ANALYSIS OF FACTORS AFFECTING PEOPLE SATISFACTION TOWARDS THE UNIFICATION OF ASEAN ECONOMIC COMMUNITY

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Abstract- This paper aimed to examine AEC- associated consequences including trade agreement, occupation and tourism as the influential factors of public satisfaction towards the AEC. The quantitative approach was utilized with questionnaire as a tool in collecting the data. The samples were 400 people from Pha Rai, Phan Seuk, Klong Namsai and Tha Kam Sub- district. The hypotheses were established with the variables namely trade agreement, occupation, tourism and satisfaction of people, in order to analyze the public satisfaction towards the unification of AEC. The findings concluded that trade agreement, occupation, tourism, service, free trade areas accommodating factor, child labor, human trafficking and transportation cooperation and prevention measures delivered effect on people's satisfaction towards the AEC.

Index Terms- ASEAN Economic Community, Factors, Satisfaction, Unification

I. INTRODUCTION

ASEAN Economic Community or AEC is a unification of the 10 nations in Southeast Asia as a realization of the region's end goal of economic integration, including Thailand, Laos, Myanmar, Vietnam, Malaysia, Singapore, Indonesia, Philippines, Cambodia and Brunei (Thai-aec.com, September 25, 2014). The aim of this integration is to create a bargaining power with the global suppliers and gain higher competitive advantage in the global economy. The integration envisions ASEAN as a single market and production base through the elimination of trade barriers in terms of tariff reduction for some products for the state members. This promotes development, growth and well- being of people at regional areas. ASEAN is characterized by free flow of goods, service, investment, capital and labors. The AEC Blueprint is aimed towards achieving this vision by 2015. The vision of the AEC is to drive the Community to be a single market and production base which facilitates high degree of free flow of goods, service, investment, capital and labors to be a high competitive economic region and equitable economic development that is fully-integrated into the global economy (2). To be a high competitive economic region, some primary policies address business competition, taxation, intellectual property, infrastructure development, information exchange and human resource trainings. The equitable economic development can be realized by enhancing the capabilities of small and medium entrepreneurs through various projects.

On another angle, it should be noted that the AEC has instigated higher competition among Thai entrepreneurs and agriculturalists due to an influx of goods from the neighboring countries to Thailand as a result of free flow of goods and the tariff reduction and non- tariff policy. Moreover, due to the free flow of labors across the region, AEC can lead to a chance for Thai skilled workers to work in other countries in the ASEAN Community for instance Singapore, Malaysia and Brunei for higher payment. This has resulted in Thailand hiring more migrant, lower- paid and unskilled workers to work instead. Another drawback to Thailand induced from the AEC integration also concerns the issue of lower quality of goods produced in the neighboring countries and imported to be sold in Thailand, the situation which has become a conflicting direction with the national policy of achieving to the quality manufacturing country position. In this regards, this paper aimed to examine AEC- associated consequences including trade agreement, occupation and tourism as the influential factors of public satisfaction towards the AEC.

II. LITERATURE REVIEW

2.1. Satisfaction

Satisfaction is a state of fulfillment and relaxation as a result of satisfying need or desire (3). Vroom (4), explained that satisfaction occurred when individuals engage in a situation in which their positive attitude derived from this engagement reflects satisfaction and negative attitude reflects dissatisfaction. Shelly (5) contrarily, pointed out that satisfaction was a result of 2 types of feelings: positive and negative, where positive feeling derived from satisfaction led to other positive feelings, and vice versa for the negative one. Satisfaction is one of the important factors that simulate individual to complete tasks. Addressing the governmental administration, policy- makers and those implement the policies are required to perform tasks that satisfy general people and create well- being to the society as a whole.

2.2. Trade Agreement

Several trade agreements have been carried out to cooperate among the nations in the ASEAN in

political, social, cultural and economic dimension. The Post- Cold War has changed the façade of the world, transforming it into economy- oriented competition rather than military expansion as before. The ASEAN Community has also been pursuing the international economic relations with other countries. ASEAN Free Trade Area (AFTA), ASEAN Investment Area (AIA), ASEAN Framework Agreement on Services (AFAS) and ASEAN Trade in Goods Agreement (ATIGA) are some examples of the trade agreements achieved to gaining more productivity and bargaining power from extra-regional countries (6).

ATIGA is the trade agreement as a result of refining the criteria and principles of different intra and extra-regional trade agreements, as to systemize the free trade area, to adjust related principles to be more practical, and to create deeper economic linkages among the state members. ATIGA was signed at the presence of all ASEAN Economic Ministers in February 2009 as part of the visioning to the completion of ASEAN Economic integration in 2015 (7). ATIGA is the agreement that consolidates and streamlines all the provisions in the CEPT or ASEAN Free Trade Area- Common Effective Preferential Tariff (AFTA- CEPT). It incorporates agreements on both tariff and non- tariff measurements, ranging from trade facilitation, customs, and Trade Disciplines on Sanitary and Phytosanitary Measures or SPS. It was reported that from 2015, the countries in the ASEAN Community would increasingly be open to the regional market while eliminating those as the trade barriers. The goal of ATIGA within 2010 was a zero-imported duty. Furthermore, it required that the CLMV group namely Cambodia, Laos, Malaysia and Vietnam eliminate the tax of imported goods to zero within 2015 for higher free flow of goods (8). It should be noted that significant factors associated with the AEC cover service, opening free trade area and facilitation.

2.3. Occupation

Societies in the past were self- contained in which production and consumption occurred at the same place. The range of occupations was not diverse like the world today. People worked sustainably for their own living, family, community and nation, and basic needs. At present occupations are increasingly diverse due to the global market changes. Thus, every occupation requires important facilitators to accomplish including capital, knowledge and skill, management and marketing.

Workforce is critical for the ASEAN Economic Community to achieve the economic goal of the envisioned single market and production base. Currently there is an implementation of the free flow of skilled labors across the nations in the ASEAN Community for the 8 careers. These cover engineering, surveying, architecture, medication, dentist, nursing, accounting, and tourism and hospitality. The careers with common certification and receive full facilitation to work in other ASEAN nations include medication, nursing, accounting, architecture and engineering, with the agreement to use English as the official language, and no child labor and human trafficking policy.

A contribution delivered from the 9th ASEAN Summit Meeting in Bali, Indonesia was the Mutual Recognition Arrangements (MRAs) on the specification of qualifications for the careers under the free flow of skilled labors scheme and implementation for this facilitation. Skilled labors with full ability to work in other member states are those in the engineering service, nursing service, architectural service, surveying profession, accounting service, dental practitioner and medical practitioner (11).

2.4. Tourism

Tourism is one of the largest and the most lucrative industry generating large volume of tourists and revenues to many countries including Thailand. The growth of the industry has led to higher competition both domestic and international scales. There is a variety of promotions across the tourism products from flights, accommodation and tour packages. Information and communication technological advancement has shaped the market behavior of the industry both in the demand and supply sides. Software Industry Promotion Agency or SIPA has carried out a pilot project called 'Tourism Collaborative Commerce', developing the Internet-based tourist network in order to motivate tourists to communicate and plan their travel through this platform. The platform also is for tourism suppliers to assimilate their services through this network (12).

It has been seen that the Thai tourism industry is apparently stable due to the stability of the Thai politics. Other supporting factors include the national policy in reorganizing towns and physical landscapes to be more attractive and tidy, cheaper transportation costs expediting faster expansion of accommodation and retail businesses, the growing new markets for instance the Chinese market, changing lifestyle and work pattern in which people have more time affordable for traveling, and supports of technologies that motivate to travel faster with lower cost and more convenience and comfort. Thailand among the Asian countries is truly benefited from these trends (13).

Products of the tourism industry are service- oriented. Therefore, many countries have been cooperating in an attempt to stimulate more free trades at a global scale, by supports and expeditions of international and regional organizations, for instance WTO, EU, APEC and ASEAN (14). Nevertheless, unless well- planned organization and appropriate management, these integrations can bring about negative impacts to

consumers, entrepreneurs and state. In particular, small and medium entrepreneurs are exposed to get impacts from the AEC due to a lack or a shortage of capabilities to compete with multi-national firms. Thus, to benefit from the AEC free trade of service area and to reduce potential risks, each member state must be well- prepared with effective and professional teamwork, good management and administration, and appropriate and practical laws and regulations to create more confidence and opportunities to all sectors at all levels.

III. DETAILS EXPERIMENTAL

3.1. Research Methodology

The quantitative method was used in this paper. The hypotheses were established as follows:

(1) Occupation (free flow of skilled labors, child labor and human trafficking) had an effect on trade agreement.

(2) Trade agreement (service, free trade areas, and accommodating factor) and occupation (free flow of skilled labors and careers, child labor and human trafficking) had an effect on tourism.

(3) Trade agreement (service, free trade areas, and accommodating factor) and occupation (free flow of skilled labors and careers, child labor and human trafficking), and tourism (transportation cooperation, prevention measures and development cooperation) had an effect on satisfaction of people towards the unification of Southeast Asian Nations as the AEC.

The conceptual framework was established based on the study of previous literature, as shown in Fig. 1.

The 400 samples were selected from 4 sub- districts including Pha Rai, Phan Seuk, Klong Namsai and Tha Kam. The main variables used in this study were derived from the satisfaction of people towards the AEC in the aspects of trade agreement, occupation and tourism, which were evaluated by a set of 50 questions rated in a range of 1-10 scores, and from the checking of the reliability of the whole scales as moderate to very high. An opinion survey was also conducted by use of questionnaires filled with various issues regarding the public opposition to the satisfaction of people towards the AEC. The data analysis utilized the Multiple Regression and the Hierarchical Regression.

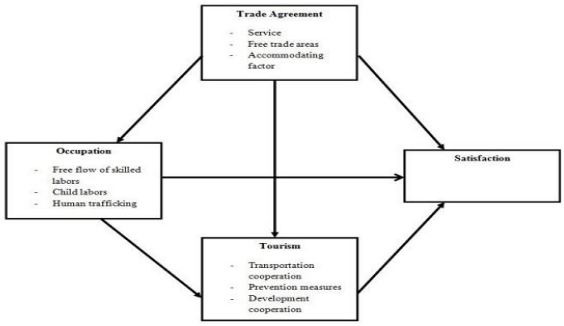


Fig.1. TheConceptual Framework

IV. RESULTS AND DISCUSSION

The findings unveiled that occupation with its subsets including free flow of skilled labors, child labor and human trafficking had an effect on trade agreement, as shown in Table 1.

Table1: Factors Affecting Trade Agreement

Independent Variables	Beta	t	Sig.
Free flow of skilled labors	.142	4.151	.001
Child labor	.342	8.211	.000
Human trafficking	.463	18.488	.000
R2 = .88, SEE = .46, F = 436.86, Sig. Of F = .000			

Regarding factors affecting tourism, it was found that trade agreement that included service, free trade areas, and accommodating factor, showed an effect on tourism. The further examination by inserting the occupation variable reported that service, free trade areas, and accommodating factor remained affecting to tourism. The findings were shown in Table 2.

Table2: Factors Affecting Tourism

Independent Variables	Standard Regression Co- Efficiency	
	Model 1	Model 2
Service	.148***	.135***
Free trade areas	.408***	.447***
Accommodating factor	.407***	.445***
Free flow of skilled labors		-.023
Child labor		-.067
Human trafficking		-.003
R	.80	.80
R2	.51	.51
SEE	.37	.37
F	214.23	128.29

* = p<.05, ** = p<.01, *** = p<.001

The last analysis also reported that service, free trade areas, and accommodating factor had an effect on satisfaction of people. Considering the occupation variable, revealed an effect of service, free trade area, accommodating factor, free flow of skilled labors, child labor and human trafficking on satisfaction of people. Inserting the tourism variable reported that all factors produced an effect on the perception of people excluding free flow of skilled labors and development cooperation.

Table3: Factors Affecting Satisfaction

Independent Variables	Standard Regression Co- Efficiency		
	Model 1	Model 2	Model 3
Service	-.282***	-.378***	-.350***
Free trade areas	.237***	.128**	-.085*
Accommodating factor	.763***	.578***	.258***
Free flow of skilled labors		.321***	.019
Child labor		-.106*	-.089*
Human trafficking		.154**	.435***
Transportation cooperation			.190***
Prevention measures			.364***
Development cooperation			-.021
R	.84	.86	.89
R2	.70	.72	.78
SEE	.75	.74	.63
F	285.87	152.11	132.65

* = p<.05, ** = p < .01, *** = p<.001

CONCLUSIONS

The study was concluded that trade agreement, occupation, tourism, service, free trade areas accommodating factor, child labor, human trafficking and transportation cooperation and prevention measures delivered effect on people's satisfaction towards the AEC. Governments of each state members of the ASEAN Community should take all factors as tested in this study into account when formulating policies, laws and regulations in relation to the AEC. Additionally, future studies may include more associated variables in order to produce more concrete and specific findings, for instance conflicts and local participation in regional areas.

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