

## **Editorial: Southeast Asian Readiness *vis-à-vis* the ASEAN Economic Community**

The Journal of ASEAN Studies proudly presents the recent issue, volume 2 number 2, which is also the fourth publication of our bi-annual peer-reviewed scholarly journal. This batch of articles offers a series of discussions focused mainly on the practical industrial performance in Southeast Asia. We consider that the exploration of this topic is a substantial contribution to the preparation for ASEAN Economic Community. However, one crucial and sensitive issue pertaining to the South China Sea border disputes will also be highlighted.

Our first article intriguingly discusses about the determinants of new product development in Malaysian manufacturing industry. Written by Oon Fok-Yew, this study is aimed at generating a theoretical framework of the determinants of new product performance, thereby providing 'ground' for further empirical test. The discussion begins with an exploration of the four main determinants in assessing the effective product development: customer orientation, cross-functional team, new product development (NPD) team proficiency, and management support. The case examined throughout this article is projected to be partly used as a lesson that might be learned by other manufacturing industries, particularly in Malaysia, although its impact throughout the ASEAN countries has yet to be advanced by further research.

Under this issue, the Journal of ASEAN Studies also discusses the political economy of industrial development in Thailand. In this volume, Shangmao Chen raises the stake that Thailand plays domestically in the process of inevitable liberalization and privatization that prevails in Southeast Asia. It examines Thailand's regulatory mechanism in responding to the rising need of providing better financial infrastructure through the conduct of granting a greater degree of autonomy to domestic decision makers without neglecting its supervisory system. This study draws conclusions from three interrelated sectors: telecommunication industry, automobile industry, and cultural creative industry. This study also finds that Thailand inevitably harmonizes their involvement in part of the process of both regionalization and localization.

This volume also binds to explore the performance of microfinance in ASEAN countries through the examination of growing microfinance institutions. In this issue, Tulus Tambunan highlights the development of microfinance institutions in ASEAN, a topic which has not been sufficiently raised in the discussion of investment. Tambunan conducts an in-depth analysis based on the statistical data from Indonesian case, and concludes with two engaging facts: (1) majority of micro, small and medium enterprises (MSMEs) do not have sufficient access to credit from formal financial institutions; and (2) microfinance grows extensively fast and is popularized under the *Kredit Usaha Rakyat* (KUR). It is also concluded that there is a significant

increase of the expansion of MSME in Southeast Asia. On the other hand, a sustainable and functional financial infrastructure to tackle the lack thereof is yet to be established.

Other article, which exposes a considerably significant issue, brings about a discussion on China's foreign policy strategy in dealing with South China Sea disputes. Through her rigorous examination, Eryan Ramadhani argues that China's recent engagement in the South China Sea, which is manifest in the form of the so-called 'signaling strategy' is part of their crisis stabilization strategy. This signaling strategy might be discerned in both positive and negative remarks, with its invariable applications, which China managed to offer from 2010 up to 2013. Ramadhani redefines 'stability' as a condition in which a crisis does not escalate to open military conflict. By arguing so, it is also contended that this conduct is achieved by potentially managing the dispute to stay in the domain of status quo. However, at certain occasion, China also deliberately conducts its negative signaling to ripe for their interest in winning the claim-game.

Besides scholarly articles, this volume also presents a practice note that addresses the possible role played by foreign banks to sustain high economic growth in the national development. Kemal Stamboel, in his notes, fundamentally explores four pressures that affect the wellbeing of Indonesian economy: (1) the external balance; (2) budget deficit; (3) inflation; and (4) rupiah's exchange rate. At the heart of discussion, he outlines the critical contributions banking practitioners could endorse to be part of the solution for the national economy.

Under the publication of this issue, we would also like to announce several updates pertaining to our journal. First and the foremost, we are very glad to inform that our Journal of ASEAN Studies has been indexed by the Directory of Open Access Journal (DOAJ), besides being widely indexed by other competitive indexers, which in turn, reach a wider range of readers.

Secondly, we also made several improvements to ensure high quality and accessibility of the journal as appeared on our website (<http://journal.binus.ac.id/index.php/jas/index>). As our editorial team is now dealing with articles from a wider scope of areas, the journal has assigned a second managing editor. Meanwhile, we also proudly announce that Professor Lu Guangsheng of Yunan University has joined our international advisory editorial board. As to our associate editors, we also welcome Dr. Sumedi Andono Mulyo, Dr. Paramitaningrum, Dr. Kiki Verico, and Mr. M. Faishal Aminuddin and thank them for their contribution.

Last but not least, we proudly announce that beginning in the year 2015, we will fully utilize open journal submission system (OJS). This marks our strong commitment and high expectation in spearheading Southeast Asian studies into the world. We thank our contributors, authors, reviewers, editorial team members and readers who have made this journal receive greater

recognition from epistemic community as well as practitioners in the field of Southeast Asian studies.

Jakarta, 23 December 2014

**Tirta Nugraha Mursitama, Ph.D**

Editor-in-Chief