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Challenges to Implementing Mutual Recognition Arrangements (MRAs): Effects on Human Capital Mobility in Southeast Asia¹

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ABSTRACT

To complement regionalism, new regionalism in particular, regionalization as a process is expected to come into full circle in facilitating wider mobility of people, especially the professionals and skilled workers within and beyond the region. In Southeast Asia human capital mobility has played an important role in the development of various economies, especially in trade in services and goods. Despite the long existence of the Association of Southeast Asian Nations (ASEAN) as a regional body, and after two decades and two years of the implementation of the ASEAN Framework Agreement on Services (AFAS) in 1995 and of the MRAs in 2014, human capital mobility has not been fully realized. This paper scrutinizes the factors and challenges that impede or hinder the full implementation of the mechanisms that are supposedly designed to facilitate free movement of skilled workers and professionals. Moreover, the paper offers some suggestions on how to address the said challenges.

¹ This paper was presented at the King Prajadhipok's Institute's Policy Forum on "Legal Framework on ASEAN Mutual Recognition Arrangements: The Need for National Regulatory Change," Bangkok, June 22, 2017.

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INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) as a regional body is celebrating five decades of existence in 2017. In the years since ASEAN's establishment, regionalism is observably working in the Southeast Asian landscape, keeping in mind the maintenance of peace and order as well as the promotion of economic development in the region. At the early stage of regionalism, most of the founding member countries (Indonesia, Malaysia, Philippines, Singapore, and Thailand), with the exception of the Kingdom of Thailand, were still in the early decades of independence and in the process of strengthening their respective newly established governments. At that time the constitution of each country was drafted and subsequently adopted with the aim of consolidating newly acquired territories or preserving those left over from the past. The issue of mobility of people was not the primary focus in the geo-political landscape of the region. This situation, however, changed in the early part of the 1990s with the occurrence of the technological revolution and the conclusion of the Cold War. Mobility of human capital was slowly becoming a reality. After 50 years of ASEAN's establishment, regionalism and regionalization should have been working well by facilitating the free movement of professionals, skilled workers, and even tourists within the region. This condition, unfortunately, has not been fully realized despite the institution and implementation of several mechanisms in the late 1990s, such as the ASEAN Framework Agreement on Services (AFAS) in 1995 and of the Mutual Recognition Arrangements (MRAs) in 2014. Restrictions created by various legal, constitutional, and cultural impediments also contributed to such failure. Moreover, governmental policies and regulations have also impeded the movement of professionals.¹ It is at this juncture that this paper attempts to examine the factors and challenges that impede or hinder the full implementation of the mechanisms that are supposedly designed to facilitate freer movement of skilled workers and professionals. Moreover, the paper offers some suggestions on how to address said challenges.

REGIONALISM AND MUTUAL RECOGNITION ARRANGEMENTS

Regionalism and regionalization are two concepts that are inseparable and require the participation of state and non-state actors. Regionalization, in particular, happens when movements of people are much freer and activities are participated in, particularly by non-state actors such as non-governmental organizations, private associations, academics, and students, among others. Hence, the mobility of people, especially the skilled and professionals, to work within the region falls under regionalization's purview.

From the late 1990s an increase of migrants and migrant workers within the region is noticeable. This situation is best exemplified by the data provided by the International Labor Organization (ILO) in 2015 which demonstrated the rise of ASEAN nationals circulating in the region. It is observable that Thailand is still the favorite destination, followed by Malaysia and Singapore. Burmese and Cambodians are the highest in terms of number of migrants and workers residing in Thailand. Such increase is facilitated by the proximity and accessibility of Myanmar and Cambodia to Thailand. Filipinos' popular countries of destination in the region, on one hand, are Malaysia and Singapore. In the Philippines, Indonesians outnumber other ASEAN nationals working and living in the archipelago. Table 1 best exemplifies this development.

This movement of human capital in the region could be further increased with the implementation of various mechanisms such as the MRAs. This instrument is one of the more recent developments in ASEAN cooperation on trade in services, which enables the qualifications of professional services suppliers to be mutually recognized by signatory member states thereby facilitating the movement of professional services providers in the region. Currently, the Philippines has signed seven MRAs in the following professional services: engineering services (9 December 2005), nursing services (8 December 2006), architecture (19 November 2007), land surveying (19 November 2007), medical practice (26 February 2009), dental practice (26 February 2009), and accountancy (26 February 2009).

¹ Faizal Yahya, "ASEAN and Human Capital," in ASEAN Matters! Reflecting on the Association of Southeast Asian Nations, ed. Y.Y. Lee (Singapore: World Scientific, 2011), 191.

Through the years, the movement of citizens within Southeast Asia has increased gradually. These numbers, however, can be increased further if the restrictions brought about by legal and cultural considerations are properly addressed. The succeeding discussion will talk about such impediments.

Table 1. Bilateral Migration Matrix, UNDESA estimates, 2013

Destination/ Origin	B	C	I	L	ML	M	P	S	T	V
Brunei (B)		-	-	-	5975	-	82	-	-	121
Cambodia (C)	-			1201	13876	-	40	-	750109	2485
Indonesia (I)	352	108	-	-	1051227	-	3325	152681	645	7671
Lao (L)	-	265	-	-	-	-	-	-	926427	4284
Malaysia (ML)	643	175	1979	-	-	-	798	1044994	1191	-
Myanmar (M)	-	53	-	282	247768	-	424	-	1892480	9783
Philippines (P)	3468	156	3517	-	21345	-	-	14176	1196	292
Singapore (S)	2285	125	19681	-	78092	-	825	-	632	466
Thailand (T)	25451	31472	19681	-	78092	-	342	17644	-	512
Viet Nam (V)	-	37225	-	11447	85709	-	416	-	5966	-
Total	32,199	69579	44858	14582	1512129	-	6252	1229495	3578646	25614
ASEAN share of International Migrants	15.62%	92.08%	15.18%	66.89%	61.24%	-	2.93%	52.92%	96.16	37.51%

Source: International Labour Organization. *Migration in ASEAN in Figures: The International Labour Migration Statistics Database in ASEAN 2016*, pp. 13-14.

DETECTING FACTORS IN THE MRAS' IMPLEMENTATION

As mentioned earlier, the impediments to the full-blown implementation of the MRAs in the region are factors that may be categorized as historical and legal, bureaucratic, and educational or cultural.

Historical and legal

First, the implementation of the MRAs is considerably slow because of the challenges created by the historical and legal instruments of Southeast Asian nation-states. Most of the constitutions and legal frameworks of ASEAN member countries were created right after gaining independence from their respective colonial masters or were greatly influenced by developments after World War II. Table 2 will show the year in which each member country officially adopted its respective constitution. These conditions have greatly influenced the drafting of the provisions of each constitution, which are observably inward-looking, border conscious, and, to some extent, protectionist in various dimensions. Although these constitutions underwent several amendments through the years, labor laws and foreign talents' mobility were not greatly revisited or perhaps were left untouched to remain protectionist in nature.

Table 2. Survey of ASEAN member countries' Constitutions

Year of Adoption	Number	Countries
1930s	2	Thailand (1932), Philippines (1935)
1940s	4	Indonesia (1945), Laos (1954), Myanmar (1948), Viet Nam (1946)
1950s	2	Brunei (1959), Malaysia (1957)
1960s	1	Singapore (1965)

Aldaba rightly points out that constitutional and other restrictions have made it difficult to enact new rules and regulations for all professions. She suggests further that clear procedures and guidelines should be formulated for the implementation of the reciprocity provision. For temporary special permits, the law needs to be revised to allow complete borderless practice.²

Bureaucratic policies and regulations

The second challenge to the full implementation of the MRAs are unnecessary governmental regulations and policies. These impediments include restrictions on visa arrangements and language tests residency citizenship requirements. These impediments to greater human capital mobility should be reviewed because of changing demographics needs. For example, health care costs per capita are steadily rising in Singapore and among the wealthy middle class in Malaysia and Thailand. A large part of this growing demand for health care is being met by the influx of healthcare professionals from the Philippines. The Philippines has been long known as a center for tertiary education, and its graduates are proficient in the English language which facilitates their overseas mobility. Another sector where human capital from Philippines has made an impact is in the IT sector. To facilitate the movement of health care professionals within the region, mutual recognition agreements could be established among the ASEAN members. In this regard, the ASEAN Economic Blueprint has urged the facilitation of the issuance of visas and employment passes for ASEAN professionals and skilled labor in cross-border trade and investment-related activities.³

Another challenge is the conduct of lengthy negotiations between parties that also delay and prolong the duration leading to the signing of mutual recognition. This will also require additional funding for the series of meetings and negotiations that must be held to arrive at agreements.

Other than the above-mentioned impediments, countries in Southeast Asia have also adopted varied regulations and procedures especially in work permits and visas. For countries like Indonesia and Malaysia it is a very complex and lengthy process, while in other countries such as Myanmar and Vietnam the immigration and employment laws and practices are changing. Table 3 will show the different practices and regulations of each country in the issuance of visas. Regardless of whether for tourism or work, all ASEAN countries should issue to all ASEAN nationals a 30-day short-term stay visa. These countries are also expected to agree on the maximum duration of stay of ASEAN nationals working in the country.

Aside from the varying lengths of visa duration per country, the ASEAN member states also have different types of working permits. This diversity in labor policy also adds to the hurdles encountered by foreign talents in the region.

² Aldaba, "AEC 2015," 49.

³ Yahya, "ASEAN and Human Capital," 192.

Brunei, for instance, has implemented two types of visa for foreign workers. The first one is the professional visit visa that is issued for the purpose of professional work or expertise required for a particular project awarded in the kingdom. The second type of visa, on the other hand, is the employment visa that is usually issued for regular employment in the country.⁴

In the case of Indonesia, its government has adopted two different types of working permit, namely ITAS and ITAP. ITAS, meaning *Izin Tinggal Sementara* (temporary living permit), is valid for two years and can be extended twice, which gives it a maximum allowance of six years. ITAP, on the other hand, refers to *Izin Tinggal Tetap*, a long-term stay visa that is valid for five years and can be extended indefinitely. In order to qualify for ITAP, a foreign worker must have lived in Indonesia for five consecutive years.⁵

Table 3. Duration of Visa in ASEAN Countries

Country	14 Days	21 Days	30 Days
Brunei (B)	B, I, L, M, P, T, V	-	ML, S
Cambodia (C)	T, B, M	P	I, L, ML, S, V
Indonesia (I)	-	-	All ASEAN
Lao (L)	B	-	C, I, ML, P, S, T, V
Malaysia (ML)	-	-	All ASEAN
Myanmar (M)	B, L, C, P, V	-	-
Philippines (P)	-	-	All ASEAN
Singapore (S)	-	-	All ASEAN
Thailand (T)	-	-	All ASEAN
Viet Nam (V)	B, M	P	C, I, L, M, S, T

Source: Dej-Udom & Associates, “Work Permits & Visas for Foreign Workers in ASEAN Countries: A Survey, 2015.”

Malaysia adopts a three-type visa system. These are employment pass, temporary employment pass, and professional visit pass (PVS). Employment pass requires the applicant to have a minimum salary of MYR5,000 per month. The PVS, on the other hand, is issued on a more ad-hoc basis wherein foreigners are still employed within their home country but are required to provide certain services in Malaysia. All foreign talents must be at least 18 years old and no more than 45 years old.⁶ In this country, employers are required to prove that local citizens are not available in order to hire a foreign worker.⁷

The Philippines has two types of visa, namely the commercial and non-commercial visa. The former is open to everyone who will engage in any lawful occupation whether for wages or salary or other forms

⁴ Ministry of Foreign Affairs and Trade. Brunei Darrusalam. mofat.gov.bn.

⁵ Felix Utama Kosasih, “Employment Visa in Different ASEAN Countries.” Global Indonesia Voices, accessed September 8, 2015. <http://www.globalindonesianvoices.com/22397/employment-visa-in-different-asean-countries/>.

⁶ Kosasih, “Employment Visa.”

⁷ ASEAN UP, “Overview of the ASEAN Skilled Labor Market.” www.aseanup.com/overview-of-the-asean-skilled-labor-market.

of compensation. The latter, on the other hand, is valid for those who will engage in missionary work, social work, or rehabilitation work, etc. Furthermore, there is a special visa that requires a foreigner to employ at least 10 Filipino workers in a lawful and sustainable enterprise after the visa has been granted.⁸

Singapore, on the other hand, has adopted three types of visa. First is the employment pass. This visa requires applicants to have a fixed income of at least SGD3,300 per month. The second one is the entre pass created specifically for budding entrepreneurs. The last one is the personalized employment pass which is an upgraded version of the employment pass. The skilled and semi-skilled workers' group includes S pass (at least SGD2,200 per month) and working permits for foreign domestic workers, confinement nannies, performing artists, and those working in the construction, manufacturing, marine, and service sectors.⁹ Companies that hire foreigners are also required to advertise the job vacancy for at least fourteen days in a government portal.¹⁰

In Thailand, companies must overcome a lot of hurdles if they want to recruit foreign workers. The companies must have a certain amount of capital and must hire a certain number of Thai workers per foreign worker. For the foreigners, the requirements to get a work permit is relatively easy. A single worker must earn THB50,000 per month while a married one must have a minimum salary per month of THB60,000.¹¹

For Vietnam, foreign talents have short and long-term visa types. For those who will be staying less than three months, they need to obtain either visa B2, B3, or B4. These visa types are specifically given to those foreign talents who are working on investment projects, Vietnamese enterprises, or Vietnamese branch offices. For those who are working more than three months, a work permit is required, which can be valid for three years' maximum stay. Holders of a valid work permit can request for temporary residence cards which allow individuals to enter and exit Vietnam freely within the valid period.¹²

Aside from the visa and permits consideration, the difficulty of the formulation and implementation of the MRAs is also triggered to some extent by the decision or the lobbying of local and national associations or guilds for each profession. These local guilds try to lobby their government officials to add more requirements that will fit local qualifications and demands on top of the regional requirements. Cultural qualities such as local language proficiency or basic knowledge are being proposed as insertions to the requirements.

In addition, the standards imposed by each MRA vary by profession, thereby also contributing to the failure to full implementation of the human capital mobility. For example, an engineer must first hold a license issued by the regulatory body of his or her home country and have at least seven years of work experience following graduation, two of which entail significant work. The application for a visa is submitted to the ASEAN Chartered Professional Engineers Coordinating Committee for review and, if successful, the applicant would then be permitted to work in other ASEAN countries as a "Registered Foreign Professional Engineer." In contrast, case-by-case assessments have been eliminated entirely for the tourism sector, allowing automatic recognition for 32 tourism-related occupations.¹³ Despite the gradual implementation, the existence of eight occupations governed by the MRAs represent a modest beginning to ASEAN's envisioned free movement of skilled labor.

⁸ Kosasih, "Employment Visa."

⁹ Kosasih, "Employment Visa."

¹⁰ ASEAN UP, "Overview of the ASEAN Skilled Labor Market."

¹¹ Kosasih, "Employment Visa."

¹² Kosasih, "Employment Visa."

¹³ ASEAN Briefing, "Labor Mobility in ASEAN: Current Commitments and Future Limitations." <http://www.asean-briefing.com/news/2016/05/13/asean-labor-mobility.html>.

The restrictive labor policies held by several countries demonstrates the lack of political and public will to pursue increased labor mobility. Politicians, professional associations, and the public alike fear migrant workers swarming into richer countries and introducing increased competition and instability, while poorer countries fear losing their most educated to brain drain. Despite these concerns, there are labor and skill shortages in the Philippines, Indonesia, and Vietnam – countries that could benefit from skilled labor from other ASEAN states with stronger education. Similarly, other countries like Thailand, Malaysia, and Singapore are in need of affordable labor which Indonesia could easily supply with its surplus of young unemployed workers.¹⁴

The dearth of effective labor mobility programs is also a symptom of the need for regional standards regulating various industries. ASEAN’s aviation industry, for instance, does not have common regulations for personnel licensing, training, safety and maintenance, flight operations, and air traffic management. Establishing common guidelines for industries across ASEAN could facilitate the growth of regional businesses and industries, build a larger and more qualified labor force, and promote connectivity.¹⁵

Given ASEAN’s goal of creating free movement of skilled labor, investors operating businesses in the region may be surprised to see such limited mobility between countries. In fact, companies hiring skilled foreign workers generally have no incentive to hire an employee from an ASEAN country over an international one. In most cases, hiring a foreign worker from another ASEAN member state requires following the same visa and work permit procedures that apply to other (non-ASEAN) countries. For sectors covered by the MRAs, however, employers benefit from access to a much larger potential talent pool. When establishing a business in ASEAN, it is essential for investors to have a clear understanding of the relevant labor market and potential skill shortages that may arise, particularly given ASEAN’s uneven levels of development and complex regulations.¹⁶

Educational requirements and cultural considerations

The obstacles to the realization of the MRAs in terms of education include the differences in the structure of education, differences in regulation and quality assurance processes, and differences and perceived differences in educational outcomes¹⁷ as exemplified by the case of Malaysia. Such situation is also applicable to almost all countries in Southeast Asia.

Educational system and cultural practices also serve as impediments to the full implementation of the MRAs. A study by the Asian Development Bank on skills development in Asia identified the unfinished agenda of educational attainment as one of the factors of mismatches in skills and education that consequently has implications on the realization of the MRAs. Although primary education is nearing universalization in much of Asia, attainment of secondary (particularly upper secondary) education and of post-secondary TVET and higher education remains much lower, particularly in developing countries in Asia. The net enrollment rate for primary education in Asia as a whole was more than 91 percent in 2013,¹⁸ dropping to 64.1 percent for secondary education. Particularly in poorer countries in Asia, the transition rate between primary and lower secondary levels and the failure to successfully complete secondary education pose the main bottlenecks to educational attainment among the youth. Southeast Asia and the rest of Asia are characterized by a “double-50” phenomenon: in roughly half of the countries, only less than half of the youth in recent cohorts has completed upper secondary education, including general or TVET-track programs. The failure of large numbers of youth to finish

¹⁴ ASEAN Briefing, “Labor Mobility in ASEAN.”

¹⁵ ASEAN Briefing, “Labor Mobility in ASEAN.”

¹⁶ ASEAN Briefing, “Labor Mobility in ASEAN.”

¹⁷ Raja Suzana Raja Kasim, “Mutual Recognition Agreement: A Conceptual View on Malaysia Educational Services” (paper presented at the 2010 International Conference on e-Education, e-Business, e-Management and e-Learning).

¹⁸ United Nations Children’s Fund. *Rapid acceleration of progress is needed to achieve universal primary education*. <https://data.unicef.org/topic/education/primary-education/>.

secondary schooling is particularly problematic given findings indicating that secondary education is the most effective path for providing youth with soft skills for work and life.¹⁹

Another challenge related to the previous discussion is the gap between employment and the development of human resources through skills and education training that matches the new technology affiliated with new job requirements. In addition, ASEAN member states need to build the capacities of their local firms to compete with MNCs and to absorb “spillovers” from foreign direct investment. Between 2005 and 2015 it is estimated that approximately 55 million jobs must be created in the ASEAN region to match the growth in labor force. Employment creation should not be about numbers alone but should be about quality as well because the majority of the unemployed, at 58.7 percent, are between 15 and 24 years of age. Demand for human capital in the ASEAN region is increasing and has resulted in higher wage levels and employment. For example, in Indonesia the average wage in the finance and business services sectors has risen by 90 percent between 2000 and 2006. The inability to provide quality employment would not only be a waste of talent and create social unrest but also undermine ASEAN’s ambitions and competitiveness.²⁰

While language is not the primary factor, the inability of workers to communicate with colleagues and employers better will also affect job efficiency. Hence, limited English language offerings in universities and other academic institutions in the region also create problems. With the exception of Singapore, the Philippines, and Thailand, most universities in the region offer very few courses in English. Most of the professionals and skilled workers who are produced by many universities in Southeast Asia are not fluent in English for communication. Hence, applications and even communications with co-employees and employers are quite difficult. As such, both higher education institutions and governments have their roles to play in ensuring the success of the MRAs by strengthening a good relationship between higher education and government, and they can also enhance diplomatic relations between countries. Such agreements bear similarities to treaties among nations in the international arena so as to enhance diplomatic relations.²¹

Besides that, such legal binding agreements also face tremendous challenges in the aspect of comparability, consistency, and accuracy in assessment between the institutions. Due to the unique structure of the existing educational systems in every country, it will be extremely difficult to synchronize delicate and subtle details across incompatible educational systems.²²

EFFECTS OF MRAS ON HUMAN CAPITAL MOBILITY IN SOUTHEAST ASIA

The circulation of human capital is critical for ASEAN’s shift towards a knowledge-based economy (KBE) as manifested by the science parks in Singapore, the Multimedia Super Corridor (MSC) in Malaysia, science and technology parks in Thailand, the Philippines, and other ASEAN members. This structural shift in employment should not be underestimated because the “newer” members of ASEAN, such as Cambodia and Vietnam, are primarily agrarian-based economies, and their move towards industry and services would entail retaining, and acquiring the best talents nationally and in the region. For the “older” ASEAN members like Indonesia and Malaysia, the move from low- and mid-level manufacturing jobs towards service-sector employment would also require retraining and acquisition of scarce talent.

Due to the scarcity of specific talents in the sciences, finance, and other fields because of growing global competition for their services, ASEAN members should explore means of retaining the services of such skills and knowledge within the region. These retentive efforts could be in the form of common

¹⁹ Sungsup Ra, Brian Chin, and Amy Liu, *Challenges and Opportunities for Skills Development in Asia: Changing Supply, Demand, and Mismatches*. (Mandaluyong: Asian Development Bank, 2015), 18.

²⁰ Yahya, “ASEAN and Human Capital.”

²¹ Raja Suzana Raja Kasim, “Mutual Recognition Agreement,” 647.

²² Raja Suzana Raja Kasim, “Mutual Recognition Agreement,” 647.

projects among ASEAN members or shared databases listing these scarce talents and allowing workers to be mobile and utilized across various ASEAN members. The alternative would be for these scarce talents to exit the region altogether because of the lack of cutting edge research and development (R&D) and challenging career opportunities.

The mobility of human capital is also important in persuading MNCs to remain in the ASEAN region and not relocate to lower-cost regions. The MNCs employ and relocate considerable numbers of their human capital every year. For example, in 2000, China had approximately 2,000,000 foreign specialists, while in the ASEAN region Malaysia had 32,000 and Vietnam 30,000. How would the AEC influence human capital in the ASEAN region? Would the flow of human capital be relatively equal in terms of intensity between members or would it gravitate towards a hub and spoke model? As the more advanced economies in the region, Malaysia, Singapore, and Thailand could be the hubs and influence the mobility sources, including human capital, in the region. Spokes would then radiate from these hubs as they attract human capital from surplus economies like Laos or the Philippines. However, there are constraints on labor mobility within the region from regulations of member states. For example, the Alien Employment Act in Thailand prohibits foreign talent in certain professions such as engineering and legal services. Other member states like Malaysia require foreign talents to be accredited by their respective trade guilds or associations in areas such as accounting before they are given a license to practice.²³

CONCLUSION AND RECOMMENDATIONS

In order to address several challenges, particularly in allowing for managed mobility or facilitated entry for the movement of natural persons engaged in trade in goods, services, and investments, according to the prevailing regulations of the receiving country, ASEAN must work to facilitate the issuance of visas and employment passes for ASEAN professionals and skilled workers who are engaged in cross-border trade and investment related activities. Moreover, in facilitating the free flow of services, ASEAN is also working towards harmonization and standardization with a view to facilitate such movement within the region. ASEAN has enhanced cooperation among ASEAN University Network (AUN) members to increase mobility for both students and staff within the region. The regional body, furthermore, has facilitated the development of core competencies and qualifications for job and occupational trainers' skills required in the priority services sectors and in other services sectors, as well as strengthening the research capabilities of each ASEAN member country in terms of promoting skills, job placements, and developing labor market information networks among ASEAN member countries.

These actions, however, are just initial steps that can be further improved along the way. In order to facilitate much freer mobilization, member countries must be willing to repeal or modify their respective labor laws without surrendering their sovereignty. It is in order to have joint meetings of law and labor ministers of all countries in the region to sort out the differences and explore commonalities that will permit human capital mobility in Southeast Asia. It should be noted that mobility is not just the concern of labor departments.

Aside from these, ASEAN should also revisit its almost decade-old Charter (adopted in 2007) in order to strengthen its Secretariat in Jakarta, Indonesia. First, the regional body should empower its Secretariat by making it the clearing house for all applications. The Secretariat should be able to coordinate with the host country's professional regulatory board to fast track the issuance of alien working permits and to verify applicants' information from their countries of origin. If possible, the Secretariat should provide a single window (online facility) to fast track the processing of documents.

Moreover, the regional association must continue to implement measures to improve the process and create clear criteria for the labor market test and the skill shortage list or positive list of occupations that are difficult to fill. The positive list is important because it provides not only information on skill

²³ Yahya, "ASEAN and Human Capital."

shortages to help the government in its education and training policy but also the list of occupational shortages that can serve as input to policy.

At the local front, each government is also encouraged to address sectoral concerns, particularly the conflicting regulations in engineering and standards and quality issues in nursing. There is a need also to strengthen the capacity of a professional regulatory body as the central body coordinating the different MRA activities to enable it to effectively perform its policy making, information gathering, dissemination, and advocacy efforts. Furthermore, the agencies concerned are also expected to formulate a comprehensive and strategic framework on MRA implementation containing in-depth analyses of the impact of MRA implementation by sector (cost and benefit analyses); create a package of policy reforms and programs to facilitate the MRA implementation process; develop strategy for information dissemination, constituency building, networking, and advocacy; recommend adjustment alternatives and capacity building initiatives in the transition period; and offer a strategy for resource mobilization to finance adjustments during the transition.

The local government unit, along with academic institutions, should collaborate in conducting more research impact studies on the implications of the MRAs implementation, facilitate more information dissemination and awareness campaigns on MRAs, and conduct more capacity building and trainings both for the government and sector representatives. Both institutions should ensure sustained sharing of best practices in basic education and core competency development, and lead the implementation of a code of ethics through collaborative conferences, research, and exchange visits. Most importantly, national governments must provide support by increasing the funding for capacity building, coordination, and networking and grants for conducting studies and generating consistent and readily available statistics for the government and the private sector.

If the state and non-state actors are really dead serious on seeing an active engagement of regionalism and regionalization in Southeast Asia, these players must be willing to sacrifice some of their interests without necessarily compromising their national sovereignty. There are ways which they can contribute to in this continuing saga of regional engagement, and one of that is the full implementation of the MRAs. By doing so, ASEAN will be not just a people-oriented and people-centered body but also an association in which people participate across the region in the next five decades of its existence and beyond.



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