more relevant since the mid-2000s, when Vietnam emerged as a major manufacturing hub, first in garment production and then electronics. Eventually Cambodia and, to a certain extent, Laos were also integrated as garment producers. While the inclusion of Southeast Asia in the regional division of labour can be seen as the extension of the success story that allowed Singapore, South Korea and Taiwan to graduate as industrialised countries, key differences explain why ASEAN countries have not replicated the so-called miracle. The inclusion of Singapore, South Korea and Taiwan in a Japan-led production system was based on technology transfer which allowed locally-owned, independent firms to become subcontractors for foreign brands. The involvement of these firms in regional value chains was coherent with the development state-type industrial policies pursued by national governments and resulted in successful industrial upgrading. The involvement of Southeast Asia in a wider regional production system after the Plaza Agreement occurred in a radically different international environment, which was much less favourable to market-distorting national industrial strategies. Foreign direct investment (FDI) became an alternative to, rather than a medium of, technology transfer. In this context, FDI to Southeast Asia often results in the consolidation of already existing production networks, with key subcontractors following the lead firm in the same industrial park in the host country, while local firms remain confined to low value-added productions. Even in the relatively successful Malaysian electronics or in Thai automotive production, the involvement of local firms did not entail a substantial industrial upgrading – thus maintaining the country’s dependence on cheap labour as a competitive factor.

Large FDI flows contributed to generate employment in export-oriented manufacturing industry, but did not contribute to a substantial expansion of national industry. Three related issues are critical. First, FDI-led, export-oriented production tends to be disconnected from national demand and – with lack of adequate industrial policies – do not create backward and forward linkages with national industry (that is, do neither integrate national firms in their supply chains nor sell their products locally). Second, market liberalization policies pursued by ASEAN countries to attract FDI expose national producers to strong competition in non-export-oriented sectors with a *deindustrialization* effect. Third, as ongoing CRISEA research indicates, workers tend to move in and out of manufacturing employment in a process that could be described as circular migration. Low wages, hard working conditions and high living costs in industrial areas keep workers only few years in manufacturing industry before moving back to rural areas or to the urban informal sector. In countries in which a substantial share of industrial labour force is made up of international migrants (particularly Malaysia and Thailand), legal constraints contribute to make the foreign labour force transient and vulnerable, thereby reducing labour costs.

The post-Plaza intensification of Southeast Asian participation in regional production networks was parallel to the involvement of China. To a large extent, China shares similar conditions of labour precarity and vulnerability. However, Chinese industrial wages have substantially increased in line with the national GNI per capita, as a result of successful industrial upgrading. In comparison, Southeast Asian wages have grown much less, even in the most prosperous countries of the region as the import of cheap labour from other Asian countries led to a continuous race to the bottom. As recently noticed by *The Economist* (see figure 2), average Chinese wages have closed the gap with Southeast Asia and are now higher than Malaysia's.

Figure 2 – Asian wages in manufacturing



In most Southeast Asian countries, there is a debate on the quality of foreign investment. The disconnection of current FDI-led processes with national demand and national production is confirmed by several studies published by the United Nations Industrial Development Organization (UNIDO). The debate about the “middle-income trap” has demonstrated that these countries are unable to maintain high growth levels and may even see a reversal of previous gains. However, the debate seems still far from addressing the root causes of the current difficulties. Our research suggests that these are related to a pattern of industrial development dependence, in which labour-unfriendly policies and practices contribute to weaken these countries and make them more vulnerable.

POLICY IMPLICATIONS AND RECOMMENDATIONS

FDI-led, export-oriented industrial processes contributed to make Southeast Asian countries more dependent on foreign capital and had a problematic impact on labour, contributing to a process described as a race to the bottom in terms of wages and workers' rights. A number of policy implications can be derived from this analysis.

Today, in most ASEAN countries there are debates regarding the *quality* of FDI. These debates focus on the need of increasing the contribution of foreign investment to technology transfers and strengthening the linkages between foreign-led productions and local firms. The aim is to promote industrial diffusion and technology upgrading allowing national firms to climb the value chain. However, these debates neglect the obvious fact that improving the position of ASEAN countries in regional and global production networks requires these countries to abandon their labour-unfriendly policies and to create a labour force with stronger skills, higher wages and better working conditions.

Secondly, the results of over thirty years of FDI-led, export-driven industrialization in Southeast Asia have been less than satisfactory. The experiences of the first generation of Asia's Newly Industrialized Economies (NIE; Japan, South Korea, Taiwan and Singapore) followed by China, have indicated that a more sustainable strategy conjugates export promotion with policies supporting the development of a national industry. This strategy implies strengthening national demand for national goods. A gradual increase of industrial wages is therefore essential to generate a stronger demand for local industrial products.

As an EU-funded project, CRISEA has also been looking at the implications of bilateral trade agreements currently pursued with ASEAN countries. There is a serious risk that these agreements support a race to the bottom both for Asian and European workers – leading to the intensification of export-driven industrial strategies in Asia; and an uneven competition in Europe from goods produced by workers with low wages and limited labour rights. From a labour-informed perspective, it is paramount that trade agreements become an instrument of co-development addressing the societal needs of the two regions. At a time when the European Union launches a new green deal, it is important that human and environmental sustainability are coherently pursued in the external economic relations and become the cornerstone of win-win cooperation with developing countries.

Finally, in most Southeast Asian countries trade unions and labour-related civil society organizations are repressed or face obstacles in representing grassroots voices at the policy table. This is a matter of concern for CRISEA researchers, too, as our macro-micro analysis has led to a better understanding of grassroots conditions, needs and perspectives. Strengthening the ability of Southeast Asian countries to incorporate these grassroots interests in policy debate would make an important contribution to sustainable development. It would also increase the quality of the policy debate with foreign partners, including the European Union.

RESEARCH PARAMETERS

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FUNDING SCHEME	H2020 Framework Programme for Research and Innovation of the European Union – Research Innovation Action (RIA) – Europe in a changing world, Engaging together globally
DURATION	November 2017 – October 2020 (36 months).
BUDGET	EU contribution: €2,500,000.00
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EUROPEAN POLICY BRIEF



COMPETING INTEGRATIONS IN SOUTHEAST ASIA

Popular Support for Duterte's War on Drugs: Investigating the Religious Dimension

Jayeel Serrano Cornelio & Erron Medina, January 2020

INTRODUCTION

President Rodrigo Duterte's War on Drugs in the Philippines has shocked the world because of its unrestrained forms of state violence, but also because of the popular support his campaign has enjoyed. To explore its sociocultural underpinnings, the CRISEA research project has invested in an ongoing project on the justifications religious leaders employ in support of the anti-drugs campaign. Asking this question is important given that the Philippines, apart from being predominantly Catholic, is among the most religious societies in the world. How a religious society responds to a campaign known for its human rights violations is a significant sociological question with considerable policy implications.

Survey results reveal that not only are Filipinos satisfied with Duterte's performance, in 2017 a national survey also showed that 88% of Filipino adults supported the War on Drugs. It was the case even if 73% believed that extrajudicial killings were also taking place.¹ This is the social context for the popularity of the anti-drugs campaign. The accusations that there are far too many casualties in the War on Drugs do not affect President Duterte's popularity at all.² The government has taken great pains to justify the program by providing what it calls 'social cards' or numerical figures demonstrating its successes. As of late, it claims that 5,327 local communities have been declared drug-free and USD 376 million worth of illegal drugs and laboratory equipment seized.³ The argument is that people feel safer now, which is why they remain supportive of the War on

¹ Pulse Asia, *September 2017 Nationwide Survey on the Campaign Against Illegal Drugs*, 2017, <http://www.pulseasia.ph/september-2017-nationwide-survey-on-the-campaign-against-illegal-drugs/>

² Social Weather Stations, 'First Quarter 2018 Social Weather Survey: Pres. Duterte's Net Satisfaction Rating a "Very Good" +56' Social Weather Stations, 2018, <https://www.sws.org.ph/swsmain/artclisppage/?artcsyscode=ART-20180411144206>

³ For the latest figures, refer to <http://pia.gov.ph/realnumbers>.

Drugs. No wonder that for many people, according to another study, the killings are acceptable because ‘these are the people that made our miserable lives even more miserable’.⁴

EVIDENCE AND ANALYSIS

The War on Drugs, inasmuch as it is a national policy determined from the top, takes place in the form of police operations in neighbourhoods around the country. The policy, called *Oplan Tokhang*, is supposed to be straightforward. *Tokhang* is a combination of Cebuano words for knock and plead. Law enforcers are to visit households with identified drug users to appeal to them to change their ways. The problem, however, is that many household visits have turned out to be fatal. From 2016 to early 2018, the government's official numbers show that 121,087 drug personalities have been arrested and 4,021 killed during anti-drug operations.⁵ A few communities, all of them poor, have become hotspots in the War on Drugs.⁶ No less than the former Dangerous Drugs Board Chair Dionisio Santiago has critiqued the program for claiming lives in poor areas.

The study on which the present policy brief is founded, has focused on Payatas, one of the poorest villages in Quezon City. Located in the northern part of Metro Manila, Quezon City is known for its elite universities, television stations, posh malls, and various national health centers. All these are indicative of a prosperous economy. But in Payatas, 60% of its 200,000 residents fall below the poverty threshold. It is known for its landfill. But since 2016, it has become notorious as a hotspot of the government's anti-drugs campaign, too. An investigative report by Patricia Evangelista documents the household visits carried out by the police and village leaders.⁷ On the pretext of gathering household information, the visits in some cases also involved on-the-spot drug testing. Quezon City's local government has insisted that these drug tests were not coerced. The vice mayor herself believes that ‘if they're not hiding anything, it's okay for them to be subjected to drug testing’. By 2017, at least 37 drug suspects have been killed during police encounters and 28 during buy-bust operations, all in Payatas.

The research was led by a team of faculty from the Ateneo de Manila University headed by Jayeel Cornelio, a sociologist and Director of the Development Studies Program and Erron Medina, research fellow in the same department, acting as his co-researcher. The team was initially interested in a Catholic parish in Payatas and wanted to investigate how much of its efforts embodied the critical posture of institutional Catholicism.⁸ Apart from Catholic parishes, Payatas is also home to a diversity of local Christian denominations including Baptists, Evangelicals, Charismatics, *Iglesia ni Cristo* (INC), and *Ang Dating Daan* (ADD). The project thus evolved into documenting first the responses of different Christian groups along denominational lines. Researchers were guided by the following research questions: *How do different Christian groups understand the War on Drugs in Payatas? How have they responded? And what accounts for the differences in their responses?*

⁴ C. Arguelles, ‘Grounding populism: Perspectives from the populist publics’ (Unpublished thesis, Central European University, 2017); J. Cabañes and J. Cornelio, ‘The rise of trolls in the Philippines (and what we can do about it)’ in Nicole Curato (ed.) *A Duterte Reader: Critical essays on Duterte's early presidency* (Quezon City and New York: Ateneo de Manila University Press and Cornell University Press, 2017) pp. 231-50.

⁵ Philippine Information Agency, ‘#RealNumbersPH Update: Towards a drug-free Philippines’, 2018; Pulse Asia, *September 2017 Nationwide Survey on the Campaign Against Illegal Drugs*, 2017, <http://www.pulseasia.ph/september-2017-nationwide-survey-on-the-campaign-against-illegal-drugs/>

⁶ Reuters has a dedicated coverage to the campaign. Its journalists won the 2018 Pulitzer Prize in International Reporting. See <https://www.reuters.com/investigates/section/philippines-drugs/>

⁷ P. Evangelista, ‘The red mark’, *Rappler*, 2017, <https://www.rappler.com/newsbreak/investigative/188916-drug-testing-payatas-quezon-city-police-drug-war>

⁸ In a statement that was widely read around the country, Manila's Cardinal Tagle wrote that ‘a nation cannot be governed by killing’. He went on to call on ‘those who harm or kill others to listen to their conscience, the voice of God that summons us to do good’. Church leaders became increasingly vocal in the wake of casualties involving unarmed teenagers, leading to the Catholic Church being touted as the ‘voice against a campaign of violence’.

To answer these questions, four main themes were prioritized in interviews. First, the team wanted to know about their experiences as religious ministers in Payatas. Second, questions were asked about their familiarity with the War on Drugs and President Duterte's anti-drug statements. Third, the team asked the religious leaders about their specific activities to address the issue. Fourth, questions addressed their roles as Christian leaders in relation to Philippine politics and society. Some related questions about their views on governance and justice also surfaced during the interviews.

The team interviewed different religious leaders. The time during which the fieldwork was conducted (2017-2018) was important because significant public reactions to the anti-drug campaign (especially by the Catholic Church) emerged around this period. The team relied on qualitative interviews because it was interested in what religious leaders were doing and why. These interviews brought to the surface tacit understandings of the War on Drugs as it was happening on the ground. In this way, the project complements elaborate journalistic accounts.⁹ As the team coordinated the interviews, members also mapped the physical locations of different churches on site. From there they started interacting with Catholic priests. They sought their help to be introduced to other informants, who might not have agreed without initial personal referrals given the controversial character of the study. The team recognized the possibility that the interviews might raise suspicion that the members are serving certain government agencies. These informants included Evangelical pastors, a Charismatic leader, and a Baptist preacher. Two lay leaders were also interviewed. One is the head of a youth ministry in an Evangelical church, the other the coordinator of a Basic Ecclesial Community. All of these religious leaders are based in Payatas. But during the fieldwork, a few outsiders were also included among the informants for the sake of comparison. One is a lecturer in a nearby Protestant seminary and congregation. The others are pastors in a nearby Evangelical church. They were included because of their involvement in the War on Drugs. In spite of its proximity to Payatas, the Protestant seminary has decided to devote its attention to helping another affected community in Manila. The Evangelical congregation, by contrast, has partnered with the police force instead of dealing directly with communities affected by the War on Drugs.

The interviews with informants provide a glimpse of their divergent religious worldviews. The team's main finding is that the way a religious community responds to the War on Drugs is heavily informed by how it understands the nature of the drug addict. Addicts are either (a) sinful human beings or (b) victims of wider social injustices such as poverty. The latter view is drowned in the debate. Examples are called for to demonstrate the contrast.

As a deliberate act of sinning, taking illegal drugs, according to many informants, is a consequence of people's separation from God. This point is repeatedly brought up by Pastors Nick and Julius (names changed). Each of them oversees his own Evangelical and Baptist congregations in Payatas. To them the problem of substance abuse is a function of one's failed relationship with the Holy Spirit. In fact, Pastor Julius even likens drug dependents to swine. Pastor Julius invokes Jesus' injunction to cast not 'your pearls before swine, lest they trample them under their feet, and turn against and rend you'.¹⁰ His first reason is that focusing his church's efforts on drug users is to miss the 'more important' groups of people in Payatas like women and children. He points out that there are 'more kids in Payatas than there are drug addicts'. But he also believes that sharing the Word of God with drug users cannot be useful since they cannot pay attention because of their 'mental condition'. Following this reasoning, he concludes that to have Duterte as president is clearly an act of God to 'teach the country a lesson'. He believes that drug addiction is a sinful condition that has its own consequences. The violence of the War on Drugs is at one level a divine judgment and he leaves it up to the government to fully execute it. At another, the anti-drug campaign is meant to convince the rest of the public of what sin does in the end.

By contrast, a minority of informants have characterized drug users as 'victims'. Their use of drugs is not a result of individual choices but of structural causes like extreme poverty, unemployment,

⁹ P. Evangelista, 'The red mark', *Rappler*, 2017, <https://www.rappler.com/newsbreak/investigative/188916-drug-testing-payatas-quezon-city-police-drug-war>

¹⁰ Matthew 7:6, King James Version.

and depressed social conditions. This point is well articulated by Catholic priests, Protestant theologians, and one Evangelical leader. How do they explain victimhood? Drug users are *poor* not just spiritually, but also materially. The team expected this view from the three Catholic priests interviewed. Fr. Martin, Fr. Marcelo, and Fr. Patrick have a longstanding relationship with Payatas as an outreach of their religious community (based in another part of Quezon City). To them, drug dependents are the church's 'public'. It is therefore imperative to also address their social and material conditions to help them with their drug addiction. At the same time, the War on Drugs has worsened the poverty of many of these families who relied on the father. During an interview, a parish priest was indignant about this reality:

Has the government done anything to help affected families? Did they visit the children? Do they have psychological interventions? How about educational support? Food? Livelihood? *Sigh*. I asked the local leaders here. What did they say? No!

Yet for a majority of religious leaders drug users are sinners whose 'wickedness' and criminal acts need to be eradicated. Their view underscores an implicit religious underpinning for the popular support of the War on Drugs. As a major insight of our research, this finding adds nuance to the arguments made by political scientists and other sociologists that the support for the campaign is due to public concerns with security.

The perspective that drugs users are victims of wider social injustices might be the minority. But church leaders who embrace this view have initiated a number of interventions for families left behind by the victims of the War on Drugs. They are Catholic priests, but also Evangelical pastors. Some have taken to the pulpit to preach about the excesses of the campaign. Others support the left-behind families of killed individuals. These interventions - social and political in nature - are meant to address the 'unjust roots and consequences' of the War on Drugs.

Roman Catholic priests have arguably come up with the most comprehensive interventions. Apart from psychological help, they extend livelihood assistance to families where bread winners were killed. Local parishes have also provided grants to left-behind children for their school uniforms, books, and other needs.

As people are generally afraid to resort to legal remedy against the state and the police force, priests have helped address the legal situation by documenting what they believe are cases of extrajudicial killings in Payatas. This sentiment is understandable given the asymmetrical power relations. Similarly, investigative journalists have documented what police surveillance has done in the name of community profiling.¹¹ Brother Robert, an Evangelical and lawyer also helps affected families to file cases. Interviewed by the team, he framed his congregation's intervention as follows:

You help the poor by filing cases. We are not fighting the anti-drug campaign. We are fighting summary executions because they destroy the Bill of Rights, the very pillar of our democracy.

POLICY IMPLICATIONS AND RECOMMENDATIONS

The present research surely leaves a number of open questions, such as why one religious perspective trumps the other. Yet it demonstrates that religious underpinnings should be embedded in confronting the popular (and populist) support for the War on Drugs in the Philippines. A moral worldview about justice is at play in which the lives of criminals may be sacrificed because they are irredeemable. It needs to be recognized and considered by policy makers and civil society organizations. In fact, the finding of the study may explain why calls made

¹¹ Evangelista, op. cit.

by the European Union and other global agencies for the state to respect human rights in the Philippines have not gained traction.

The research also suggests that within religious groups themselves, opportunities to reflect on the complexity of governance, human rights and public accountability are absent. The policy implication should therefore be to provide diplomatic support for community-based work and participatory deliberation about the common good in contemporary Philippine society.

As presented above, the team documented that Catholic parishes and other Christian churches have set up mechanisms to support the education of children and the livelihood of women to address the economic costs of losing breadwinners in the family. Legal support has been arranged in cases involving what religious leaders believe to be extrajudicial killings committed by police officers. Another policy implication is therefore to widen the support religious organizations can offer communities affected by the War on Drugs. There might be restrictions on using public funds for such religious groups. But a compelling case can be made: Supporting religious organizations that view the War on Drugs as an unjust policy is essential because they are rooted within the communities. The need is arguably bigger now given that media coverage of the War on Drugs has already waned.

RESEARCH PARAMETERS

Competing Regional Integrations in Southeast Asia (CRISEA) is an interdisciplinary research project that studies multiple forces affecting regional integration in Southeast Asia and the challenges they present to the peoples of Southeast Asia and its regional institutional framework, ASEAN.

CRISEA innovates by encouraging ‘macro-micro’ dialogue between disciplines: global level analyses in international relations and political economy alongside socio-cultural insights from the grassroots methodologies of social sciences and the humanities.

Coordinated by the Ecole française d’Extrême-Orient (EFEO) with its unique network of ten field centres in Southeast Asia, the project brings together researchers from seven European and six Southeast Asian institutions, with three objectives:

1. Research on regional integration

Multiple internal and external forces drive regional integration in Southeast Asia and compete for resources and legitimacy. CRISEA has identified five ‘arenas of competition’ for the interplay of these forces, investigated in the project’s five research Work Packages. It further aims to assess the extent to which they call into question the centrality of ASEAN’s regional model.

2. Policy relevance

CRISEA reaches beyond academia to engage in public debate and impact on practitioners in government and non-government spheres. By establishing mechanisms for dialogue with targeted audiences of policymakers, stakeholders and the public, the project furthers European science diplomacy in Southeast Asia and promotes evidence-based policymaking.

3. Networking and capacity-building

CRISEA reinforces the European Research Area (ERA) in the field of Asian Studies through coordinated EU-ASEAN academic exchange and network development. It connects major research hubs with emerging expertise across Europe and Southeast Asia. CRISEA also promotes participation of younger generation academics in all its activities, notably policy dialogues.

PROJECT IDENTITY

PROJECT NAME	Competing Integrations in Southeast Asia (CRISEA)
COORDINATOR	Andrew Hardy, EFEO, Paris, France, hardyvn25@yahoo.com.
CONSORTIUM	Ecole française d'Extrême-Orient – EFEO – Paris, France University of Hamburg – UHAM – Hamburg, Germany University of Naples l'Orientale – UNO – Naples, Italy Institute of Social and Political Sciences – ISCSP - Lisbon, Portugal University of Lodz - UL – Lodz, Poland University of Oslo – UiO – Oslo, Norway University of Cambridge – Cam – Cambridge, UK Chiang Mai University – CMU – Chiang Mai, Thailand The Centre for Strategic and International Studies - CSIS – Jakarta, Indonesia Ateneo de Manila University – ADMU – Quezon City, Philippines University of Malaya – UM – Kuala Lumpur, Malaysia Vietnamese Academy of Social Sciences – VASS – Hanoi, Vietnam The University of Mandalay – MU – Mandalay, Myanmar
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FURTHER READING	Cornelio, J (2018) God gave us Duterte. https://www.rappler.com/thought-leaders/206394-god-gave-us-duterte Cornelio, J and Medina E. (2018) Duterte's enduring popularity is not just a political choice—it is also religious. https://www.newmandala.org/dutertes-enduring-popularity-not-just-political-choice-also-religious/ Cornelio J and Marañon I. (2019) A 'righteous intervention': Megachurch pastors on Duterte's War on Drugs in the Philippines. <i>International Journal of Asian Christianity</i> . 2(2): 211-230. Cornelio J and Medina E. (2019) Christianity and Duterte's War on Drugs in the Philippines. <i>Politics, Religion & Ideology</i> 20 (2): 151-169.