Background

The OECD-AMRO-ADB/ADBI-ERIA Asian Regional Roundtable convenes leading experts from Asian countries and the OECD to discuss the issues at the fore of recent economic developments in the region. It serves as a platform for knowledge sharing between the OECD, AMRO, ADB/ADBI, ERIA and Emerging Asia’s policy makers, as well as academics and the private sector. The roundtable also provides opportunities for dialogue on near-term macroeconomic policies and medium-term growth and development challenges including the linkages between near-term and medium-term issues, current agendas as well as future challenges in Emerging Asian economies.

Previous roundtables were held in Singapore, Manila and Tokyo and focused on topics including Euro-area economic uncertainty and its implications for Asian economies, new growth models in Asia, the impact of monetary easing in the OECD on the Asian economies, middle-income trap, and challenges in energy sector, digitalisation, as well as some other topics.

Through five sessions, this year’s roundtable will address recent domestic, regional and global trends that are changing the environment facing Emerging Asia’s policy makers. This year, the roundtable will focus on subthemes of trade tensions or digitalisation, human capital development, urbanisation, development priorities and challenges underlying capacity-building and connectivity in the ASEAN+3 region, and fiscal sustainability in the era of aging population. The sub-themes of the roundtable will be discussed in the five sessions of the roundtable.
DAY ONE

9:30 - Registration

10:00 – 10:15: Opening remarks

- Prof Hidetoshi Nishimura, President, Economic Research Institute for ASEAN and East Asia (ERIA)
- Deputy Dean Chul Ju Kim, Asian Development Bank (ADB)/Asian Development Bank Institute (ADBI)
- TBD, ASEAN+3 Macroeconomic Research Office (AMRO)
- TBD, OECD

10:15 – 11:45 Session 1: Global Trade and Multilateralism – Role of ASEAN and East Asia

The global trading system is facing various challenges such as rising protectionism, unequal opportunities to engage in global value chains, and legal systems that are inadequate for digital economy and international trade in services. Global and regional tensions in developing physical and institutional connectivity are also a part of trade competitiveness and participation in the value chains. Policies and actions to strengthen the global economy and the WTO is required to improve the global trading system and reinstate multilateralism. ASEAN and East Asia have a special role to play in this task, leading by example. The ERIA session will focus on trade policies, connectivity plans, and inclusive development for both developed and developing countries.

Key questions to be discussed will include:

- What should be ASEAN’s policy focus to support vulnerable players to adapt to globalization and achieve sustainable, balanced and inclusive development?
- How can ASEAN and East Asia, which have benefited the most through participation in GVCs, offer support to the global trading system and the WTO as an institution that upholds rules based global trade?
- What should be the unique contribution of middle economies like Indonesia in preparing for trade and investment, and employment led growth in the digital economy?
- What role does connectivity play in equal and inclusive participation in GVCs?

Moderator: Anita Prakash, Director of Policy Relations, ERIA

Keynote Presentation:

- Siswo Pramono, Director General of Policy Analysis and Development, Ministry of Foreign Affairs of the Republic of Indonesia

Discussants:

- Intan M. Ramli, Policy Fellow, ERIA
Growth in Emerging Asia has held up in 2018 despite external and domestic headwinds. GDP in Emerging Asia is estimated to grow by an average of 6.1% during 2019-23. To foster inclusive and sustainable growth, additional efforts will be needed in various structural areas in financial markets, infrastructure, natural disaster risks management, etc., but, in particular, reform in human capital development is critical.

The drive for quality education cannot be overemphasized. It is key in reducing poverty, raising labour productivity, expanding economic potential and improving overall social welfare. Quality education generally relates to quality of teachers, the curricula and availability of educational resources. Weaknesses in student performance monitoring frameworks and sufficiency of funding allocation and soundness of execution of programmes are related concerns, as well. The disparity in quality education within and across countries will also be a non-negligible issue.

Moreover, with the deepening of digitalisation, the stakes have risen in making education more responsive to the possible changes in skillset that the domestic labour market will likely demand in the future.

Key questions to be discussed will include:

- What are the main challenges to improve quality of education in the region?
- What are the main challenges to promote “education for the digital era” in the region?
- What kind of skills would be needed/most important in the era of digitalisation in the region?

**Moderator: Prasiwi Ibrahim, Deputy Head of Asia Desk, OECD Development Centre**

**Keynote presentation:**

- **Kensuke Tanaka**, Head of Asia Desk, OECD Development Centre - Setting the scene, based on “Economic Outlook for Southeast Asia, China and India 2019”
- **Yuri Belfali**, Head of Division Early Childhood and Schools, OECD Directorate for Education – Challenges for the quality of education

**Discussants:**

- **TBD - Ministry of Education, Thailand**
- **Totok Suprayitno**, Head of Research and Development Agency, Ministry of Education and Culture, Indonesia (TBC)

**Open discussion**

**14:45 – 15:00 - Coffee break**
15:00 - 16:30 Session 3: Urbanization in Asia: Trends and Implications for Development

Developed country experience suggests that urbanization can play a significant role in driving economic growth. Cities host dynamic firms and create productive jobs, with agglomerations resulting in better matches between workers and jobs, strong input-output linkages, and more knowledge spill overs. But the way developing Asia is urbanizing—in terms of speed, size, the extent of planning, infrastructure provision, and urban governance—may not be optimal for nurturing the growth of dynamic firms and creating productive and well-paying jobs. Very rapid urbanization, under investments in urban infrastructure, limited coordination between economic and spatial planning, weak urban planning and sub-optimal land use policies, ineffective urban governance structures that insufficiently incentivize and/or empower local officials vis-à-vis economic development, and high housing prices may lead the forces of congestion to overwhelm the benefits of agglomeration. This may have implications for development prospects in the region.

Key questions to be discussed will include:

- What is the nature of urbanization in developing Asia? How does its urbanization compare with urbanization elsewhere, in terms of speed, size, urban geometries, mono vs. polycentricity, infrastructure investment, urban planning, land-use regulations, urban governance and affordable housing?
- What implications does this have for the ability of Asian cities to play their required role as engines of growth and job creation?
- What policy options and reforms are needed to address these issues?

Moderator: Abdul Abiad, Director, Macroeconomic Research Division, ADB

Keynote presentation: Rana Hasan, Director, Economic Analysis Division, ADB

Discussants:

- TBD
- TBD

Open discussion

TBD – Cocktails / Dinner

DAY TWO

9:00 - 10:30 Session 4: Building Capacity and Connectivity in ASEAN+3 Economies

ASEAN+3 economies have come a long way since the events that marked the Asian Financial Crisis more than 20 years ago. Following a period of consolidation and rebalancing, economies in the region embarked on a diversified ("multiple engines") growth strategy while building economic and financial resilience. Development priorities during the next growth phase will shift to enhancing capacity and connectivity. This session will address issues related to infrastructure investment needs in the immediate and longer-term—both hard and soft, within and across countries—and examine the scope for region-wide initiatives.
Key questions to be discussed will include:

- What are the key drivers underlying capacity and connectivity priorities in the ASEAN+3 region?
- What are the gaps and challenges?
- What are the policy options towards a more integrated and connected region?

**Moderator:** Mohamad Ikhsan, Professor of Economics, Institute for Economic and Social Research, Faculty of Economics and Business, University of Indonesia

**Keynote presentation:** Lam San Ling, AMRO Consultant

**Discussants:**

- Suahasil Nazara, Head of Fiscal Policy Agency, Ministry of Finance (Indonesia)
- Anton Hermanto Gunawan, Lead Adviser, Economics and Inclusion Department, PROSPERA

**Open discussion**

10:30 – 10:45 - Coffee break

10:45 - 12:15 Session 5: Fiscal sustainability in the era of aging population

Demographic aging presents a major challenge to fiscal sustainability in terms of decrease in revenue and increase in expenditure. As the workforce shrinks, it can decrease the consumption which in turn decreases tax revenue. Moreover, social expenditure on age-related programs such as public pensions, health care and other social safety net is constantly increasing. It can pose a serious fiscal burden in the long-term for most countries, especially for developing countries with less mature and less developed social protection systems. On the other hand, the social demand for enhanced social security systems, particularly caused by population aging, keeps growing calling for better social integration and sustainable development. These demographic changes can lead to traditional macroeconomic policies ineffective in addressing short- and mid-term economic challenges. To cope with such demographic changes, it becomes necessary to look at the consequences of population aging from a macroeconomic perspective and assess alternative paths that economies can take to properly and adequately respond.

Key questions to be discussed will include:

- What type of challenges of aging population in Asia, and how macroeconomic policies respond to these issues?
- Some emerging economies, such as Indonesia, India and the Philippines, are not aging rapidly, although some continues to face challenges related to integrating a large youth population into labour force. However, those countries will be impacted by the demographic changes in their region. What implication of these demographic changes to those countries, and to the region?
- What kind of fiscal policy and structural reform, in term of social protection, are needed for countries to address this issue?

**Moderator:** Nella Hendriyetty, Senior CBT Economist, Asian Development Bank Institute
Keynote Presentation:

- Economic Impact of Aging Population, Naoyuki Yoshino, Dean of ADBI (recorded video)
- Policies to address the challenges of sustainability of public finance and social protection system in aging population, Chul Ju Kim, Deputy Dean, ADBI

Discussants:

- **Wendy Walker**, the Technical Advisor for the Social Development Thematic Group, Asian Development Bank

Open discussion