Advancing Innovation and Inclusion for a Prosperous Asia
Proceedings of the ADB–Asian Think Tank Development Forum 2015

In partnership with the Malaysian Institute of Economic Research, the Asian Development Bank (ADB) held the forum on 8–9 September 2015 at Kuala Lumpur, Malaysia. The forum featured research papers on regional economic outlook, global value chains, regional economic cooperation, transitioning from middle-income status, social inclusion, and capacity building for think tanks. This publication documents the dynamic exchange of ideas and information during the 2-day event.

The ADB–Asian Think Tank Development Forum is an annual knowledge sharing event under the ADB–Asian Think Tank Network (ATTN), established by ADB and the Asian think tanks in 2013. The major objective of the network is to promote knowledge sharing and capacity building of think tanks, particularly those which are involved in supporting governments in formulating and implementing medium- or long-term development plans and in responding to emerging issues. For more information about ATTN, please visit its website: http://www/adb-asianthinktanks.org/

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Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.
ADVANCING INNOVATION AND INCLUSION FOR A PROSPEROUS ASIA

PROCEEDINGS OF THE ADB–ASIAN THINK TANK DEVELOPMENT FORUM 2015

8–9 September 2015
Kuala Lumpur, Malaysia
Advancing innovation and inclusion for a prosperous Asia: Proceedings of the ADB–Asian Think Tank Development Forum 2015.


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MESSAGES FROM THE ORGANIZERS

ZAKARIAH BIN ABDUL RASHID, EXECUTIVE DIRECTOR, MALAYSIAN INSTITUTE OF ECONOMIC RESEARCH

It has been a great pleasure for the Malaysian Institute of Economic Research (MIER) to cohost the ADB–Asian Think Tank Development Forum 2015. Being the third forum, it was interesting to interact once again with colleagues from the first forum in 2013 and form professional relationships with new think tank members. As our involvement with the ADB–Asian Think Tanks Network (ATTN) deepens, we hope that collaborations can be explored with ADB or with other think tanks in resource pooling and conducting research studies on topics of regional or global interest. We reiterate our support to the network and look forward to more opportunities for the vibrant sharing of knowledge and generous exchange of experiences among the think tanks and ADB.

JUZHONG ZHUANG, DEPUTY CHIEF ECONOMIST AND DEPUTY DIRECTOR GENERAL, ECONOMIC RESEARCH AND REGIONAL COOPERATION DEPARTMENT, ADB

Facing the challenges of a transforming Asia and Pacific region, ADB adopts a “One ADB” approach to provide knowledge solutions to our developing member countries aside from the usual project and program lending. Recognizing the important contribution of think tanks in developing policies and providing knowledge solutions, ADB supported the establishment of the ADB–Asian Think Tanks Network through technical assistance funded by the People’s Republic of China Regional Cooperation and Poverty Reduction Fund. We hope that the member think tanks will continue to explore governing and financing mechanisms to ensure the sustainability of the ATTN whose annual meetings have served as a platform for the dynamic exchange of knowledge, ideas, and experiences in policy development and decision making. As the network’s membership expands, we will seek more meaningful collaboration with ATTN members and the policy makers. We shall aspire toward finding a special niche for the ATTN to better influence development results in the region.

DONGXIANG LI, ADVISOR, ECONOMIC RESEARCH AND REGIONAL COOPERATION DEPARTMENT, ADB

This is already the third year for the ATTN and congratulations are in order to the think tanks who have remained committed to realizing the vision of creating the network, forging knowledge partnerships, and sharing. I am glad to have been involved in its creation, and the best part is the opportunity to make a difference. The network is moving in the right direction and the think tanks remain positive and eager to do their share in strengthening the network. ADB, in line with its commitment for the development and sustainability of the region, will continue to provide knowledge solutions. We thank the think tanks for their contribution and we are proud to work with them toward a shared future of an inclusive and prosperous Asia.
ACKNOWLEDGMENTS

For conducting the forum and preparing this report, the organizers acknowledge with thanks the following for their seamless cooperation and hard work.

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- Asian Development Bank
- Malaysian Institute of Economic Research

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- Tan Sri Sulaiman Mahbob
- Juzhong Zhuang
- Datuk Sundaran Annamalai for Tan Sri Mohd Irwan Serigar Bin Abdullah

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EXECUTIVE SUMMARY

BACKGROUND

One of the objectives of the Asian Development Bank’s (ADB) technical assistance (TA) on the Provision of Knowledge Products and Services to Developing Member Countries through Systematic Knowledge Sharing (TA 8392) is to support the networking of think tanks in Asia for sharing knowledge on development experiences and policy lessons in a sustainable and systematic manner. Under the auspices of the TA and together with 47 think tanks from 26 countries in Asia and the Pacific, consisting mainly of private and public research institutions and organizations with close links to the central ministries of finance, economy, and planning, the ADB–Asian Think Tanks Network (ATTN) was established in October 2013.

The ADB–Asian Think Tank Development Forum is the flagship annual knowledge-sharing event of the ATTN. Given the critical role of think tanks in helping governments prepare medium- and long-term development plans and in addressing emerging policy issues, the annual forum is used as the main platform to promote knowledge sharing and capacity building of the think tanks. It is hoped that the support provided by the TA will eventually lead the participating think tanks to create a self-sustaining knowledge-sharing network.

For 2015, the ADB–Asian Think Tank Development Forum was organized in partnership with the Malaysian Institute of Economic Research (MIER)—an independent, nonprofit think tank organization dealing with economic, financial, and business research in Malaysia. Held at Hotel Pullman Putrajaya in Kuala Lumpur, Malaysia on 8–9 September, the forum’s theme “Advancing Innovation and Inclusion for a Prosperous Asia” is a continuation of the themes of the past forums. Seventy-two participants from 32 think tanks across Asia attended the 2015 forum. Two other forums were held earlier—the first was the inaugural forum in 2013 in Beijing, People’s Republic of China (PRC) with the Asia-Pacific Finance and Development Center as partner; and the second was in 2014 in Seoul, Republic of Korea with the Korea Development Institute as cohost.

FORUM STRUCTURE

The opening session set the framework for the knowledge-sharing event. On the first day of the forum, plenary sessions were held on the topics of regional economic outlook, challenges and opportunities for global value chains, and priorities and concerns for regional economic cooperation. On the second day, a mix of parallel and plenary sessions were scheduled. For the parallel sessions, participants chose their preferred topics under the themes transitioning from middle-income status and social inclusion for shared growth. Following the parallel sessions, topics under capacity building for better policy advising were presented and discussed in plenary, leading to the closing of the forum. For each session, a lead presentation laid down the general ideas under the theme, followed by presentations on country experiences. Open discussions ensued after the presentations.
OPENING SESSION

Welcome remarks from MIER and ADB representatives opened the 2-day event. The five-point objectives of MIER as a research institution dedicated to meeting the quality research needs of the Malaysian government and private sector were highlighted, along with the need for increased funding to enable it to fulfill its mission of establishing knowledge-sharing platforms. The session also reaffirmed ADB’s commitment to pursue knowledge solutions and capacity development efforts for think tanks. The network members were encouraged to explore innovative governing structures and financing mechanisms to achieve sustainability for the ATTN. For the key message, think tanks were encouraged to engage policy makers, opinion leaders, and students on the most pressing development issues while providing practical policy advice in a diplomatic manner. Speaking on behalf of the Ministry of Finance's Secretary General Tan Sri Mohd Irwan Serigar Abdullah, deputy secretary general Datuk Sundaran Annamalai also urged ADB to use the centers of excellence in policy relevant research to leverage their knowledge to address regional and local issues in the Asia and Pacific region.

Session 1. Regional Economic Outlook. The session elaborated on ADB's latest economic outlook for developing Asia. Although growth for the region is expected to be stable up to 2016, large variations will be seen across subregions. From the region's biggest contributors to global growth—faster growth is expected for India and Indonesia, but moderate growth is projected for the PRC. The outlook for Asia may be adversely affected by volatility in the financial market, weaker than expected recovery in the advanced countries, and further moderation in the PRC’s growth while India’s was slower than expected. Following their presentation, Asian think tanks discussed their country’s growth strategies and priorities given the trend in commodity prices and emerging trade dynamics in the global economy, as well as the changing domestic situation in their respective economies.

Session 2. Global Value Chains: Challenges and Opportunities. This session focused on global production networks that have seen the evolution of cross-border production or global value chains (GVCs) driven by falling trade costs and the information and communication technology revolution. GVCs refer to the different stages in the production process that have been fragmented and distributed across different countries. As economies became interconnected and developed specializations, the past 2 to 3 decades saw GVCs expanding, with East and Southeast Asia emerging as the new manufacturing hubs in the world. Inadequate infrastructure and limitations in trading operations have hindered some countries from Central Asia and the Pacific from benefiting fully in the GVCs. Economies involved in GVC production stand to enjoy a boost in growth especially if sound macroeconomic management, favorable business climate, and investments in human capital and infrastructure are in place. Presentations from the think tanks examined specific areas of trade in their countries and discussed policy reforms needed to position themselves to participate in GVCs and opportunities to be opened by the ASEAN Economic Community (AEC).

Session 3. Regional Economic Cooperation: Priorities and Concerns. Session 3 tackled various subregional initiatives on regional cooperation. First discussed was the AEC, focusing on how its competition policy is shaping up and the stage of harmonization of the respective countries’ competition laws. The session took a look at the PRC-led Asian Infrastructure Investment Bank, which is envisioned to be a multilateral development bank devoted to promoting regional infrastructure and interconnectivity to strengthen global economic recovery. The presentation on the South Asian Association for Regional Cooperation noted the prospects and challenges of enhancing trade among its economies, foremost of which are the need for political will and stability to overcome trade and trust deficits.
Session 4a. Transitioning from Middle-Income Status. The session examined the historical transitions from one income level to the next and suggested gauging economic progress by the length of time to transition. It then asserted that from a historical perspective, no Asian country is trapped in the middle-income level. Slow transitions may be due to not enough saving, inadequate accumulation of physical and human capital, no innovation, and low pace of structural transformation toward manufacturing. The country presentations for Singapore, Thailand, and Malaysia shared the view that research and development in support of key industries will impact positively on growth transition as it will also raise productivity.

Session 4b. Social Inclusion for Shared Growth. Unlike the other sessions that opened with a regional or general presentation, Session 4b went directly into country presentations. The country experiences indicated that proper implementation of policies and appropriate monitoring tools will make development more inclusive. The Philippine presentation pointed out that social inclusion will be promoted by providing decent housing to informal settlers in cities. For Nepal, a gender-neutral policy that promotes open and equal access to opportunities on land, employment, and food will improve inclusiveness. In India’s case, a key factor to inclusiveness would be bridging the wage disparities across the manufacturing sector. Indonesia, on the other hand, offered the application of a multidimensional poverty line that considers empowerment, capability, and opportunity to measure poverty incidence and formulate poverty alleviation policies.

Session 5. Capacity Building for Better Policy Advising. This session examined think tanks—their role in governments, their organizational structures, and ways they can continue to grow amid a backdrop of increasing competition from profit consulting firms and nongovernment organizations. Regional institutions, such as the Central Asia Regional Economic Cooperation Institute and ADB Institute, are designed to build capacities of think tanks in Asia through knowledge sharing. The challenge is in exploring ways to team up toward meeting the research needs of policy makers, developing best practices for think tanks to rethink organizational designs, and managing the organization to become sustainable. To this end, think tanks will require good leadership, management skills, intellectual depth, and political influence.

FORUM CONCLUSION

At the end of the sessions, the organizers thanked the members for their active participation and for the expressions of continued support to the ATTN. Participants were invited to the 2016 forum, which will be held in India. The forum ended with a MIER-sponsored boat ride along Putrajaya Lake. The activity allowed the group time to network with each other and enjoy camaraderie in an informal setting.
Tan Sri Sulaiman Bin Mahbob, chair of the Board of Trustees of the Malaysian Institute of Economic Research (MIER), welcomed the participants. He highlighted MIER’s critical role as purveyor of original research on Malaysia’s economy, international trade, investments, and policy advising on the country’s development objectives. MIER is working toward increasing its endowment fund by 2018 to deliver bigger and numerous multiyear national-level research. He lauded the ATTN as an effective alternative platform for knowledge sharing and expressed hope that it will continue to expand its role in forging regional collaboration and sharing resources and experiences in Asia.

Juzhong Zhuang, deputy chief economist and deputy director general, ADB, emphasized ADB’s commitment to support knowledge sharing and capacity development in its developing member countries, citing the ATTN as a good example. While he said that funding for the 2016 forum has already been secured, he encouraged network members to explore innovative governing structure and financing mechanisms to ensure that the ATTN becomes self-sustaining based on the strong ownership of the member think tanks.
**KEY MESSAGE**

Datuk Sundaran Annamalai, deputy secretary general (Policy), Ministry of Finance, delivered the keynote address on behalf of the secretary general (Treasury) and MIER Board member, Tan Sri Mohd Irwan Siregar Bin Abdullah. He emphasized the importance of the forum’s theme in the light of the nexus between innovation, entrepreneurship, and growth. In the same vein, inclusion is a requisite for long-term social stability, which forms the bedrock for growth and prosperity. Malaysia emphasizes the well-being of the people as central to policy making. Its current Plan or the 11th Malaysia Plan, which aims to achieve high-income status for the country in 2020, pursues inclusive growth by ensuring that prosperity trickles down to the bottom 40 of households.

The development issues confronting the region—such as rapid urbanization, climate change, and the need for greater regional cooperation—provide the think tanks with opportunities to play a greater role given their knowledge and expertise. Even as think tanks form collaborative networks with each other, he encouraged them to engage policy makers, opinion leaders, and students on the most pressing issues while providing practical policy advice in a diplomatic manner. He also urged ADB to use the centers of excellence in policy-relevant research to leverage their knowledge to address regional and local issues in the Asia and Pacific region.
Regional Economic Outlook

Zakariah bin Abdul Rashid, executive director, Malaysian Institute of Economic Research (MIER) moderated the session.

Regional Economic Outlook

Juzhong Zhuang, deputy chief economist and deputy director general, Asian Development Bank (ADB), presented Regional Economic Outlook. Developing Asia is projected to grow 6.1% in 2015 and 6.2% in 2016, with varying pace across the subregions. Asia remains the fastest-growing region, accounting for about 60% of global growth. Major contributors to the region’s growth are the People’s Republic of China (PRC) and India, although growth of the two countries may not be as strong as earlier projected on account of softer investments and exports.

The risks to the growth forecasts include financial market volatility and weaker-than-expected recovery in the advanced countries. On a positive note, falling commodity prices will reduce inflationary pressure, and the current account surplus remains steady. The region is in a strong position to weather shocks.
Indian Economy: Near-Term Outlook and Structural Features

Rathin Roy, director, National Institute of Public Finance and Policy, presented Indian Economy: Near-Term Outlook and Structural Features. He described the economic outlook in India as facing the prospects of lower inflation due to softer crude prices and near-normal monsoon. Growth forecast remains robust supported by the management of trade deficit and increased capital expenditures. However, volatility of the Indian rupee and devaluation of the yuan pose threats to the growth of India’s exports.

The second part of the presentation dealt with the challenges of implementing structural reforms. Both States and Center have been running revenue deficits with the former doing better in improving their fiscal position since 2003/2004 through fiscal prudence and improved management of financial expenditure. Fiscal federalism is needed to help boost public investment, while total factor productivity could also be improved. Stalled public and private sector projects, particularly on infrastructure, have started to abate. Relaxation of the investment caps and controls have opened the country’s high value-added industries—defense, construction, and railways—to global competition, which may revive the contribution of the manufacturing sector in India’s economy. Reforms in taxation and the finance sector are also pending, showing India’s commitment to move its economy forward.

Strategic Change: China’s Opening-Up under New Normal

Zhang Qi, deputy director general, Research Department of Foreign Economic Relations, Development Research Centre of the State Council, presented Strategic Change: China’s Opening-Up under New Normal. After over 30 years of high-speed growth, the PRC’s economic development has entered a new stage: economic slowdown as well as transformation from expansion focusing on scale and speed to medium- to high-speed growth featuring improved quality and efficiency. Entering into the “new normal” means a shift of the PRC’s economic development mode from investment driven to innovation driven.

The acceleration of economic restructuring, such as new round of innovation and new industry development, may spur the PRC to catch up with the technology frontier. Based on the changes in the domestic and external fronts, the PRC’s opening up strategy will be geared toward building an inclusive and sustainable world economic order; improving its position in the global value chain; and shouldering more responsibilities as an emerging power to contribute to world economic development and stability. To achieve these, the PRC needs to deepen its institutional reforms and accomplish four priorities to open up to the outside world: (i) cultivating competitive advantage to create an enabling environment for foreign trade; (ii) developing the services sector as a new growth engine; (iii) accelerating the reform of a management system for foreign direct investment; and (iv) strengthening international collaboration under the principle of pursuing mutual benefits and sustainable development.
Economy of Kazakhstan: On the Wave of Structural Reforms

Aset Irgaliyev, first deputy chair, Economic Research Institute, presented Economy of Kazakhstan: On the Wave of Structural Reforms. In 2012, Kazakhstan announced its new strategy, “Kazakhstan 2050,” which targets becoming one of the 30 most developed countries by 2050. The goal is anchored on the development of diverse, modern, and innovative knowledge-based economy; improvement of institutional environment for sustainable growth; accessible and inclusive human capital development; accelerated infrastructure development for a knowledge-based economy; and strengthening integration with the global and regional economy.

To modernize its economy, Kazakhstan designed five institutional reforms that will be implemented through the National Plan. The structural reforms will be pursued under the new economic policy, “Nurly Zhol,” which mainly focuses on infrastructure development. Using the hub principle, Nurly Zhol will create a united market across hub cities to serve as centers accumulating capital, resources, and new technologies. Other initiatives include improvement of the business climate, new incentives package for investors, regional trade initiatives, and a stimulus package to support growth and employment.
Speakers and moderator of Session 2. From left: Willem Thorbecke, Benno Ferrarini, Kamila Mukhamedkhanova, Dushni Weerakoon (moderator), Xaysomphet Norasingh, and Hing Vutha

Dushni Weerakoon, deputy director, Institute of Policy Studies, moderated the session.

**Asia in Global Value Chains**

Benno Ferrarini, senior economist, ADB, presented Asia in Global Value Chains. Asia is the region that has benefited most from the rise of cross-border production networks. Regional production networks appeared in the 1980s as Japanese conglomerates invested in East and Southeast Asia to benefit from such locational advantages as lower labor costs. Once established, production networks attracted multinationals from other developed economies, turning regional networks global. Declining trade barriers in East and Southeast Asia—particularly since the PRC’s accession in 2001 to the World Trade Organization—made these subregions even more attractive to foreign investment. From 1995 to 2008, the share of Asia’s global value chain (GVC) trade in worldwide manufacturing exports almost doubled, from 8.6% to 16.2%. GVCs have grown most quickly in Asia, evolving into increasingly complex arrangements. Yet, GVC benefits are largely concentrated in East and Southeast Asia. GVCs thrive only where trade costs are low and predictable. Few countries in Central Asia, South Asia, or the Pacific have found their GVC niche.

Willem Thorbecke, senior fellow, Research Institute of Economy, Trade, and Industry, presented The Changing Sophistication of China’s Exports, 1992–2014. Upon examination, the PRC’s export basket was found to be far from the technological frontier. Compared with Japan, the technology leader in Asia, whose exports are concentrated in sophisticated machinery, capital goods, and parts and components, the PRC exports mainly computers, television sets, mobile phones, clothing, toys, and footwear. Although computers, television sets, and mobile phones may seem like sophisticated products, they have become more commoditized in recent years and much of the competition in these goods is now in terms of price.

Over the years, the PRC has increased the domestic content of its exports and developed a well-diversified export basket, making it less vulnerable to shocks from demand, the terms of trade, or technology. As domestic supply chains within the PRC have become deeper, the value-added coming from within the country instead of from imported parts and components has increased. However, to increase the sophistication of its exports, the PRC should prioritize investing in the health and education of its people. This can also help the country avoid the middle-income trap and propel it into high-income status.

Leveraging Trade for Economic Growth in Cambodia

Hing Vutha, head, Economics Unit of the Cambodia Development Resource Institute, presented Leveraging Trade for Economic Growth in Cambodia. The country’s economic transformation was traced to how trade boosted growth through liberalization of trade and investment and opening up to regional and global cooperation. Four sectors have driven much of the growth: garments and footwear, tourism, construction, and agriculture. Prospects for an integrated Asian production network and market from the southern part of the PRC through, among others, the Greater Mekong Subregion countries to the rest of Southeast Asia offer Cambodia a rich seam of investment and trade to spur private sector development and prosperity. To sustain growth in the longer term, factors apart from export promotion are needed such as effective governance; macroeconomic stability; technology and knowledge transfer; and investments in infrastructure, education, and health care.

The key to enhancing the role of trade in Cambodia’s growth is to manage the constraints due to regulatory, institutional, infrastructure, and service bottlenecks. Policy priorities include investing in trade-related infrastructure, improving logistics efficiency, improving customs procedures, strengthening regional cooperation and connectivity, improving export market information services, and improving standard management systems. Regional and subregional economic integration, as complements to the global trading system, need to be strengthened. Trade policy liberalization and reforms need to gain political support from the leadership, receive momentum and impetus from stakeholders, and be supported by effective and responsive institutions.

A Backward Linkage of Lao Agribusiness Value Chain: A Case Study on Knowledge and Technology Transfers

Xaysomphet Norasingh, deputy director general, Economic Research Institute for Trade, presented A Backward Linkage of Lao Agribusiness Value Chain: A Case Study on Knowledge and Technology Transfers. The Lao People’s Democratic Republic (Lao PDR) is moving toward economic integration
globally and regionally. Low labor skills and lack of technology support in production, coupled with the inexperience of local producers and entrepreneurs in accessing foreign markets, are the major factors in the slow integration of local small and medium-sized enterprises (SMEs) in the regional and global markets. Limited technology transfer, investments in human capital, and infrastructure likewise constrain SMEs from joining GVCs.

For SMEs to attract foreign investors and join the GVCs, the Lao PDR government can provide incentives to encourage them to invest in new technologies, improve labor productivity and skills, and enhance their access to capital. Specifically, partnerships between vocational schools and firms—to be guided by the firms’ standard requirements and demands—can be established to improve skilled labor. To facilitate knowledge transfer, the government should find learning mechanisms for local firms who wish to either establish a joint venture with foreign firms or visiting foreign firms in foreign countries.

**Defining the Pattern of Growth and Policies for Accelerated Transformation**

Kamila Mukhamedkhanova, research coordinator, Center for Economic Research/United Nations Development Programme presented Defining the Pattern of Growth and Policies for Accelerated Transformation. In 20 years of transition period, Uzbekistan managed to join the group of lower-middle-income countries. The ultimate development goal of the country in the next stage is to reach the development benchmark comparable to the higher-middle-income group by 2030. This will require maintenance of sustainable rates of growth at 8% per annum. Maintaining this high growth rate requires structural transformation of the economy in the following areas: (i) the manufacturing sector should gradually shift its focus from the capital-intensive basic industries toward processing industries that manufacture products with higher degree of technological complexity and contribute more to the growth of productive employment; (ii) the agriculture sector should focus on enhancing its effectiveness by strengthening food security, promoting diversification, and facilitating productive employment; and (iii) transition to production of services of higher complexity that will increase productive employment and raise the quality of human capital. Along with transformation of the economy, the main characteristics of society will also change in terms of the number of working-age population, the gender composition of the labor force, and income structure linked to the social fabric.

To attain the 2030 development goals, it is important to take into account new trends and challenges that will identify development perspectives at the national and global levels. To find optimal balances between investment “now” and “tomorrow,” and by state and nonstate actors, it is important to go beyond the conventional strategies and select institutions and instruments that will work in the realities of the country. The development framework for Vision 2030 needs to be the basis for inclusive growth that will create opportunities to fulfill the social rights of both present and future generations; and which will be sustainable over time and broadly based across sectors, groups, and regions.
Charles Yala, director, National Research Institute, moderated the session.

**ASEAN Regional Cooperation and Competition Policy**

Ayuda Sari Ismail, director, Malaysia Competition Commission, presented ASEAN Regional Cooperation and Competition Policy. In response to the call for regional cooperation, Malaysia and the rest of the Association of Southeast Asian Nations (ASEAN) member states have agreed to adopt a competition policy for the integration of the ASEAN region into one highly competitive single market and production base. The ASEAN economic ministers endorsed the establishment of the ASEAN Experts Group on Competition as a regional forum to discuss and cooperate on competition policy and law. The policy is envisioned to usher benefits on consumer welfare, economic efficiency and development, sustainable growth, and improved productivity. Malaysia has progressed much in its commitment to introduce national competition laws, together with the six ASEAN member states (Brunei Darussalam, Indonesia, Myanmar, Singapore, Thailand, and Viet Nam), while Cambodia, the Lao PDR, and the Philippines are expected to follow suit in 2016.
Enforcing and implementing this competition policy and law will take time, however, given the various political, economic, technical, and institutional constraints faced by each country. Technical capabilities for enforcement, institutional arrangements, political backing, and business compliance still need to be further strengthened. There are significant differences among the existing competition laws, owing to the different political systems and degrees of economic development in each country. There are no uniform standards across the region with regard to the objective and substance of the law and scope of sanctions, among other things. However, the work of the ASEAN Experts Group on Competition will be guided by the ASEAN Competition Action Plan (2016–2025), which identifies new strategic goals that support the overarching vision of a competitive, innovative, and dynamic ASEAN with an effective and progressive competition policy.

The AIIB and Regional Infrastructure Development

Qiangwu Zhou, deputy director general, Asia-Pacific Finance and Development Center Beijing Office, Ministry of Finance, presented The AIIB and Regional Infrastructure Development. The Asian Infrastructure Investment Bank (AIIB) will provide a new financing platform for Asia’s infrastructure development, which will be of great significance to infrastructure construction and connectivity in Asia and the Pacific. It will be an inclusive and high-standard multilateral development institution with 57 founding members, and more countries are expected to join as ordinary members at a later stage. The World Bank and ADB have expressed their willingness to cooperate with AIIB on several aspects including cofinancing and parallel financing, knowledge sharing, and capacity building. AIIB will focus mainly on and supplement financing of the infrastructure needs of the developing member countries (DMCs) in the region where it sees that financing infrastructure is an impetus for economic growth both in the short term and long term. As a new multilateral development agency, AIIB will help promote infrastructure development and regional connectivity, deepen regional cooperation and integration, and support global economic recovery.

Political Stability and Regional Economic Cooperation: The Case of Selected South Asian Economies

Shujaat Farooq, assistant professor and senior researcher, Pakistan Institute of Development Economics, presented Political Stability and Regional Economic Cooperation: The Case of Selected South Asian Economies. The study examined the level of regional cooperation among South Asian countries and investigated the role of domestic political stability in promoting regional trade in South Asia. The analysis of the prospects and challenges of enhancing trade among South Asian countries reveals that tariff rates are still high in the region and intraregional trade among South Asian Association for Regional Cooperation (SAARC) countries is still very low. While various trade initiatives under the SAARC platform have improved bilateral trade, progress is still muted. Factors that could affect trade are the country’s income, population growth, exchange rate, and political stability. In particular, the political stability index demonstrates a positive impact on the countries’ exports, suggesting that improvement in the quality of governance and settlement of internal conflict will boost exports.

The SAARC countries need to assume a central role in creating conditions for deeper integration by promoting investment, trade, and transparency; harmonizing standards; and simplifying procedures through a multilateral process. The changing dynamics in the region and the world economic order make this an opportune time for South Asian countries to change their approaches and strategies toward each other. Agreements such as the South Asian Free Trade Area need to be made more meaningful.
with appropriate emphasis on nontariff barriers and strict timelines for tariff reduction. Focusing on priority industries to build complementarities need to be explored and, at the same time, political will and stability are highly important to fill trade and trust deficit.

Economic Dynamics, Platforms and Institutions: Shaping of the Regional Economic Order in the Asia-Pacific

Xiaoming Huang, professor, Wellington Network of Asia-Pacific Research and Policy, Victoria University of Wellington presented Economic Dynamics, Platforms and Institutions: Shaping of the Regional Economic Order in the Asia-Pacific. The PRC is shaping up a new regional economic order through initiatives such as the revamping of the Free Trade Area of the Asia-Pacific; establishing AIIB; and the One Belt, One Road. As the latest emergent leader in the evolving regional economic structure, the PRC seeks to bring manufacturing capacity, capital, technology, and organization knowledge to others in the region. Its dominant role can be viewed as a logical consequence of its development and expansion reaching the advanced stage of industrialization and modern economic growth following the East Asian growth model.

The PRC seeks to internationalize its economy for export promotion, regional and global deployment, and utilization of its excessive capital and manufacturing capacity. The experience of East Asian countries provided the basis for forming and developing the regional division of labor. The PRC’s latest initiatives are another way of shaping the division of production. In the process, new institutions will be formed and the PRC’s initiatives will make an impact on the existing structure and economic order.
Rathin Roy, director, National Institute of Public Finance and Policy, moderated the session.

Is there a Middle-Income Trap?

Jesus Felipe, advisor, ADB, presented Is there a Middle-Income Trap? The study shows that there is no such thing as a middle-income trap, based on a historical analysis of the number of years it took countries to cross the different income segments to reach high-income level. The historical evidence shows that (i) with a few exceptions, the overall trend is for countries to move up; (ii) it has taken countries about 80–100 years to cross the whole income spectrum, with a median of 55 years to cross the lower-middle-income segment, and 15 years to cross the upper-middle-income segment; and (iii) only a few countries defy this norm. These are a few East Asian economies, which managed to become high income in about 3 decades.

Thailand in the Middle-Income Trap: An Unrecognized Contribution from the Government

Nonarit Bisonyabut, research fellow, Thailand Development Research Institute, presented Thailand in the Middle-Income Trap: An Unrecognized Contribution from the Government. Thailand is caught in the middle-income trap hugely on account of its low level of research and development (R&D). The country posted an average annual gross domestic product growth rate of 3% to 4% after the
Asian financial crisis from 7% to 8% before then. Explanations on the causes of the middle-income trap include insufficient levels of investment in private R&D and innovation, lack of sufficiently qualified manpower, and political instability. One way to improve Thailand’s position is to follow what other successful countries have done to reach high-income status by raising the level of R&D engagement. A country’s labor wage bill increases rapidly as it develops middle-income status. As it attains the middle-income state, it can no longer exploit cheap labor as a growth engine. It has to find a new development path that can support its future growth. High levels of R&D investments are a necessary condition for a country to break away from the middle-income trap because these investments are capital- and technological-intensive, freeing them from wage competition.

Public attempts to encourage the private sector to engage in R&D often involve providing R&D tax allowances. However, the government must do more than just implementing R&D financially-incentivized-promoting policies. To move Thailand closer to a knowledge-based economy and enable it to break away from the middle-income trap, the government needs to reevaluate two important policies: (i) licensing, which has been shown to restrict competition in the market and create monopoly rents; and (ii) the public procurement process, which can be made more transparent to discourage patronage and rent-seeking behaviors.

**The Impact of R&D on the Singapore Economy: A Time Series Analysis**

**Wong Poh Kam**, director, National University of Singapore Entrepreneurship Centre, presented The Impact of R&D on the Singapore Economy: A Time Series Analysis. In analyzing the impact of R&D on economic performance in Singapore from 1978 to 2012 through the use of time-series analysis, R&D investments were found to have a significant impact on total factor productivity performance and established a long-term equilibrium relationship between total factor productivity and R&D investments. The economic impact of R&D in the long run is observed to be almost four times as much as the short run. Singapore’s short-run productivity of R&D is comparable with the smaller advanced economies in the Organisation for Economic Co-operation and Development (OECD). However, with regard to long-term R&D productivity, Singapore lags slightly behind the small OECD nations and far behind the Group of Seven countries. R&D contributes to economic growth by expanding the resource base and increasing the efficiency of resource use.

Further examination on the nature of R&D activities in Singapore versus the OECD countries showed that R&D in Singapore is being conducted in technology fields (e.g., information and communication technology, electronics) where the economic impact is limited to a shorter horizon. The impact of investments in emerging areas, such as life sciences and advanced materials, are not yet evident. Meanwhile, relative to the large nations of the Group of Seven, Singapore’s R&D experienced “leakage” or “slippage” of value capture due to limited resources, weaker competition, and weaker demand conditions in the local market. The possibility of value leakage out of Singapore is especially high among foreign-owned firms that have avenues for repatriating income to their home countries or channeling value to other more lucrative markets. The findings also suggest that the quantitative impact of R&D in Singapore has not changed significantly in the last 30 years.

To increase the economic impact of R&D investment, policies that would do the following are implied (i) facilitate greater degree of technology transfer from public sector R&D to the private sector to maximize the positive externalities of public research; (ii) improve the absorptive capacity of indigenous firms; (iii) retain the value created from Singapore’s R&D investments within Singapore, particularly
those pertaining to intellectual property as the most tangible outcome of R&D; and (iv) position Singapore as a regional base for multinational corporations to locate their intellectual property portfolio management activities.

**Middle-Income Trap: The Malaysian Case**

**Zulkiply Omar**, senior research fellow, MIER, presented Middle-Income Trap: The Malaysian Case. Malaysia’s economic structure is the main reason for its being caught in the middle-income trap. Although Malaysia progressed rapidly into an Asian tiger economy in the 1980s, it continues to be dependent on low-skilled assembly type of workers. The capacity for high-tech, high-skilled, and innovative industries is not sufficient to attract foreign direct investments. Low private investments, heavy government presence in some industries, cumbersome and lengthy bureaucratic procedures, and persistent shortage of skills contributed to this situation. Price controls on fuel and wages provided incentives for manufacturers to use more fuel and labor inputs rather than mechanize, resulting in low quality products and low productivity levels. Factors that directly affected business activities include difficulties of doing business, very long backlog of cases in Malaysian courts on commercial disputes, difficulty in mustering the capital needed to invest in R&D, and immigration policies favoring low skilled and cheap labor.

Malaysia has lower value-added economic input structure when compared with Poland, Japan, and the Republic of Korea. To increase efficiency levels and productivity, transforming Malaysia’s economic structure to mirror countries with high-income status is imperative.
Melik Gasparyan, chief executive officer, AVAG Solutions, moderated the session.

Social Inclusion and Housing

Marife Ballesteros, research fellow, Philippine Institute for Development Studies, presented Social Inclusion and Housing. Apart from the usual arguments of congestion, sanitation, and social crimes in slums, the real issue of social exclusion in the Philippines is the urban blight—the growing number of informal settler families (ISF) in urban areas with negative impacts on communities, environment, and economy.

Government response to the ISF problem has been off-city relocation or providing land ownership through the community mortgage program (CMP). Examining off-city relocation reveals negative welfare effects. It distances people from their livelihood and pushes them to poverty. Off-city resettled households were observed to have reduced expenditure on food, water, electricity, and transportation; increased expenditure for health; increased proportion of women employed; and drop in school attendance for school-aged children.

On the other hand, there is not enough land in Metro Manila for a CMP. The higher cost of land in the city requires developments of higher density housing with common land ownership. The CMP, which
supports low density and horizontal housing, is inadequate to support the current land requirements of the ISF, more so, the future housing needs arising from the fast pace of urbanization in the country.

The government needs to rethink its programs and policies to address the housing problem of poor urban households. Appropriate public intervention on the areas of land taxation, land information and administration, urban development, inclusive and sustainable cities, land pooling and land readjustment mechanisms, transit-oriented development, public and private sector participation in social housing, and efficient housing tenure mix are needed. For those in transition to more formal employment in the urban areas, rental housing is a possibility.

**Role of Social Inclusion on Economic Development and Poverty Reduction in Nepal**

Ram Chandra Dhakal, executive director, Centre for Economic Development and Administration, presented Role of Social Inclusion on Economic Development and Poverty Reduction in Nepal. The economic development indicators of social inclusion in Nepal in the last 2 decades were examined by analyzing the various indexes, i.e., social, economic, political, and cultural. The findings indicate that the national average of the social dimension index is moderate in health and education, but gender inclusion is lacking in every activity. With more than 126 caste and ethnic groups, there has not been proportionate use of their members in various economic, social, and political activities. Although Nepal has high potential for energy source, it is one of the least developed countries in Asia in overall measures. As more than 1,500 persons leave the country per day to search for jobs, remittances have become one of the significant sources of income. However, these incomes have not been used for productive purposes.

The past 2 decades have shown a decrease in poverty but this was not matched by sufficient economic growth because of political instability and rising unemployment. A devastating natural calamity (magnitude 8.0 earthquake) on 25 April 2015 caused great loss for the country, generating negative effects on economic growth and development. In this context, the expectation of upgrading Nepal from a least developed country to a developed country by 2022 seems unrealistic.

**Technology, Jobs and Inequality: Evidence from India’s Manufacturing Sector**

Radhicka Kapoor, research fellow, Indian Council for Research on International Economic Relations, presented Technology, Jobs and Inequality: Evidence from India’s Manufacturing Sector. India’s postreform economic development has seen a sustained increase in the capital intensity of production in the manufacturing sector. The adoption of labor saving and capital intensive techniques of production threaten employment for India’s low-skilled/unskilled workforce. Industries that rely more on skilled workers and capital has also benefited from recent economic growth. In addition, the rising share of contract workers in the labor market has adverse implications on the distribution of incomes and wages in the manufacturing sector. The reduction in the share of aggregate value added going to labor and increase in the share going to owners of capital raise concerns about inclusive growth. These changes were accompanied by wage inequality between skilled and unskilled workers. Unlike in the developed world, skill-biased technological change was not accompanied by a large increase in the supply of more educated workers. The serious supply side constraint is evident from the fact that only 4% of total workers engaged in the manufacturing sector have any technical education and only 27% of workers in manufacturing are vocationally trained, of which 86% are nonformally trained.
The government’s ambitious Skill India program, which aims to skill 40-crore workers over the next 5 years, attempts to address this gap. However, assembly line methods of skills development, which produce large numbers of electricians, machine operators, plumbers, carpenters, electricians, and other such narrowly skilled and certified persons will not address India’s skills challenge. In an uncertain and dynamic world where new technologies disrupt old forms of production and alter processes of production, it is not possible to predict what the nature of jobs will be in the future and precisely what type of skills workers will need to perform these jobs. Consequently, workers may end up being imparted skills they may actually not put to any use. For skill development systems to be effective, they need to be able to respond to technological changes in the economy. This requires providing young workers with a broad foundation of basic skills and a minimum level of educational attainment so that they are able to learn the requisite skills in the enterprises where jobs are being created. Increasing the supply of skilled workers in such a manner will help reduce the growing divergence in wages of skilled and unskilled workers. However, the phenomenon of contractualization poses a serious threat to the skilling challenge. Workers are discouraged from acquiring skills as they feel that even though skilling-up may result in improved productivity, it may not translate into higher wages as firms will prefer to hire them as cheap contract labor. Consequently, this may result in a labor market that remains indefinitely split into two tiers, unequal wages, and inequality increases in the long run.

Can We Use Multidimensional Measures as the Official Poverty Line in Indonesia?

Carunia Mulya Hamid Firdausy, senior researcher, National Center for Economics Research–Indonesian Institute of Sciences, presented Can We Use Multidimensional Measures as the Official Poverty Line in Indonesia? Rapid economic growth has led to a significant reduction in the incidence of poverty in Indonesia since 1997. However, it has been argued that the national poverty line established by the government underestimates several elements that affect poverty. The application of a multidimensional poverty line (MPL) as an alternative measure was examined. Using data from a qualitative survey based on an in-depth interview with the poor and the nonpoor and focus group discussions in five survey locations, the MPL is found to be more comprehensive than the conventional official poverty line. It is also more useful in setting better antipoverty policies and programs as it is able to determine the condition and portraits of poor people, and captures dimensions needed to maintain minimum living standards.

Three dimensions of the MPL—empowerment, capability, and opportunity—are argued to be absolutely important in its construction. Of the variables under these three dimensions, public facility, basic needs, and all variables in the opportunity dimension are important. The security dimension, the MPL’s fourth dimension, may not be important in constructing the MPL but it is necessary in formulating policy and strategy to alleviate poverty incidence. However, one of the most important drawbacks to the MPL approach is the difficulty in quantifying or expressing in monetary terms because of the qualitative nature of the variables. Therefore, much remains to be done in improving the MPL before it can be used to replace the present national poverty line.
Dongxiang Li, advisor, ADB, moderated the session.

**Think Tanks and Civil Societies Program:**
*Helping to Bridge the Gap between Knowledge and Policy*

James McGann, director, Think Tanks and Civil Societies Program, The Lauder Institute, University of Pennsylvania, presented Think Tanks and Civil Societies Program: Helping to Bridge the Gap between Knowledge and Policy. The presentation was about think tanks across the world and in the Asia and Pacific region. It discussed the trends, challenges, and what think tanks must possess and do to move forward. In 2014, think tanks in the world totaled 6,618, mainly comprising 1,106 in Asia, 1,989 in North America, and 1,822 in Europe. The PRC accounts for nearly half of the think tanks in Asia (435), followed by India (280), and Japan (109).
A mature and successful think tank has the following characteristics: (i) it has a vital mission; (ii) it has high quality, well-regarded, and relevant programs; (iii) it has capable and motivated management and staff; and (iv) it has solid finances. Think tanks are considered at risk when they have decreased client demand, loss of income, stale leadership, heightened competition, and increased cost. The best practices of think tanks include nurturing effective governance, developing signature products, and assuring consistent high quality outputs. Issues affecting think tanks range from securing, expanding and diversifying resources, and staying relevant in changing circumstances worldwide. While the other regions exhibited declines in the number of think tanks established, there is an uptrend in Asia, which may continue in the coming years. The ongoing challenge for think tanks is to produce timely and accessible policy-oriented research that effectively engages policy makers, media, and the public on critical issues. Many think tanks will continue to play a critical role in the policy-making process. Over the years, governments and civil society groups have relied on think tanks for ideas, evidences, and advice. This trend is expected to continue well into the future.

The CDRI Experience Building Capacity: What Have We Learned?

Chhem Rethy, executive director, Cambodia Development Resource Institute (CDRI), presented The CDRI Experience Building Capacity: What Have We Learned? A well-known think tank in Cambodia, CDRI espouses that strengthening of its internal capacity, developing its research talent, and being committed to its partners are the remarkable ingredients for its 25 years of existence. A striving think tank needs to continually create an environment conducive for policy research while engaging policy makers and relevant partners to use its research outputs. Think tank leaders must design a blueprint to foster creative fundraising ideas, generate passion for research and innovation, and continue to forge strategic partnerships with external institutions that share its vision and goals. As an organization, think tanks must adhere to the principle that developing outstanding talent through genuine local capacity building is as important as securing funding. As CDRI moves forward, it will strengthen its internal capacity and develop its research talent, remain deeply engaged with genuine committed partners and top policy makers, and seek to establish new robust partnerships.

Guiding Korea’s Social and Economic Transformation

Changyong Choi, associate professor and director, Policy Consultation and Evaluation, Korea Development Institute (KDI), presented Guiding Korea’s Social and Economic Transformation. As one of the world’s leading think tanks, KDI traces its success to the vision of its past leaders. The institute was established to support the development research and planning of the Government of the Republic of Korea. It played an active role in formulating the country’s development plans, and its researchers were instrumental in the analysis, design, and implementation of development policies. It was critical in leading and coordinating policy discussions among academia, business, and the media; and incorporating much of the feedback on policies from relevant stakeholders throughout the implementation process. Its vital role in the Republic of Korea’s economy ranges from deep involvement in formulating the country’s development plans, conducting policy studies, and at the same time, coordinating the policy-making process. Its presence has extended beyond the Republic of Korea, with 3,765 alumni in 113 countries from 1998 to 2014.
CAREC Institute

Ziqian Liang, deputy director, Central Asia Regional Economic Cooperation (CAREC) Institute, introduced the institute. Established in 2006 with its physical base opened in 2015, the institute has been providing web-based information and knowledge products, and supporting training and events. It aims to generate world-class knowledge resources in the CAREC Program’s priority areas of transport, trade, and energy. It promotes collaboration and integration of its resources with various international, regional, and national institutions to build and increase capacities.

Regional Cooperation and Poverty Reduction Fund

Yan Xie, finance specialist, Office of Cofinancing Operations, ADB, presented the features of the Regional Cooperation and Poverty Reduction Fund. The PRC Regional Cooperation and Poverty Reduction Fund supports poverty reduction, regional cooperation, and knowledge sharing for ADB DMCs in Asia and the Pacific. The fund has a commitment of $40 million from 2005 to 2016 to support institutional and capacity-building activities of DMCs; innovative and demonstrative programs and projects; knowledge sharing including knowledge products and human resources development; and dissemination, networking, and cross-learning (workshops, conferences, publications, website development). The fund will finance technical assistance activities that may be agreed upon between the PRC and ADB.
Nearly 100% of the forum survey respondents agreed that the objectives of the forum were achieved and the discussions were relevant. Substantive materials and content enhanced the participants’ knowledge sharing, networking, and participation. They commended the logistics and administrative support of the forum organizers.

Suggestions for the next forum include tackling the problems of climate change and improving the forum structure to ensure wider and more vibrant discussion among the think tanks.

Rathin Roy of the National Institute of Public Finance and Policy offered to cohost the next forum, which will be held in India in the latter part of 2016.
AGENDA

7 SEPTEMBER 2015
6:30 p.m.–10:30 p.m. INFORMAL WELCOME RECEPTION (HOSTED BY THE ASIAN DEVELOPMENT BANK [ADB])

8 SEPTEMBER 2015
8:30 a.m. REGISTRATION

OPENING CEREMONIES (plenary)
Emcee: MOHAMAD IKMAL KADIR, research assistant, MIER (Malaysian Institute of Economic Research)

9:30 a.m. Welcome remarks by Tan Sri Sulaiman Mahbob, chair, Board of Trustees, MIER
Welcome remarks by Juzhong Zhuang, deputy chief economist and deputy director general, Economic Research and Regional Cooperation Department (ERCD), ADB
Keynote address, Ybhg. Tan Sri Mohd Irwan Serigar Bin Abdullah, secretary general, Ministry of Finance; and member, MIER Board of Trustees

10 a.m. PHOTO SESSION AND COFFEE

SESSION 1: Regional Economic Outlook (plenary)
Moderator: Zakariah bin Abdul Rashid, executive director, MIER

10:30 a.m. Regional Economic Outlook
Juzhong Zhuang, deputy chief economist and deputy director general, ERCD, ADB
Indian Economy: Near-Term Outlook and Structural Features
Rathin Roy, director, National Institute of Public Finance and Policy (NIPFP)
Strategic Change: China’s Opening-Up under New Normal
Zhang Qi, deputy director general, Research Department of Foreign Economic Relations, Department Research Centre of the State Council
Economy of Kazakhstan: On the Wave of Structural Reforms
Aset Irgaliyev, first deputy chair, Economic Research Institute

11:30 a.m. OPEN DISCUSSION

SESSION 2: Global Value Chains: Challenges and Opportunities (plenary)
Moderator: Dushni Weerakoon, deputy director, Institute of Policy Studies

1:30 p.m. Asia in Global Value Chains
Benno Ferrari, senior economist, ERCD, ADB
Willem Thorbecke, senior fellow, Research Institute of Economy, Trade, and Industry
Leveraging Trade for Economic Growth in Cambodia
Hing Vutha, head, Economics Unit, Cambodia Development Research Institute (CDRI)
A Backward Linkage of Lao Agribusiness Value Chain: A Case Study on Knowledge and Technology Transfers
Kamila Mukhamedkhanova, research coordinator, Center for Economic Research/United Nations Development Programme

2:45 p.m. OPEN DISCUSSION

3:10 p.m. COFFEE/TEA

SESSION 3: Regional Economic Cooperation: Priorities and Concerns (plenary)
Moderator: Charles Yala, director, National Research Institute

3:30 p.m. ASEAN Regional Cooperation and Competition Policy
Ayuda Sari Ismail, director, Malaysia Competition Commission
The AIIB and Regional Infrastructure Development
Qiangwu Zhou, deputy director general, Asia-Pacific Finance and Development Center
### Political Stability and Regional Economic Cooperation: The Case of Selected South Asian Economies

**Shujaat Farooq**, assistant professor and senior researcher, Pakistan Institute of Development Economics

**Economic Dynamics, Platforms and Institutions: Shaping of the Regional Economic Order in the Asia-Pacific**

**Xiaoming Huang**, professor, Wellington Network of Asia-Pacific Research and Policy, Victoria University of Wellington

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<td>OPEN DISCUSSION</td>
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<td>5 p.m.</td>
<td>INFORMAL EXCHANGE AND NETWORKING</td>
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<td>7:45 p.m.</td>
<td>DINNER (HOSTED BY MIER)</td>
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**9 SEPTEMBER 2015**

**SESSION 4A: Transitioning from Middle-Income Status (parallel)**

**Moderator:** Rathin Roy, director, NIPFP

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<td>8:30 a.m.</td>
<td><em>Is there a Middle-Income Trap?</em></td>
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<td>Wong Poh Kam, director, National University of Singapore</td>
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<td><em>Middle-Income Trap: The Malaysian Case</em></td>
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<td>Zulkiply Omar, senior research fellow, MIER</td>
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<td>9:30 a.m.</td>
<td>OPEN DISCUSSION</td>
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**SESSION 4B: Social Inclusion for Shared Growth (parallel)**

**Moderator:** Melik Gasparyan, chief executive officer, AVAG Solutions

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<td>8:30 a.m.</td>
<td>Social Inclusion and Housing</td>
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<td>Marife Ballesteros, research fellow, Philippine Institute for Development Studies</td>
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<td><em>Role of Social Inclusion on Economic Development and Poverty Reduction in Nepal</em></td>
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<td>Ram Chandra Dhakal, executive director and professor, Centre for Economic Development and Administration</td>
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<td>Technology, Jobs and Inequality: Evidence from India’s Manufacturing Sector</td>
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<td>Radhicka Kapoor, research fellow, Indian Council for Research on International Economic Relations</td>
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<td><em>Can We Use Multidimensional Measures as the Official Poverty Line in Indonesia?</em></td>
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<td>Carunia Mulya Hamid Firdausy, professor, National Center for Economics Research–Indonesian Institute of Sciences</td>
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<td>9:30 a.m.</td>
<td>OPEN DISCUSSION</td>
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**SESSION 5: Capacity Building for Better Policy Advising (plenary)**

**Moderator:** Dongxiang Li, ADB

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<td>10:30 a.m.</td>
<td>Think Tanks and Civil Societies Program: Helping to Bridge the Gap between Knowledge and Policy</td>
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<td><em>Guiding Korea’s Social and Economic Transformation</em></td>
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<td>Changyong Choi, associate professor and director, Policy Consultation and Evaluation, Korea Development Institute</td>
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<td><em>The CAREC Institute</em></td>
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<td>Ziqian Liang, deputy director, Central Asia Regional Economic Cooperation Institute</td>
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<td><em>The Regional Cooperation and Poverty Reduction Fund</em></td>
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<td>Yan Xie, finance specialist, Office of Cofinancing Operations, ADB</td>
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<td>11:30 a.m.</td>
<td>Next Steps</td>
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<td>12:30 p.m.</td>
<td>LUNCH</td>
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**AFTERNOON**

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<td>2 p.m.–5:30 p.m.</td>
<td>INFORMAL NETWORKING ACTIVITY (HOSTED BY MIER)</td>
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ANNEX 2
LIST OF PARTICIPANTS

THINK TANKS

■ ARMENIA
Melik Gasparyan, chief executive officer, AVAG Solutions

■ BANGLADESH
Khan Ahmed Sayeed Murshid, director general, Bangladesh Institute of Development Studies

■ CAMBODIA
Chhem Rethy, executive director, Cambodia Development Resource Institute
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The institute is governed by a Board of Trustees, which sets its policy directions. An advisory panel provides guidance to the institute in the planning of its research activities. The executive director is the chief executive officer, supported by a team of full-time research and support staff members. The institute also engages a number of associate research fellows and consultants, in addition to hosting interns, both local and foreign.

The institute’s activities are funded partly by investment income from an endowment fund established with contributions from private corporations and the government. It also receives an annual grant from the Government of Malaysia. Direct project funds as well as consultancy fees make up the bulk of the institute’s budget.

SESSION DISCUSSIONS
ADB, MIER, AND MOF OFFICIALS’ MEETING
INFORMAL NETWORKING
Advancing Innovation and Inclusion for a Prosperous Asia
Proceedings of the ADB–Asian Think Tank Development Forum 2015

In partnership with the Malaysian Institute of Economic Research, the Asian Development Bank (ADB) held the forum on 8–9 September 2015 at Kuala Lumpur, Malaysia. The forum featured research papers on regional economic outlook, global value chains, regional economic cooperation, transitioning from middle-income status, social inclusion, and capacity building for think tanks. This publication documents the dynamic exchange of ideas and information during the 2-day event.

The ADB–Asian Think Tank Development Forum is an annual knowledge sharing event under the ADB–Asian Think Tank Network (ATTN), established by ADB and the Asian think tanks in 2013. The major objective of the network is to promote knowledge sharing and capacity building of think tanks, particularly those which are involved in supporting governments in formulating and implementing medium- or long-term development plans and in responding to emerging issues. For more information about ATTN, please visit its website: http://www/adb-asianthinktanks.org/

About the Asian Development Bank

ADB’s vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region’s many successes, it remains home to the majority of the world’s poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.