

ASEAN Economic Integration Quo Vadis?

Iwan J. Azis

Over the past five decades, the Association of Southeast Asian Nations (ASEAN) has made tremendous economic progress. While the continuous improvements in the region's macroeconomic indicators might give the impression that this growth trend can be sustained smoothly in the long run, that might not necessarily be the case. In this paper, three imminent challenges are discussed — changing patterns of investment, slowing productivity, and the China factor. For the Association to cope with these risks and forge new development paths, structural reforms within, and deeper integration between its member states are imperative.

Keywords: ASEAN, regional integration, FDI, productivity.

1. Introduction

Since its founding, ASEAN's goal has shifted from fighting communism to fostering economic cooperation. The latter has been achieved primarily by facilitating trade, and widening the region's value chains. Equally important has been the Association's desire to promote cultural understanding and greater awareness through people-to-people contacts.¹

Much has been accomplished by ASEAN since its formation half a century ago. While the grouping is more integrated economically, it has not — and will never — develop a socio-cultural community in the sense that the European Union has. This is because the region is very diverse and lacks shared historical moments that can unite the member states. However, a collective identity has gradually been constructed in a consensual fashion over the past five decades.² The efforts for integration culminated in the “ASEAN Community” espoused in “ASEAN Vision 2020” with three pillars of unification (economic, political-security, and socio-cultural) that eventually led to the establishment of the ASEAN Economic Community (AEC).

A stable economic and political environment, strong connections with the modern world, the rising incomes of its middle class, natural abundance, and low labour costs are ASEAN's shared characteristics. Unilateral economic policy of the member states supported by ASEAN cooperation and integration has

Iwan J. Azis is Professor at Cornell University, Ithaca, NY 14853, USA; and University of Indonesia;
email: ija1@cornell.edu

allowed the region to attain considerable achievements. Most importantly, trade and investment has surged, involving investors from outside and inside the region.

Given the progress and development thus far, it is tempting to predict a continuation of robust growth. However, such a linear idea of progress risks complacency and undermines trends that could presage the sustainability of ASEAN's performance. It is the intention of this paper to highlight some of those risks and challenges. Three major ones are discussed: changing patterns of investment; slowing productivity; and the China factor.

2. Patterns of Investment

ASEAN markets are ripe for business opportunities. Over the years, investment and trade activities have been robust in the region, even when slowdowns occurred in other parts of the world. Both local and foreign players were — and continue to be — active participants in the process. ASEAN was, and still is, among the major recipients of capital inflows to emerging markets, especially since advanced economies adopted extra-loose monetary policy and quantitative easing (QE) following the Global Financial Crisis (GFC) in 2008/09. This led to an upward trend of foreign direct investment (FDI) and portfolio investment in ASEAN member states.

While portfolio inflows helped augment liquidity to finance investment and growth, they could also pose risks of flow-reversals, especially when a sizeable portion of inflows was driven by differential returns. The ongoing and upcoming policy normalization in advanced economies could end the region's pull factor, risking capital outflows from ASEAN, eventually leading to destabilization. On the other hand, FDI prompted a surge in trade within and outside ASEAN, enhancing the region's supply chain. Rising significantly, FDI into ASEAN-6 (Singapore, Indonesia, Malaysia, the Philippines, Thailand and Vietnam) reached a record of close to US\$130 billion, surpassing flows into China for the first time since 1993. ASEAN's top five investment source regions have been the European Union, intra-ASEAN, Japan, the United States, and Hong Kong.

The supply chain phenomenon in Southeast Asia has been widely studied and reported. These networks have been driven by the convergence of two factors: ASEAN's liberalized trade regime; and the investment strategy of the region's trading partners. Looking at the ongoing trend, companies from neighbouring Asian countries, especially China, Korea, and Japan are gradually relocating their operations to Southeast Asia. However, their characteristics are different than in the past, and consequently, so are the implications for ASEAN. It is the medium and relatively small businesses that have increasingly been active in outward investment destined for the ASEAN market. This raises a number of pressing questions. What impact will this have on ASEAN's small and medium enterprises (SMEs)? Will the trend increase competition that may cause job losses? Since investors from the People's Republic of China (PRC) often bring Chinese workers with them, will this provoke anti-Chinese sentiments?

Then there is also the issue of financing. As foreign small and medium size businesses are likely to target domestic markets, it only makes sense for them to prefer using the local currency. The question is, where and how can they acquire local currencies with relative ease? Efforts have been made to utilize the local currency bond market through the so-called "ASEAN+3 Multi-Currency Bond Issuance Framework" (AMBIF) under the Asian Bond Market Initiative (ABMI).³ This is consistent with the region's efforts to reduce the cost of doing business along international value chains, and will boost the ASEAN+3 financial integration to channel the region's excess savings towards productive investment. The effect on ASEAN integration, however, is minimal.

Equally important is the question of dynamics. While countries like Cambodia, Myanmar, Laos and Vietnam may have successfully attracted investors through low labour costs, growing competition from other low-cost developing countries may pose new challenges. Given the rapid improvements in

technology, changing demand and preferences of the trading partners, along with the growing threat of protectionism around the world, ASEAN member states may have to start thinking about a new strategy to climb value chains.

ASEAN latecomers, on the other hand, will have to face a different set of challenges. As ASEAN supply chain develops and integration continues, local and regional players have begun to play a bigger role. After decades of multinational corporations (MNCs) providing large and sophisticated investments, ASEAN investors have been able to acquire more knowledge, experience, and capabilities.

With new opportunities offered by sustained economic growth, large local companies began opting to partner with large businesses from other ASEAN member states. The growth prospects and structural similarities (being mostly family-owned, the region's big players tend to disclose little information about themselves) overtook vast differences in language and regulatory requirements. Various industries are also protected by nationalistic policies that give local players an edge. In cases where strict regulations are put in place to prohibit full foreign ownership, regional players have found ways to work around them.⁴

The growing strength of local and regional players not only contributes to the rise of cross-border investment (now reaching almost one-fifth of total FDI inflows to ASEAN), but also poses fiercer competition to multinationals.⁵ There is no reason to believe that this trend will not accelerate in the coming years. Soon, many companies in ASEAN will have to compete globally. The end results will depend on companies' strategy, internal efficiency, and quality of corporate governance. Additionally, since income inequality has increasingly become a major issue in all ASEAN member states, there is also the question about the impact of big players on the socio-economic environment. Indeed, the active players/beneficiaries in the supply chain (including partnerships with foreign entities) have been the big players so far. It should therefore be in ASEAN's interest to promote more involvement by local SMEs in the supply chain.

Looking forward, the ability of ASEAN's major companies to support the region's future growth will be determined by the synergy between state policies and companies' readiness to adjust to new challenges. This will require the players to improve their corporate strategy and enhance productivity, while relying less on the edge provided by nationalistic policies.

The region's economic fundamentals, cost advantages and market factors may continue to appeal businesses from both ASEAN and beyond. Synchronized policy measures and cooperation among members will also provide further impetus to expand trade and investment.⁶ But the extent to which regional integration can bring improvements in productivity will determine the sustainability of ASEAN's future growth. Alas, recent trends in productivity have not been too encouraging.

3. Slowing Productivity Growth

Too many studies have emphasized how to raise cross-border trade because some members still rely heavily on non-ASEAN trading partners, especially major economies like China, India, the United States and Europe. This, they argue, will put member countries at risk in the event of economic downturns in those major economies.⁷ This reasoning confuses ends and means. Integration and cross-border flows should not be the end goals of cross-border trade (Azis 2015a); rather, they are means to achieve something more fundamental, such as improvements in productivity.

ASEAN integration could help strengthen connectivity through infrastructure, synchronized policies and harmonized regulations. Member countries could take advantage by exploiting the economies of scale arising from large-scale investments with shared costs. Together with the pressure from integration-driven competition, lower costs will boost productivity.

While the finance and IT-related services sectors have great potential to lead through innovation, manufacturing remains the most important sector for ASEAN's productivity improvements.⁸ Indeed, in

trade and cross-border investment, the manufacturing sector always plays the most important part. From this perspective, it is quite concerning that signs of premature deindustrialization have begun to emerge in some ASEAN member states. In recent years, a clear upward trend of manufacturing share in GDP has occurred only in Vietnam and Cambodia, but not in other member states.⁹ Obviously, numerous factors could influence what happens with productivity, but the development of the manufacturing sector is clearly one of them. Member countries should take advantage of ASEAN integration to prevent premature deindustrialization.

What are the trends in productivity in ASEAN? Fluctuations in productivity growth usually mimic those of per capita GDP. ASEAN is no exception (Figures 1 and 2). Any small deviation is likely caused by differences in the growth of factor proportions. Another notable and common feature is the falling growth of productivity during a crisis. The fall during the 1997/98 Asian Financial Crisis (AFC) was far deeper than during the 2008/09 GFC. Demand factors clearly played a key role there.

What is concerning, however, is that the growth trend fell again since 2011, even in the absence of any crisis. The decline in labour productivity growth was particularly dramatic. Constraints on the supply side, which had lingered for years due to deficits in infrastructure and skilled labour, have become more binding. A closer look reveals that the sharp fall during the period was driven primarily by the deceleration in the two largest ASEAN economies, Indonesia and Thailand.¹⁰ In fact, during the same period, the productivity growth in Malaysia, Vietnam and Myanmar actually increased.

Comparing three episodes, pre-AFC (1991–96), pre-GFC (1999–2007), and post-GFC (2010–14), the average productivity in ASEAN as a group has been decelerating when measured in terms of labour productivity (LP). In terms of total factor productivity (TFP), the fall occurred after the GFC (see again Figures 1 and 2 and notice the downward shift of the horizontal lines).

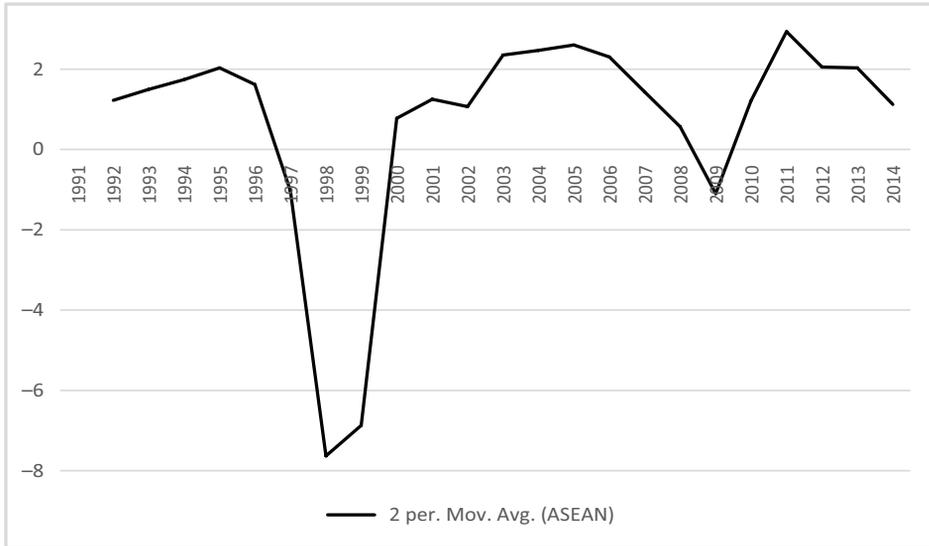
More importantly, labour productivity growth in the region is mostly sector-specific, in the sense that whatever improvement is made by a sector remains confined to that sector alone, and hardly diffuses elsewhere.¹¹ Productivity improvement of this type is called the “within” component in contrast to the “structural change” and its dominance is exemplified in Figure 3, where the “structural change” part is much smaller and continuously declining.¹² Such limited spillover has contributed not only to productivity deceleration, but also to worsening income inequality in the labour market.

Another way to evaluate trends in productivity is by looking at the extent to which expanding sectors are experiencing rapid increases in productivity.¹³ Using the same three episodes as before, there was an improvement from pre-AFC to pre-GFC as the slope of the line in Figure 4 became steeper. The rapid growing sectors were increasingly of the productivity-improving type, supported by strong FDI inflows, trade, and growing regional integration. During that period, ASEAN member states managed to use the opportunity to adopt better technology, enhance human resources, expand existing industries and even create new ones. A more productive use of capital presumably played a vital role as factor proportions increased along with productivity growth. Entering the post-GFC period, however, no improvement is detected. If anything, the line shifts downward, i.e., given a sector's size, the productivity growth is getting slower.¹⁴

Whatever the method of evaluation, the conclusion that ASEAN's productivity decelerated post-GFC is fairly robust. Even when companies and activities in ASEAN managed to improve their productivity, the economy-wide impact was negligible as they failed to create a spillover to the rest of the economy. This is quite disturbing, and highlights the need for continued structural reform that has languished or is no longer productivity-enhancing.

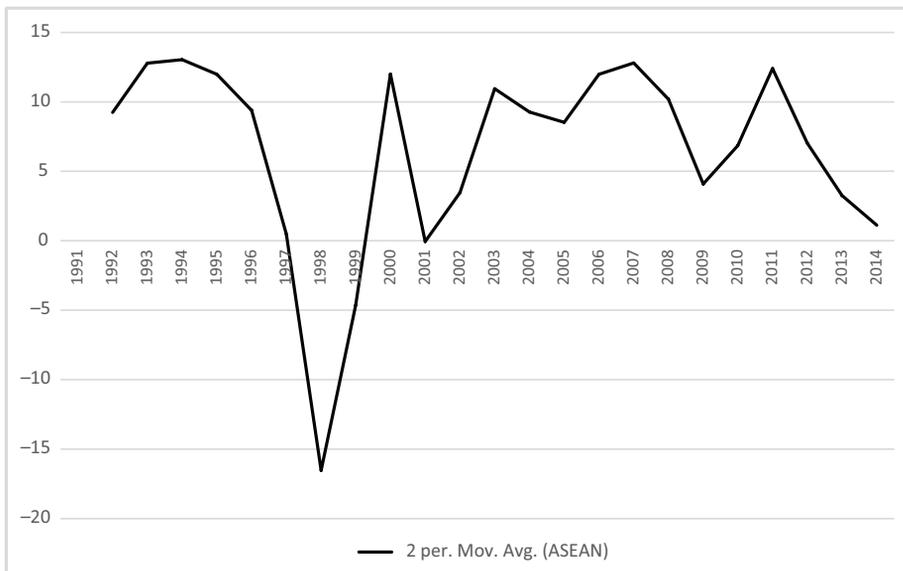
Obviously, the task of improving productivity is multidimensional. Revamping long-neglected infrastructure spending to assure better logistics connectivity and better access is one such aspect, although by itself this will not improve competitiveness and productivity. There is an urgent need for ASEAN member states to reform the management of human resources, and adopt innovative technologies

FIGURE 1
ASEAN Growth of TFP (Percentage)



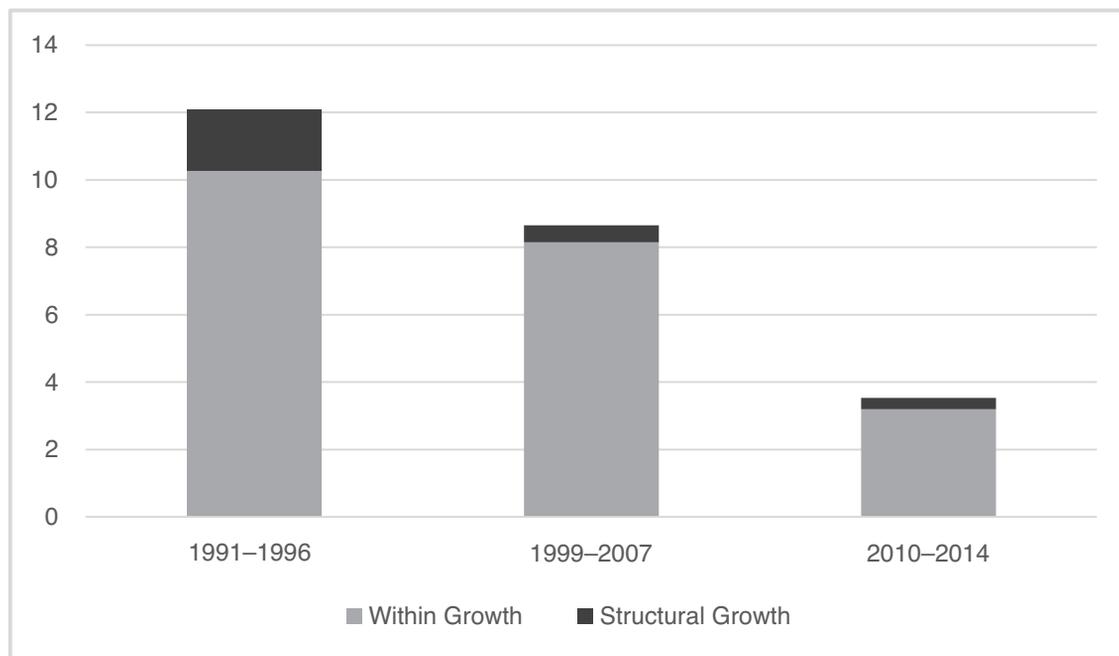
NOTE: ASEAN-6 are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. Asia consists of ASEAN-6, Bangladesh, China, India, Japan, Korea, Pakistan, and Sri Lanka.
SOURCE: Author's calculation based on Asian Productivity Office (APO) data.

FIGURE 2
ASEAN Growth of Labour Productivity (Percentage)



NOTE: See Figure 1.
SOURCE: Author's calculation based on Asian Productivity Office (APO) data.

FIGURE 3
ASEAN Labour Productivity Decomposition



NOTE: See Figure 1.

SOURCE: Author's calculation based on Asian Productivity Office (APO) data.

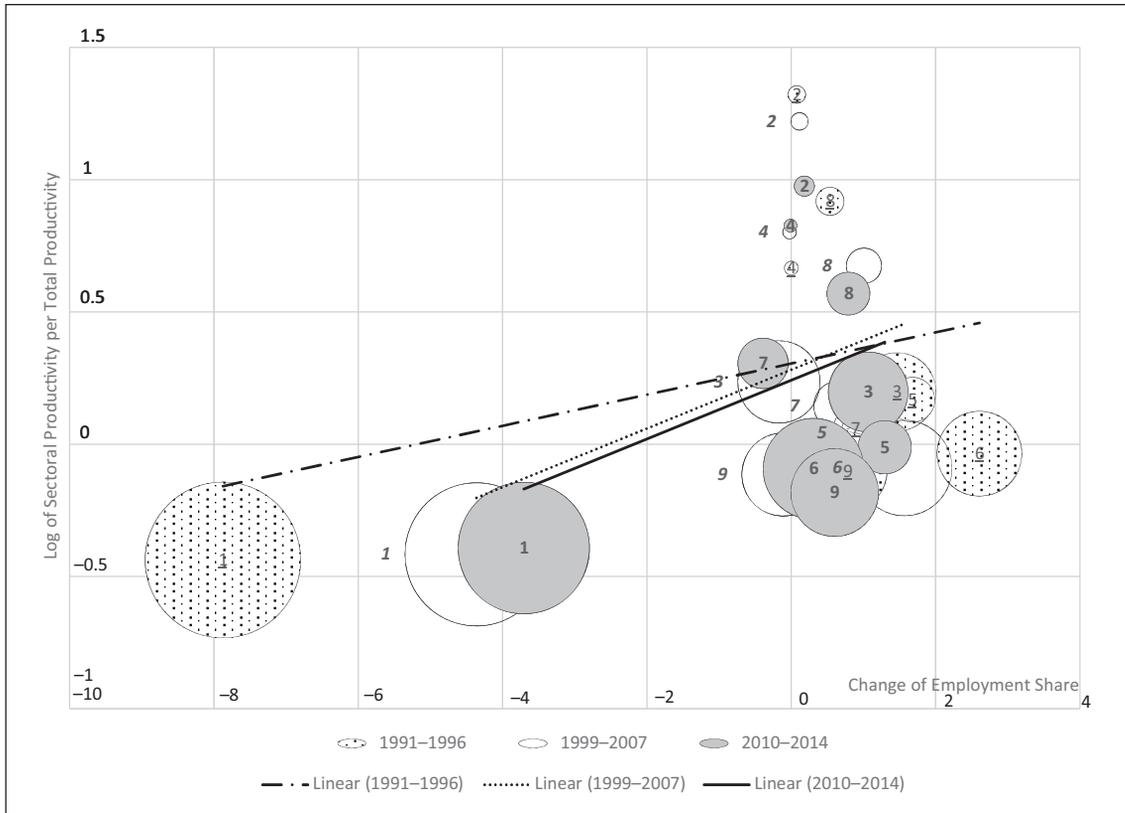
to support more efficient and effective supply chain management. Indeed, human resources play a vital role in productivity improvement, and so do policies to reduce the mismatch between skills and needs of the economy.

On a related note, much has been done by ASEAN member states to improve basic and intermediate levels of education. But ASEAN continues to have pressing problems at the higher end of the educational system that provides technical skills needed to move from assembly to production and, eventually, to the design stages of the value chain — all of which could contribute to productivity improvements.

The urgency for developing more quality human capital cannot be overstated, especially because in some member states, the labour force relative to total dependants has been shrinking, limiting the potential for growth. Populations in Thailand and Vietnam are getting older, and Malaysia is beginning its transition to an ageing society. A lack of social safety nets and retirement security in the face of rising life expectancy could make the burden on a shrinking workforce heavier. Although measures have been taken, their effectiveness in minimizing the impact on growth are likely to be limited and/or temporary.¹⁵ AEC's attempts to liberalize the flow of skilled workers could help, but more aggressive policies that include greater automation may be needed.

If ASEAN fails to reverse productivity deceleration, a future growth path extrapolated from past trends is likely to be off the mark. Given the risks associated with many uncertainties, member states should put extra effort to make the region's integration more productivity-enhancing. Increased protectionism and China factor are among the concerning uncertainties.

FIGURE 4
ASEAN: Sectoral Size, Growth and Productivity



NOTES:

1. Size of circle represents employment share in: 1990 (bubble in hatching); 2002 (bubble in solid white); and 2008 (bubble in solid black). Growth rate uses CAGR.
2. Sector number: (1) Agriculture, hunting, forestry and fishing; (2) Mining and quarrying; (3) Manufacturing; (4) Electricity, gas and water supply; (5) Construction; (6) Wholesale and retail trade, hotels and restaurants; (7) Transport, communication and storage; (8) Financial intermediation, real estate, renting and business activities; and (9) Community, social and personal services.

SOURCE: Author's calculation based on Asian Productivity Office (APO) data.

4. The China Factor

Over the last three decades, openness and technological progress have fostered economic integration around the world, including ASEAN. But recent developments leave such trends in question. Populism and anti-globalization have escalated, and protectionism and bilateralism are on the rise.¹⁶

An irony is emerging. For decades, the United States has always championed a free trade system. Through their influence, a growing number of countries, including ASEAN, embraced free trade policy. However, new signals from Washington are now pointing to a different direction with a very different path.¹⁷ As part of its "America First" agenda, the Trump administration now prefers bilateral trade deals.

For many, the United States' credibility as a trustworthy trading partner has been severely compromised. For ASEAN, this should not be taken lightly. Even with resilient intra-ASEAN commerce and rising trade with non-U.S. partners, ASEAN as a group is ranked fourth among the largest markets for U.S. goods exports (after Canada, Mexico, and China), and the United States is ASEAN's fourth largest trading partner.

If trade with the United States falls, intra-ASEAN trade and the region's trade with non-U.S. markets, including other emerging economies, may come to the rescue. This was proven to be the case during the 2008/09 GFC, when the demand in G-2 — the United States and Europe — fell (Azis and Lamberte 2015). There is no reason that a similar trend cannot recur. What made it possible was each member country's unilateral free trade policy.

The second implication relates to the China factor. A gradual erosion in the perceptions about the capacity and willingness of the United States to maintain its leadership has given China an opportunity to step in. While it may not be seen by all member states as an appealing alternative, Beijing seems eager to take over the role. China also seems willing to take a leadership in global trade — albeit cautiously — and in infrastructure development. What does this mean for ASEAN's economic and growth prospects?

China's importance for the ASEAN economy is a forgone conclusion. In trade and other forms of regional cooperation, China has been playing a pivotal role. It was the first ASEAN dialogue partner to conclude a Free Trade Agreement (FTA) with ASEAN in 2002, and the first to establish a strategic partnership with ASEAN in 2003.¹⁸ Moreover, ASEAN is currently China's third largest trading partner.

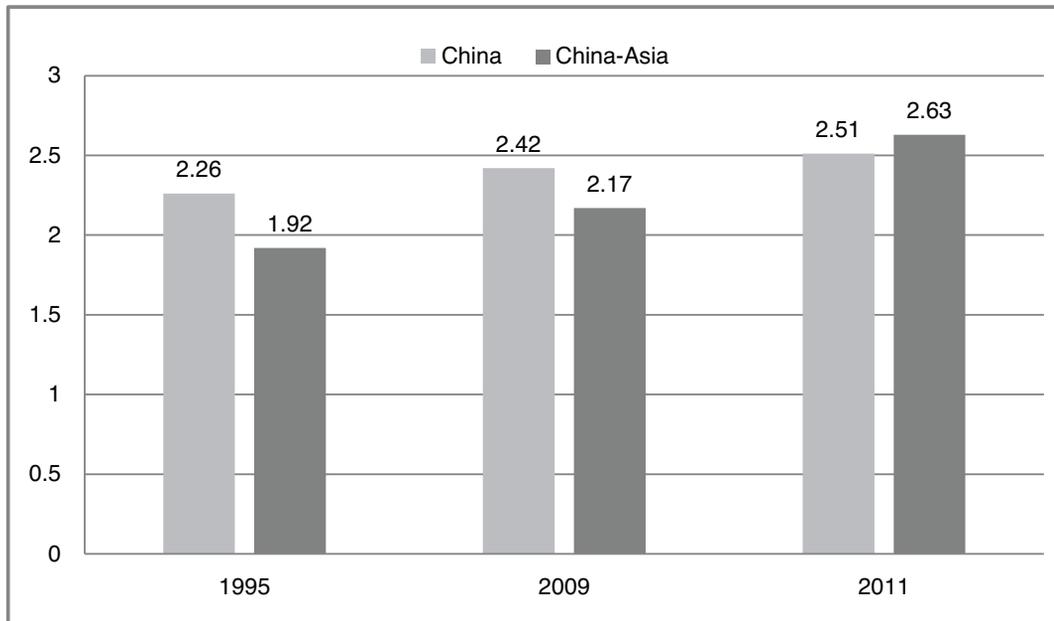
China's slowdown has significant effects on ASEAN since the interactions and interdependence between this nation and many Asian countries have become stronger over the years. Based on international input-output tables, the coefficient of interdependence that includes direct and indirect effects between China and the rest of Asia increased significantly from 1.92 in 1995 to 2.63 in 2011. In fact, it was already deeper than the sectoral interdependence within China itself (2.63 versus 2.51; Figure 5). The net effect of China's slowdown on ASEAN, however, varies. For exporters of primary commodities like Malaysia and Indonesia, the effects are negative; for Vietnam, Myanmar and Cambodia, the negative effects are counteracted by the migration of low-cost export manufacturing from China that benefits them.

Many believe that the prospects of ASEAN-China economic cooperation are bright because both offer huge market potential. The demographic dividend in some ASEAN countries can be another supporting factor. China and ASEAN have also been working together to press ahead for the completion of the Regional Comprehensive Economic Partnership (RCEP) that has gained more traction following the U.S. withdrawal from the Trans-Pacific Partnership (TPP).¹⁹ Then there is the possibility of a mutually complementary work to enhance infrastructure, people-to-people, financial and information connectivity, where the "Master Plan for ASEAN Connectivity" can be linked with China's Belt and Road Initiative (BRI), and where the China-initiated Asian Infrastructure Investment Bank (AIIB) can play a role.

It should, however, be noted that with China's burgeoning influence in global and regional affairs, resentment and fear of being over-run by a much larger neighbour are also growing. ASEAN is facing a dilemma. The region's economic prospect and integration will undoubtedly be influenced by its stand on this emerging trend. Some member states may be cautious to take a firm stand, partly because of the territorial issues in the South China Sea.²⁰ Others, however, are more willing to openly talk about Beijing's policy preferences because of direct transactional consequences. They may also find China's embrace of the principle of non-interference in other countries' affairs similar to ASEAN's. This will particularly be the case for those wary of receiving Western help conditional on some demands for political and economic reforms.

Nonetheless, as member states have to weigh China on the one hand against the United States and its regional allies on the other, there is a risk that this issue could polarize ASEAN. The risk will likely escalate if China adopts an approach based on individual countries rather than ASEAN as a group.

FIGURE 5
Coefficient of Interdependence



NOTE: The coefficient of interdependence (COI) is

$$\sum_{j=1}^n \phi_j b_{.j} = \sum_{i=1}^n \phi_i b_{.i}^* \text{ where } \phi_k = \frac{x_k}{\sum_{k=1}^n x_k}$$

and b is the coefficient of inverse IO table.

SOURCE: Azis (2016).

5. Closing Remarks

If using a modest yardstick, ASEAN has lived up to peoples' expectations, although the level of social, political and environmental development has not been commensurate with what its economic endowment and development achievements warrant. Yet, ASEAN and the world have changed and continue to change.

As major players come and go, ASEAN must adjust. Even if the region's trade within value chains is more stable than arms-length trading relations and FDI inflows from outside and within ASEAN continue, there is no guarantee that the future will repeat the past. Complacency is clearly not an option as risks and uncertainties abound, some of which have been discussed in this paper. Policymakers in the region may also have to confront other challenges, ranging from staggering disparity of wealth that could cause instability and provoke popular anger and identity politics, to weakening institutions that could undermine the quality of governance. Designing regional policies to cope with those risks and challenges is very important. However, national policies remain key, and they can also help maintain the integrity of domestic institutions on which the implementation of regional policies depends.

NOTES

1. Involving, *inter alia*, youth, academia, parliamentarians, media, cultural experts, and sports persons, aside from regular exchanges among government officials.
 2. The wording of the Declaration of ASEAN Concord II (Bali Concord II) in 2003 cannot be clearer: “ASEAN shall continue to foster a community of caring societies and promote a common regional identity.”
 3. ASEAN+3 consists of ten ASEAN members and Japan, China, and Korea. AMBIF was designed to facilitate intraregional transactions (within ASEAN+3) through standardized bond and note issuance and investment processes by creating common market practices and utilizing a common document for submission. The idea is, SMEs from “+3” who plan to do business in one of the ASEAN countries could obtain bond and note denominated in that country’s currency with which they can conduct investment and business operation.
 4. The approach taken by Malaysian-based budget carrier AirAsia to set up affiliate airlines in several ASEAN countries is a noted example, in which each airline can grow organically using local talent. ASEAN’s local players taking over foreign businesses is another emerging trend.
 5. The case of U.S.-based Uber Technologies battling with Singapore’s Grab that partners with Indonesia’s Lippo Group; and the Japanese trading houses being outbid in a tender for Chevron’s geothermal assets by an all-ASEAN consortium (led by Indonesia’s Star Energy including Philippine’s Ayala Corp and Thailand’s power producer EGCO) are few examples.
 6. In the electronics sector, for example, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam have signed the Information Technology Agreement (ITA) to remove all restrictions on trade in electronic goods. This is considered an important prerequisite for participation in electronics value chains.
 7. It is unclear why the contagion risk of a downturn in other ASEAN member countries is undermined.
 8. Using data from countries around the world, Rodrik (2013) shows that there is little convergence in aggregate productivity (low productivity economies failed to close the gap with high productive ones). But there is a clear convergence in manufacturing sector, suggesting that manufacturing has an unmistakable strategic role as a source for productivity improvements.
 9. Manufacturing share in the Philippines had been on a declining path since the AFC, while a reversal occurred only recently in Malaysia and Indonesia.
 10. Some events have caused productivity slowdown in Thailand: the 2011 devastating earthquake and tsunami in Japan that disrupted the supply chains of many Japanese-owned manufacturers operating in Thailand, the subsequent flooding in Thailand on a scale not seen in seventy years, and the ongoing political crisis. The Indonesian case, on the other hand, was a story of falling commodity prices. Growth slowdown in China is a common factor faced by both countries.
 11. Being non-rival goods, invented technology can theoretically be used by ASEAN’s other firms and workers at low marginal cost, making spillovers possible and relatively easy. But without policy measures, national and regional, there is likely a mismatch between technology and workers who operate it, resulting in a lower productivity than what the technology is expected to generate. This explains why the productivity in technology-producing countries is generally higher than in technology-importing countries despite the fact that they use the same machine and technology (Acemoglu 2009).
 12. Productivity occurs at the firm, industry, sectoral, and national (economy-wide) level. Each of them does not always move in the same direction, especially absent of spillovers. Decomposing productivity into “within” and “structural change” components is therefore useful since it distinguishes the sources of productivity changes: those derived from sectoral improvement by keeping the size of each sector constant (“within”), and those derived exclusively from the sectoral structural change by keeping each sector’s productivity constant (“structural change”); see Azis (2015b), McMillan, Rodrik and Verduzco-Gallo (2014).
 13. Matching each sector’s employment and productivity growth in a two-dimensional chart, a generated steep (flat) slope implies that the fast-growing sectors are of the rapid (slow) productivity-improving type. When the generated slope is steep, even if productivity decelerates the economy-wide impact of it would have been partly mitigated.
 14. The line in the figure has actually become flatter as well, albeit insignificantly.
 15. Policy measures taken thus far range from raising the retirement age to providing baby bonus; the latter was introduced by Singapore many years ago.
 16. Across the Western world, the right increasingly tends to oppose the social costs of globalization and immigrants, and the left has become more elitist, centrist, liberal and cosmopolitan. The political leaning of the right and the left gets blurred. Both sides claim populism, but one that is different from the postmodernist version where socialism mixed with nationalism.
-

17. President Trump's remarks following last year's Davos meeting sums it up: "protection will lead to great prosperity and strength." The subsequent United States withdrawal from the TPP reverberated globally, and last year's G20 finance ministers meeting unprecedentedly removed the texts "to resist all forms of protectionism". Then in the most recent WTO ministerial meeting in Buenos Aires end of last year the United States blocked most countries' bid to keep Doha agenda alive by fiercely opposing any mention of the Doha work programme.
18. China was also the first to sign the Treaty of Amity and Cooperation in Southeast Asia.
19. With ASEAN's centrality, RCEP is seen to be more Asia-driven than the TPP, and it is increasingly championed by Beijing. But ASEAN also is worried about being marginalized as Brunei, Malaysia, Singapore and Vietnam are also in the TPP (see Azis, 2013).
20. Trump's administration's "America First" foreign policy which reflects a partial abdication of U.S. leadership of global affairs may weaken ASEAN claimants and embolden China in exerting its claimed historical rights in the South China Sea.

REFERENCES

- Acemoglu, Daron. "When Does Labor Scarcity Encourage Innovation?". *NBER Working Paper* 14819, March 2009.
- Azis, Iwan J. "Trade Pacts in a 'Second Best' World". *Strategic Review* 3, no. 4 (October 2013).
- . "Integration, Contagion, and Income Distribution". In *Regional Science Matters: Studies dedicated to Walter Isard*, edited by Peter Nijkamp, Adam Rose and Karima Kourtit, pp. 131–61. Springer International Publishing, 2015a.
- . "What Lies Ahead for ASEAN and Indonesia". In *Accessing Asia: Indonesia 2015/2016 — Nation Builders*. Akses Asia Indonesia, 2015b.
- and Mario B. Lamberte. "ASEAN's Need to Rebalance: More Regional than Global?". In *Transpacific Rebalancing: Implications for Trade and Economic Growth*, edited by Barry P. Bosworth and Masahiro Kawai. Washington, D.C.: Brookings Institution Press, 2015.
- . "4-G Episode and the Elevated Risks". *Asia Pacific Economic Literature* 30, Issue 2 (November 2016).
- McMillan, Margaret, Dani Rodrik and Igo Verduzco-Gallo. "Globalization, Structural Change, and Productivity Growth". *World Development* 63 (2014): 11–32.
- Rodrik, Dani. "Unconditional Convergence in Manufacturing". *Quarterly Journal of Economics* 128, Issue 1 (2013): 165–204.