STATE OF ASIA
A SURVEY ON ASIA'S CHANGING LANDSCAPE

A PROJECT LED BY ASIA SOCIETY'S 2018 CLASS OF ASIA 21 YOUNG LEADERS

INTRODUCTION

State of Asia assesses the changing landscape in Asia, with regards to issues of politics, economy, culture, and social institutions over time. The findings are based on a survey conducted within Asia Society's network of leaders and experts in Q4 2019, prior to the World Health Organization classifying COVID-19 as a public health emergency and pandemic in 2020.

We started work for the report in late 2018, when Asia Society gathered a group of leaders representing over forty countries to convene for its annual Asia 21 Young Leaders Summit in Manila, Philippines. Representing a wide range of professional sectors, the summit participants discussed topics ranging from environmental degradation to global terrorism to refugee crises. Conversations at the summit revealed a common theme: a seesaw between nationalism and globalism on the Asian continent. The discussions suggested a need to reassess Asia's transnational challenges and regional dynamics—notably, the political, economic and social challenges facing the Asian continent today.

The juxtaposition of regional cooperation, competition and confrontation convinced the Asia 21 Young Leaders Class of 2018 to elucidate the underlying causes and effects of these dynamics—elements that will shape how leaders think, interact and adapt as the global center of gravity continues to shift to Asia in the coming years.

METHODOLOGY

Asia Society's network of experts in the fields of art, culture, politics, business and economy were surveyed for the State of Asia. Respondents from 27 countries and regions offered their perspectives, as noted in the demographics section of the report. Many respondents held senior positions in their organizations, with over half (52 percent) of them identifying as either "Top Executive/Owner" or "Senior Executive/Board Member." The respondents were also highly educated, with about 80 percent of them holding either a master's or a doctoral degree.

We designed the survey questionnaire with the opinion research firm People Analytics Inc. and then fielded the survey electronically from September 20, 2019 to December 31, 2019. The survey was administered in English and allowed for completion in 20 minutes or less. Some questions were based on the Joint Harmonised EU Programme of Business and Consumer Surveys and World Economic Forum's Executive Opinion Survey and Global Risks Perception Survey to enable cross-survey comparison.

Although we are confident of the expertise of the respondents, the targeted sampling is non-probabilistic, and we realize it does not represent the entirety of expert opinions, nor does it allow for reporting of a margin of sampling error. Despite these limitations, we believe the expert views are based on years of industry experience and in-depth understanding of the functioning and structures of the Asian continent, and therefore, are highly relevant in understanding the future of the continent's landscape.
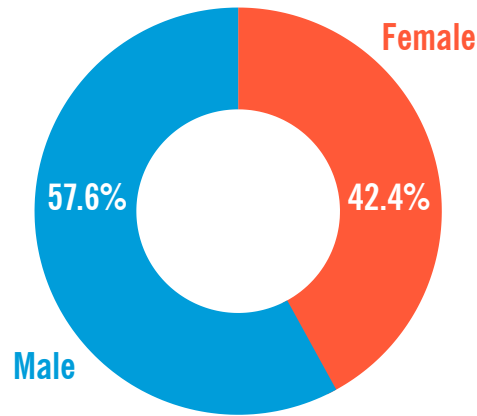
KEY FINDINGS
We report 10 key findings from the survey.
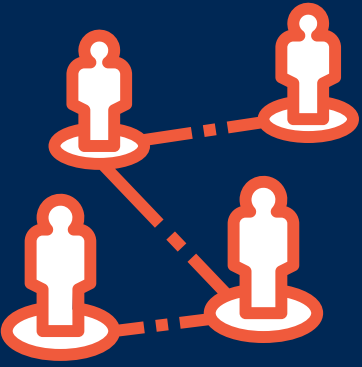
DEMOGRAPHICS OF RESPONDENTS

GENDER

- Female 42.4%
- Male 57.6%

BREAKDOWN OF RESPONSES BY COUNTRY

Country	%	Country	%	Country	%
AFGHANISTAN	5.2%	HONG KONG, SAR	2.6%	SAUDI ARABIA	1.3%
AUSTRALIA	2.6%	INDIA	9%	SINGAPORE	6.5%
BANGLADESH	1.9%	INDONESIA	1.3%	SOUTH AFRICA	0.6%
BHUTAN	1.3%	JAPAN	2.6%	SOUTH KOREA	1.9%
CAMBODIA	0.6%	MALAYSIA	2.6%	SRI LANKA	2.6%
CANADA	8.4%	NEPAL	3.2%	TAIWAN	0.6%
CHINA	4.5%	PAKISTAN	3.9%	THAILAND	0.6%
GERMANY	0.6%	PHILIPPINES	10.3%	UNITED KINGDOM	1.3%
FRANCE	0.6%	NEW ZEALAND	1.3%	UNITED STATES	20.6%

EDUCATION LEVEL

- 1%
- 18.8%
- 20.8%
- 59.4%
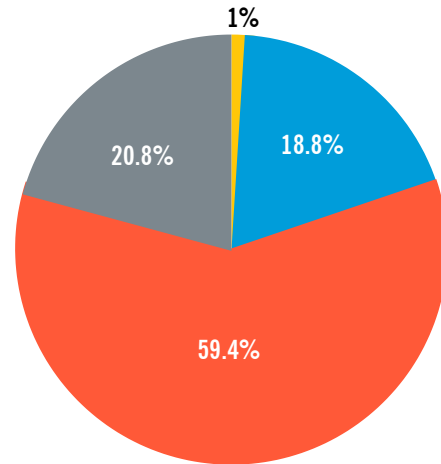
Legend:
- High School diploma/college drop-out
- Bachelor's Degree
- Master's Degree
- PhD

WORKPLACE SECTOR

- 4.7%
- 34.4%
- 54.7%
- 4.7%
- 1.6%
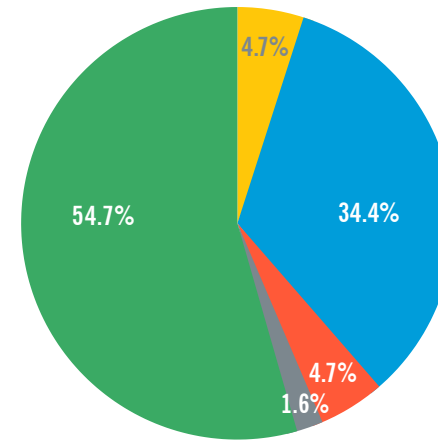
Legend:
- Agriculture Industry
- Services
- Manufacturing Industry
- Non-Manufacturing Industry*
- Other

OCCUPATION TITLE

- 1.5%
- 12.3%
- 29.2%
- 24.6%
- 23.1%
- 9.2%
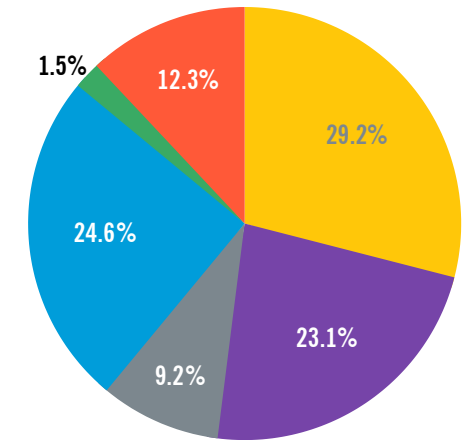
Legend:
- Top Executive/Owner
- Senior Executive/Board Member
- Head of Business Unit/Head of Region
- Middle Management & Advisers
- Functional Staff
- Other

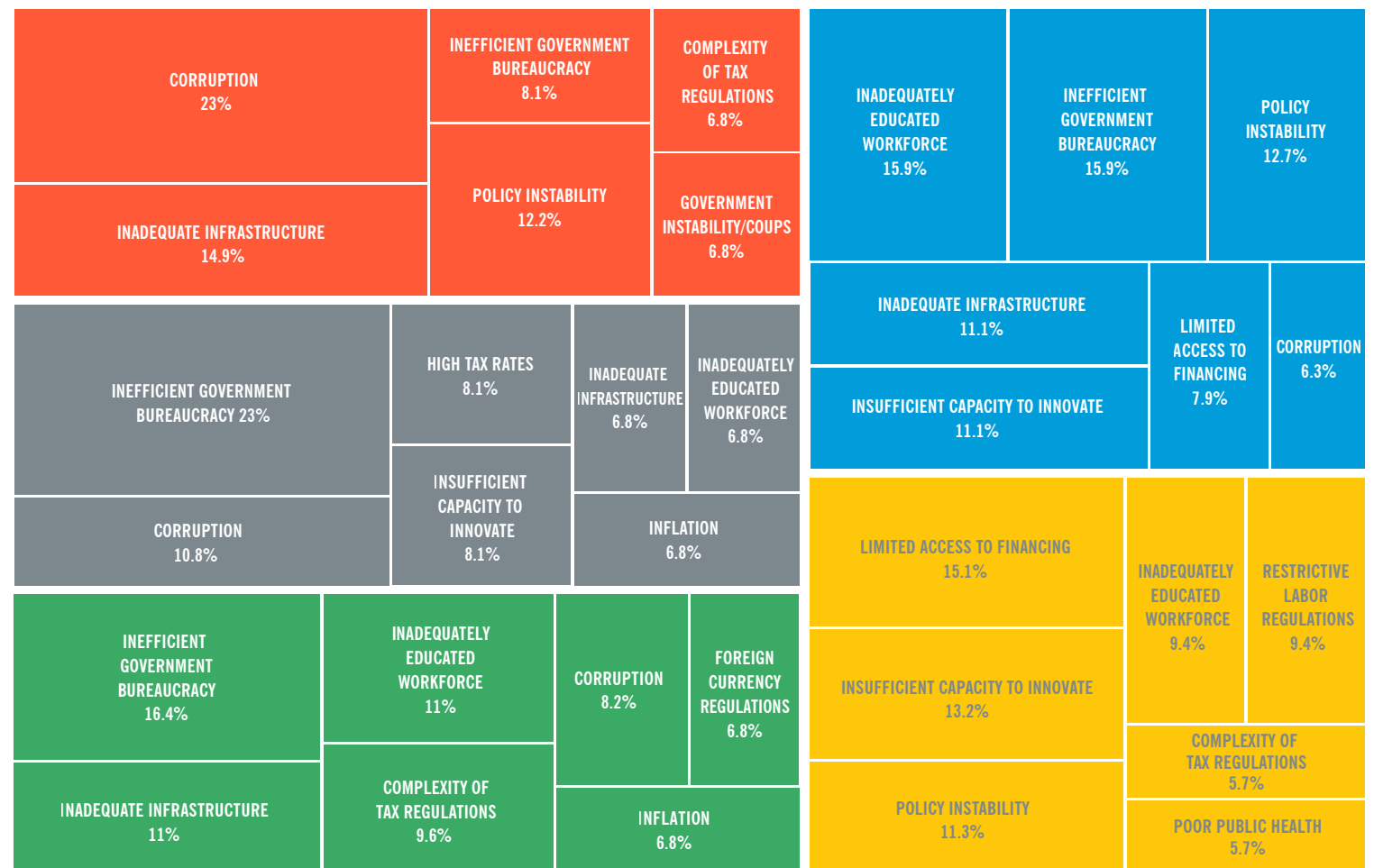*Mining and quarrying, electricity, gas and water supply, construction

23% of respondents say **corruption** is the most problematic factor for working and doing business in their respective countries, followed by inadequate infrastructure (14.9%), policy instability (12.2%), inefficient government bureaucracy (8.1%), government instability/coups (6.8%) and complexity of tax regulations (6.8%).

From the following list, please select the five most problematic factors for working and doing business in your country and rank these five factors from 1 (most problematic) to 5 (least problematic)

BARRIERS TO WORKING & DOING BUSINESS

CORRUPTION
23%

INEFFICIENT GOVERNMENT BUREAUCRACY
8.1%

COMPLEXITY OF TAX REGULATIONS
6.8%

POLICY INSTABILITY
12.2%

GOVERNMENT INSTABILITY/COUPS
6.8%

INADEQUATE INFRASTRUCTURE
14.9%

INADEQUATELY EDUCATED WORKFORCE
15.9%

INEFFICIENT GOVERNMENT BUREAUCRACY
15.9%

POLICY INSTABILITY
12.7%

INADEQUATE INFRASTRUCTURE
11.1%

LIMITED ACCESS TO FINANCING
7.9%

CORRUPTION
6.3%

INSUFFICIENT CAPACITY TO INNOVATE
11.1%

INEFFICIENT GOVERNMENT BUREAUCRACY 23%

HIGH TAX RATES
8.1%

INADEQUATE INFRASTRUCTURE
6.8%

INADEQUATELY EDUCATED WORKFORCE
6.8%

INSUFFICIENT CAPACITY TO INNOVATE
8.1%

INFLATION
6.8%

CORRUPTION
10.8%

INEFFICIENT GOVERNMENT BUREAUCRACY
16.4%

INADEQUATELY EDUCATED WORKFORCE
11%

CORRUPTION
8.2%

FOREIGN CURRENCY REGULATIONS
6.8%

INADEQUATE INFRASTRUCTURE
11%

COMPLEXITY OF TAX REGULATIONS
9.6%

INFLATION
6.8%

LIMITED ACCESS TO FINANCING
15.1%

INADEQUATELY EDUCATED WORKFORCE
9.4%

RESTRICTIVE LABOR REGULATIONS
9.4%

INSUFFICIENT CAPACITY TO INNOVATE
13.2%

COMPLEXITY OF TAX REGULATIONS
5.7%

POLICY INSTABILITY
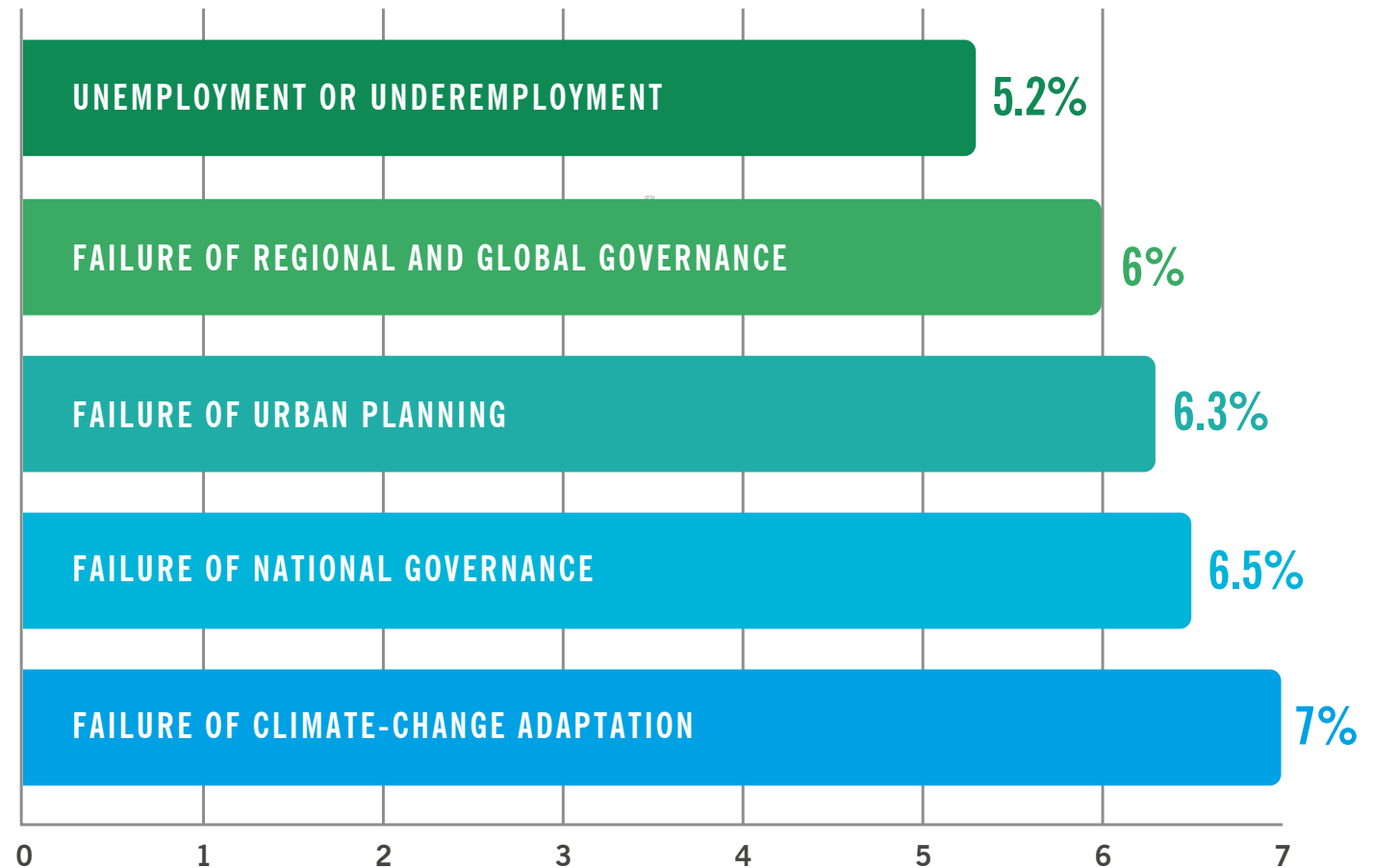11.3%

POOR PUBLIC HEALTH
5.7%

Problematic factors ranking: 1 2 3 4 5

Respondents say that **failure to adapt to climate change** is the biggest risk to working and doing business in their respective countries in the next 10 years.

From the following list, check the five global risks that you believe to be of most concern for working and doing business in your country within the next 10 years.
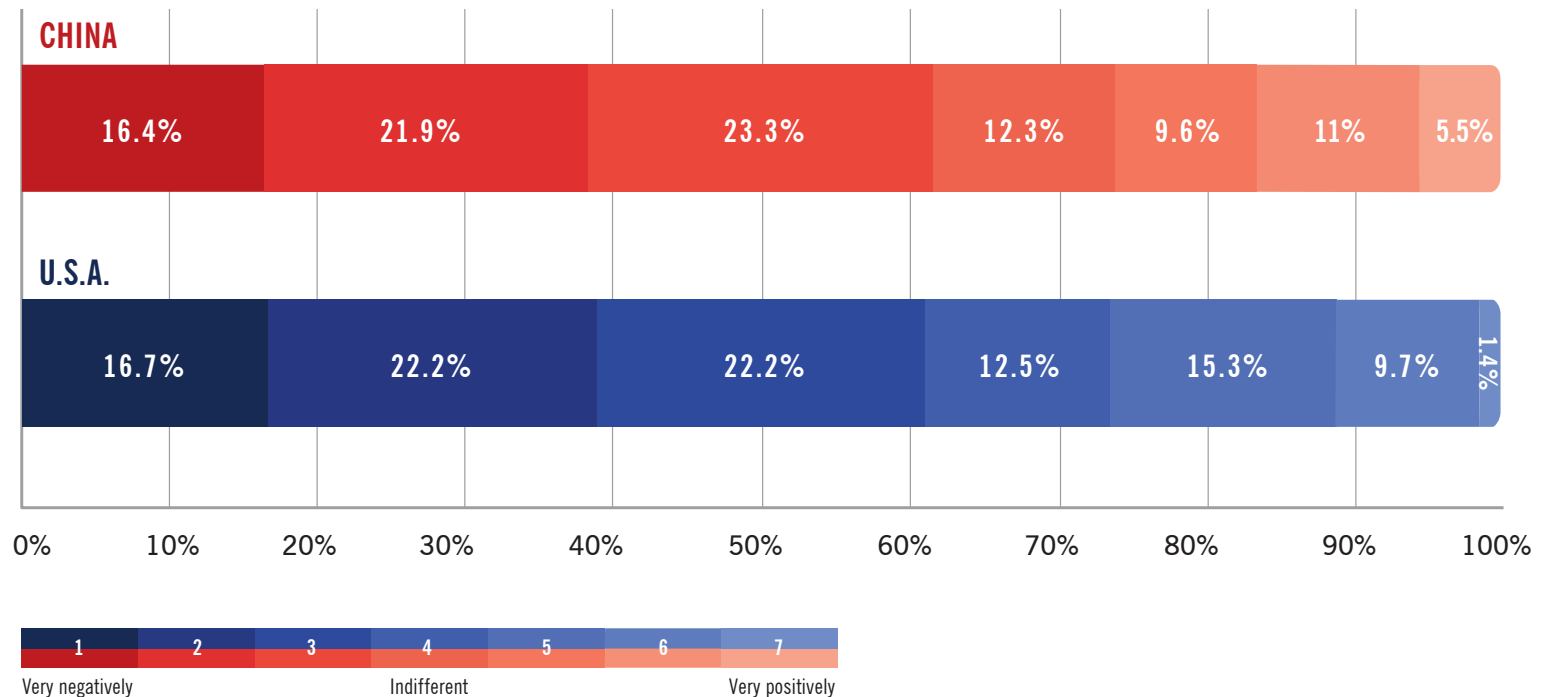
TOP 5 GLOBAL RISKS

Risk	Value
UNEMPLOYMENT OR UNDEREMPLOYMENT	5.2%
FAILURE OF REGIONAL AND GLOBAL GOVERNANCE	6%
FAILURE OF URBAN PLANNING	6.3%
FAILURE OF NATIONAL GOVERNANCE	6.5%
FAILURE OF CLIMATE-CHANGE ADAPTATION	7%

0 1 2 3 4 5 6 7

An equal 61% of respondents say that both U.S. and China's current political and economic influence are viewed negatively in their countries.

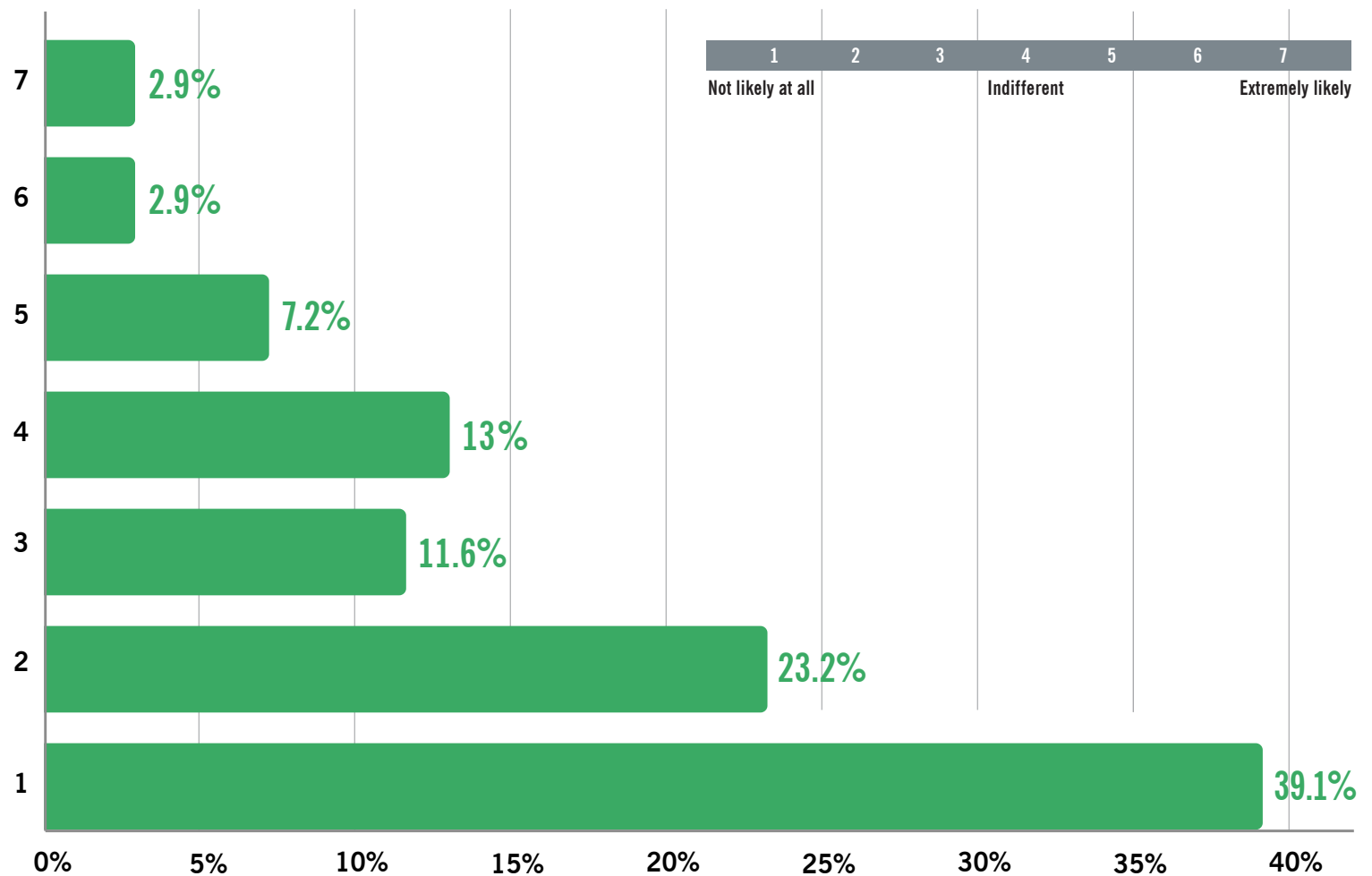In your country, how is America's current economic and political influence viewed?

In your country, how is China's current economic and political influence viewed?

U.S.-CHINA PERCEPTIONS

CHINA

| 16.4% | 21.9% | 23.3% | 12.3% | 9.6% | 11% | 5.5% |

U.S.A.

| 16.7% | 22.2% | 22.2% | 12.5% | 15.3% | 9.7% | 1.4% |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

Very negatively   Indifferent   Very positively

Nearly 75% of respondents say that an EU-like union is not likely to emerge in Asia.

Do you think an EU-like union will emerge in Asia?
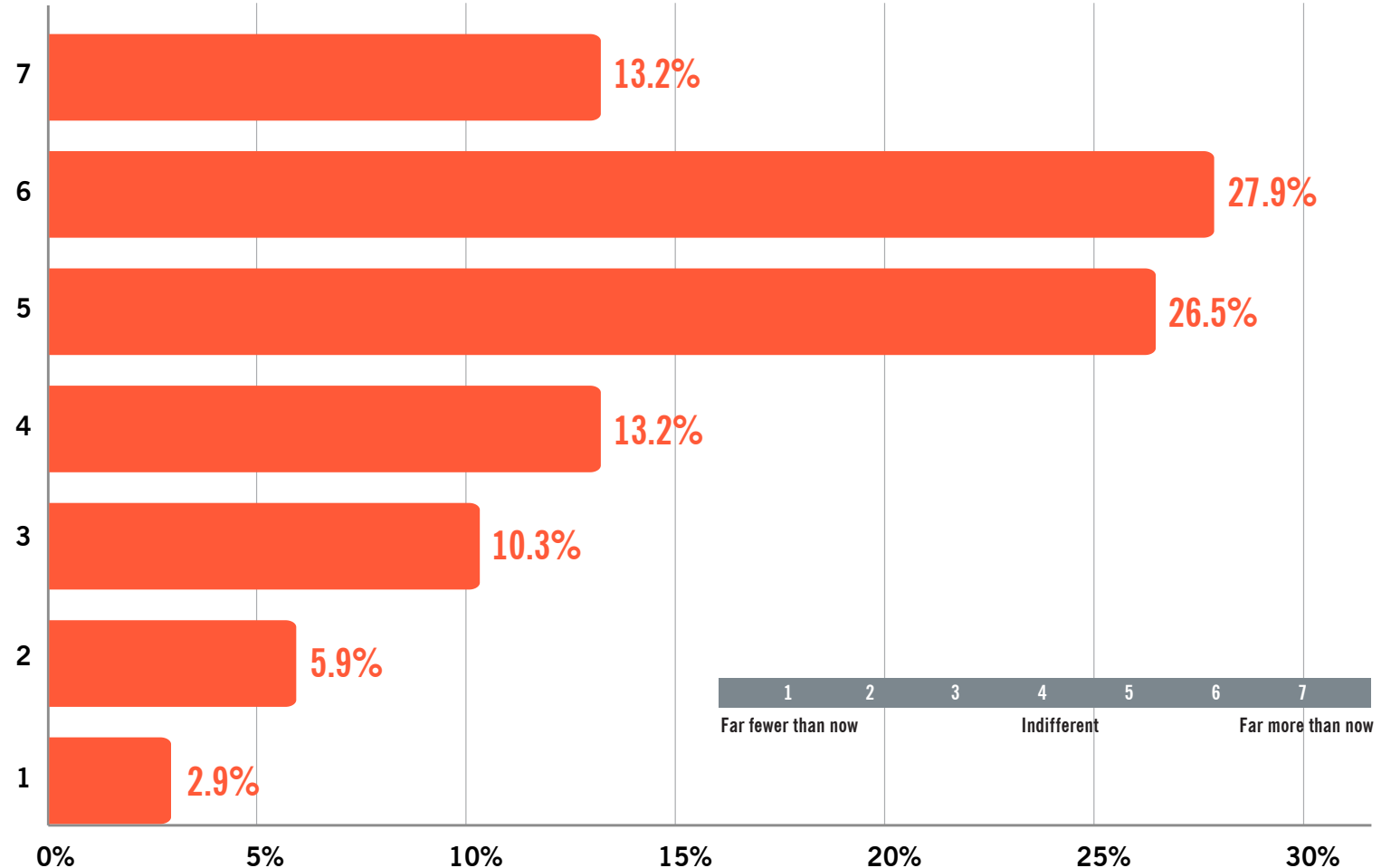
WILL THERE BE AN ASIAN UNION?

1	2	3	4	5	6	7

Not likely at all   Indifferent   Extremely likely

- 7 — 2.9%
- 6 — 2.9%
- 5 — 7.2%
- 4 — 13%
- 3 — 11.6%
- 2 — 23.2%
- 1 — 39.1%

0% 5% 10% 15% 20% 25% 30% 35% 40%

Nearly 70% of respondents say that their country should participate in more multinational trade arrangements than they currently do.

Do you think your country should participate in more or fewer multinational political/trade arrangements than it currently does?

MULTILATERAL ARRANGEMENTS

Score	Percentage
7	13.2%
6	27.9%
5	26.5%
4	13.2%
3	10.3%
2	5.9%
1	2.9%

1	2	3	4	5	6	7
Far fewer than now			Indifferent			Far more than now

Over 60% of respondents say that social media shapes public opinion.

In your country, to what extent does social media shape public opinion?

SOCIAL MEDIA'S INFLUENCE ON PUBLIC OPINION

	1	2	3	4	5	6	7
	Very common			Indifferent			Not at all common

- 7: 0%
- 6: 11.6%
- 5: 18.8%
- 4: 8.7%
- 3: 14.5%
- 2: 18.8%
- 1: 27.5%

0% 5% 10% 15% 20% 25% 30%
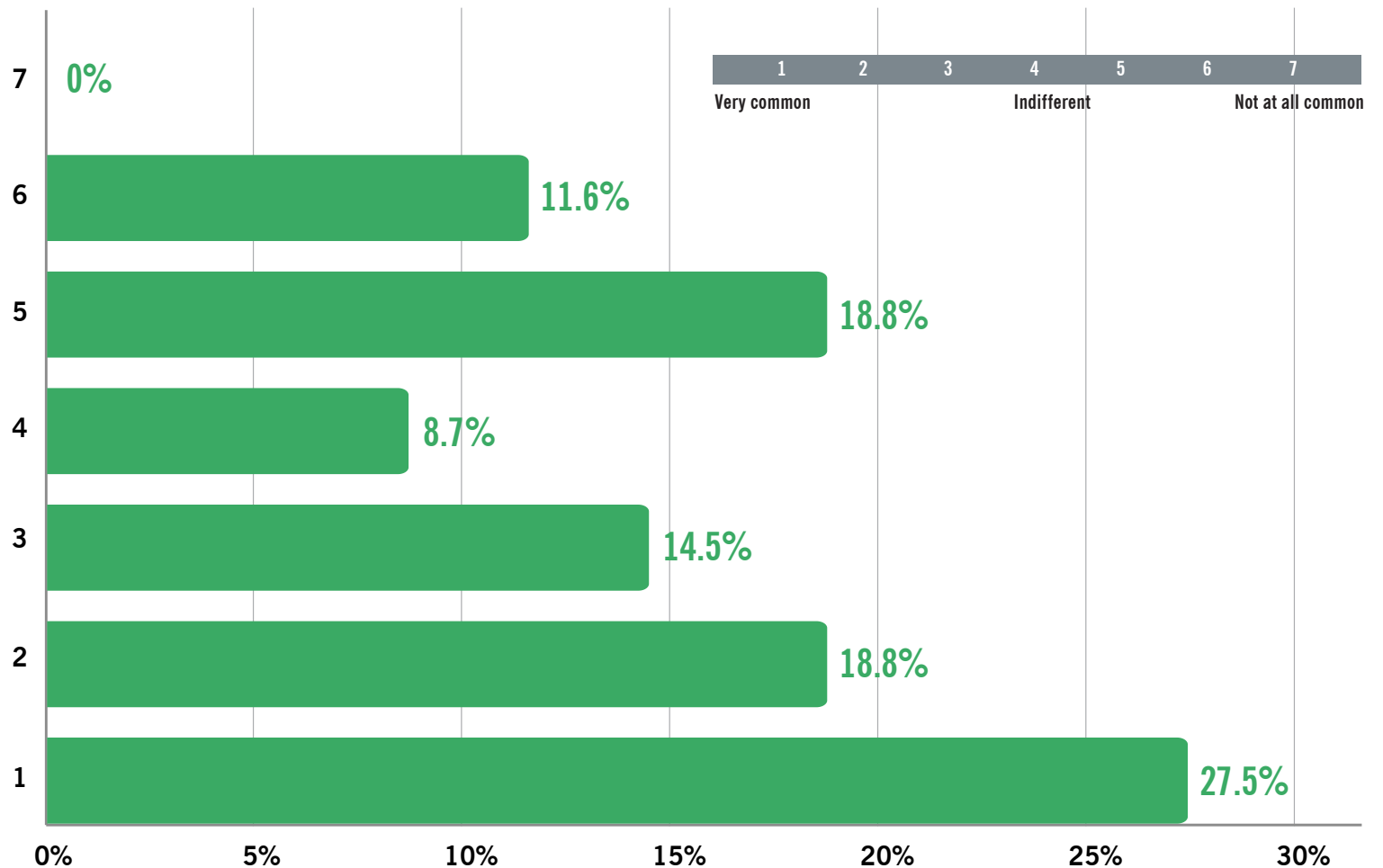
Nearly 55% of respondents say people in their respective countries have an appetite for entrepreneurial risk and that companies/organizations embracing innovation grow rapidly.

Q: In your country, to what extent do new companies/organizations with innovative ideas grow rapidly?

Q: In your country, to what extent do people have an appetite for entrepreneurial risk?
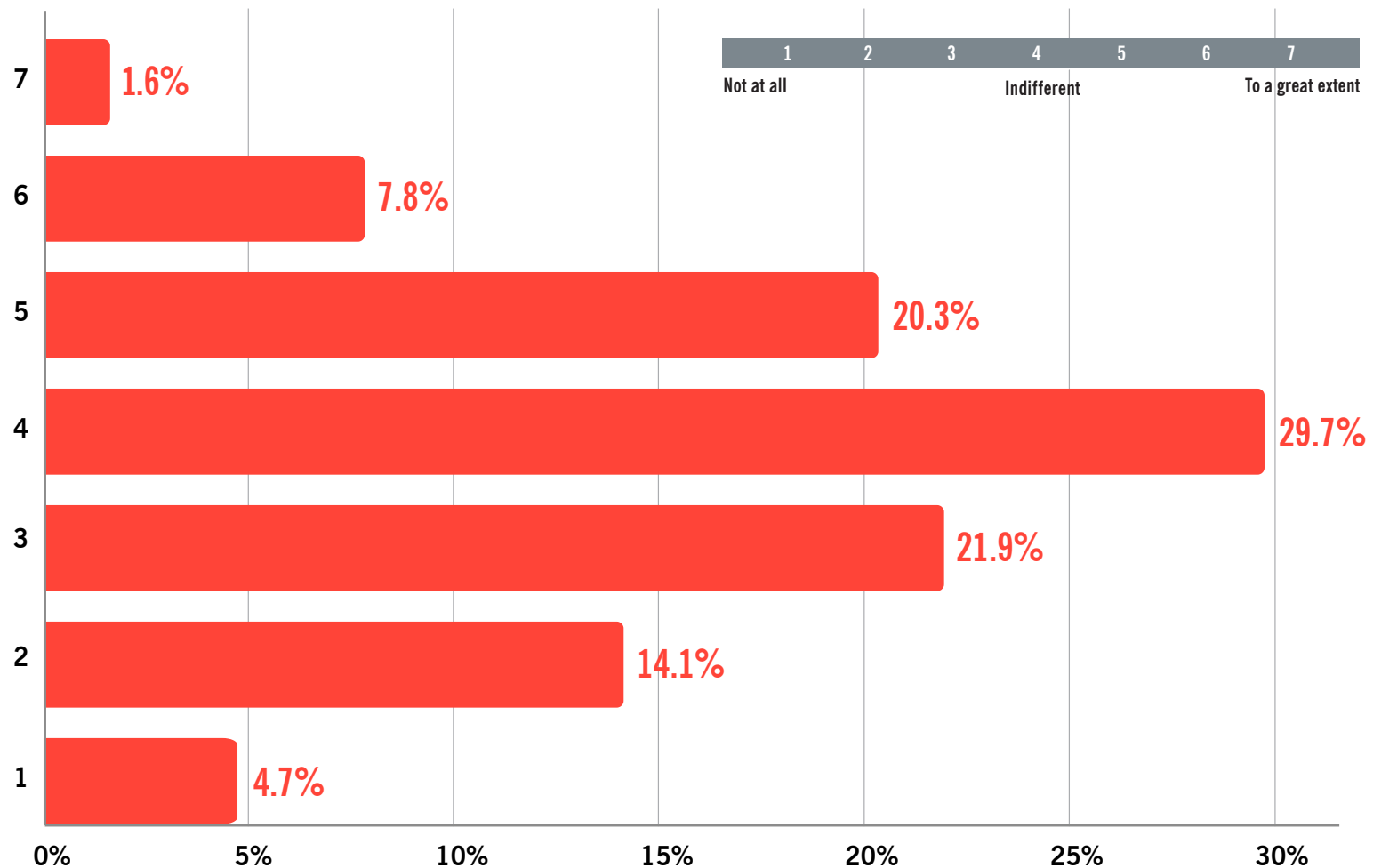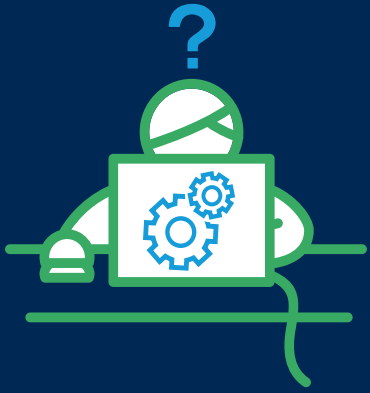
APPETITE FOR INNOVATION AND ENTREPRENEURSHIP

Legend:
- New companies/organizations with innovative ideas grow rapidly
- People have an appetite for entreprenuerial risk

Rating	People have an appetite for entrepreneurial risk	New companies/organizations with innovative ideas grow rapidly
1 (Not at all)	3%	—
2	12.1%	8.1%
3	15.2%	14.5%
4 (Indifferent)	16.7%	24.2%
5	25.8%	27.4%
6	13.6%	17.7%
7 (To a great extent)	13.6%	8.1%

Over 40% of respondents agree that their governments do not respond effectively to changes.

In your country, to what extent does the government respond effectively to change (e.g., technological changes, societal and demographic trends, security and economic challenges)?

EFFECTIVNESS OF GOVERNMENT TO CHANGES

1	2	3	4	5	6	7

Not at all   Indifferent   To a great extent

- 7 — 1.6%
- 6 — 7.8%
- 5 — 20.3%
- 4 — 29.7%
- 3 — 21.9%
- 2 — 14.1%
- 1 — 4.7%

0% 5% 10% 15% 20% 25% 30%

Digital literacy is becoming increasingly important in the modern workforce. But **nearly 50%** of respondents say the active population in their respective countries does not possess sufficient digital skills.

In your country, to what extent does the active population possess sufficient digital skills (e.g., computer skills, basic coding, digital reading)?
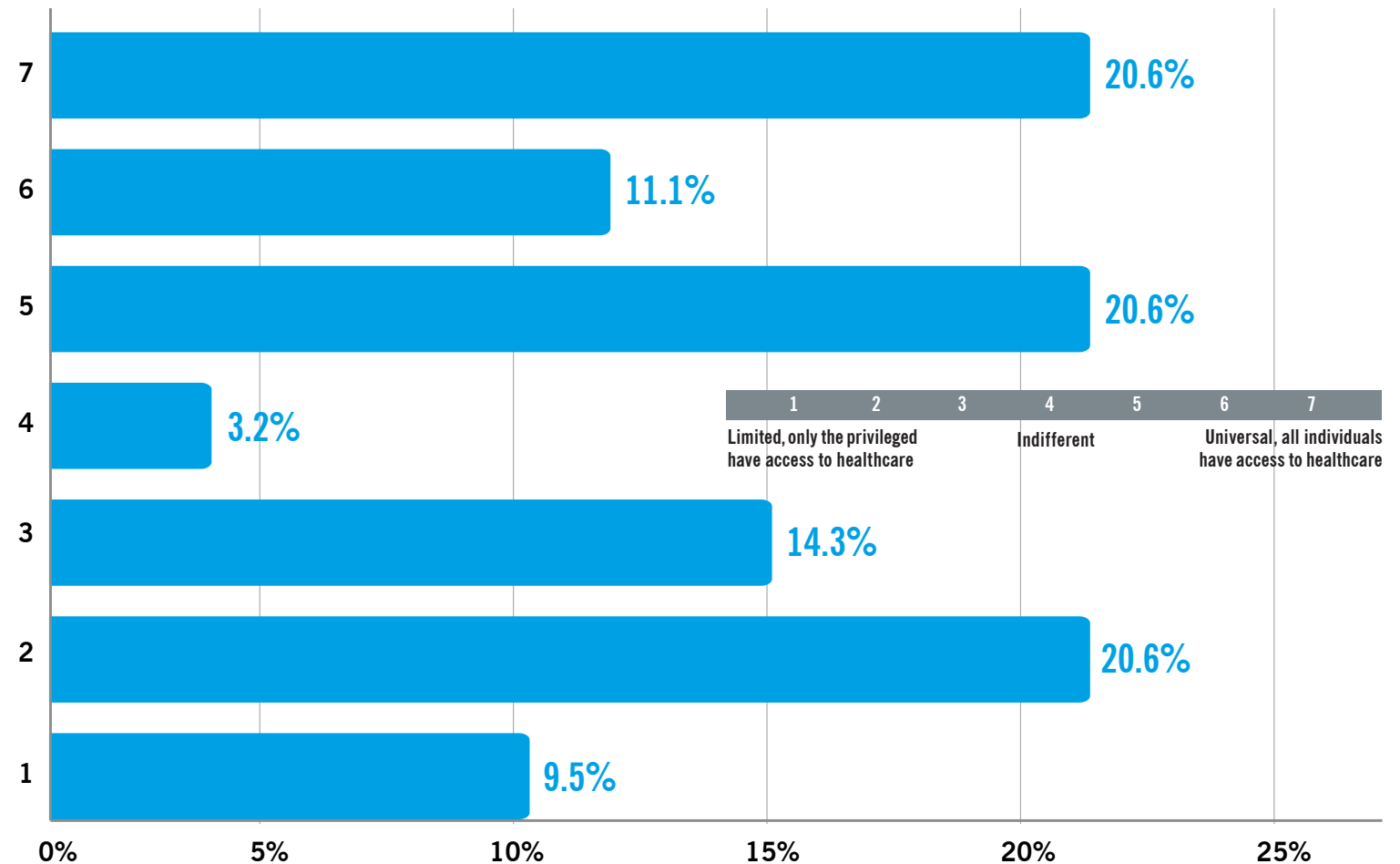
MEASURING DIGITAL SKILLS

1	2	3	4	5	6	7
Not at all			Indifferent			To a great extent

- 1: 4.8%
- 2: 25.4%
- 3: 15.9%
- 4: 17.5%
- 5: 20.6%
- 6: 11.1%
- 7: 4.8%
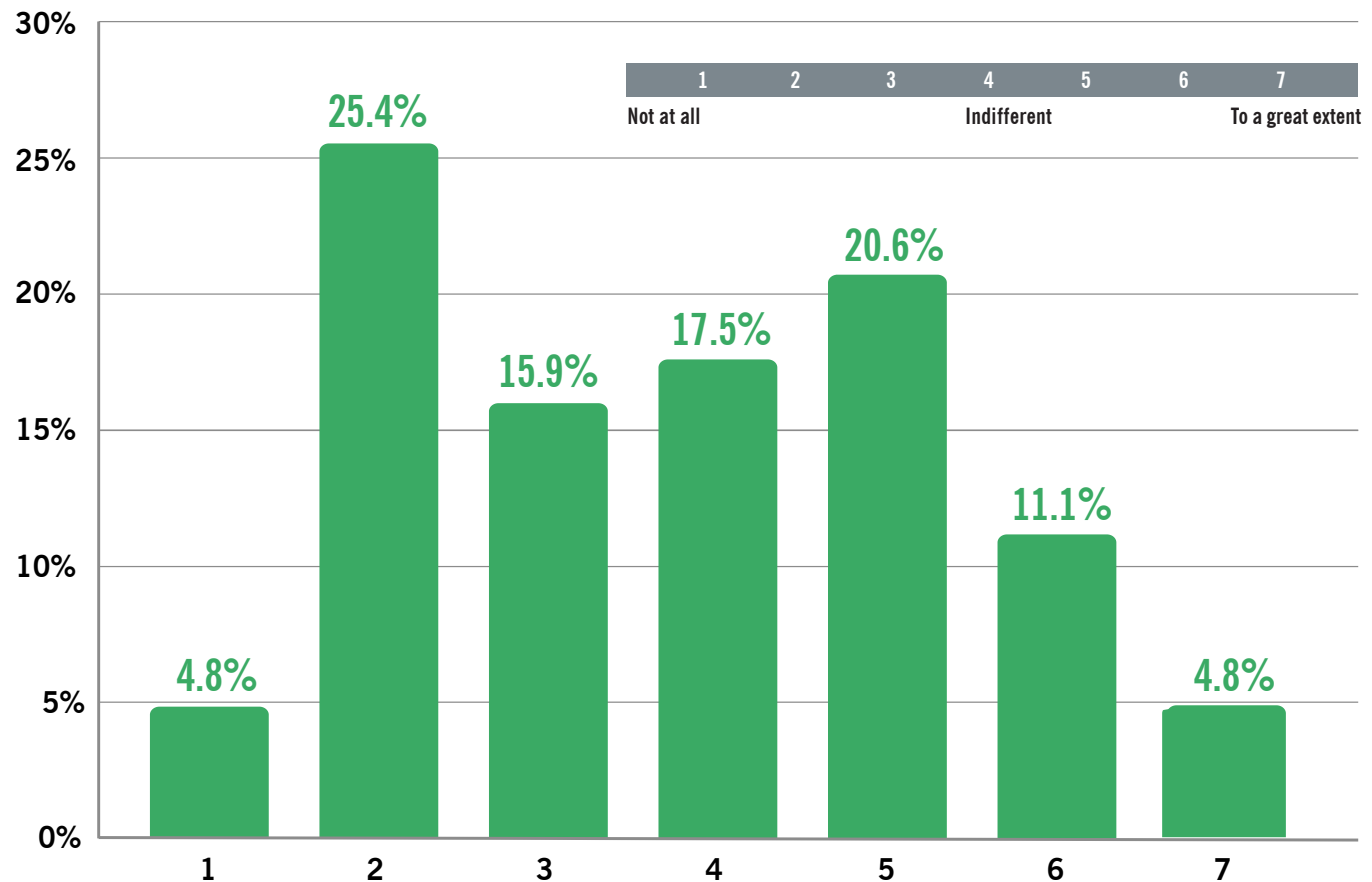
As changing demographics throughout the world call for the expansion of healthcare accessibility and affordability, **close to 45%** of respondents say that not all individuals have access to health services.

In your country, how accessible is healthcare to all individuals?

ACCESS TO HEALTHCARE

Scale		
1	2	3	4	5	6	7
Limited, only the privileged have access to healthcare	Indifferent	Universal, all individuals have access to healthcare

7 — 20.6%
6 — 11.1%
5 — 20.6%
4 — 3.2%
3 — 14.3%
2 — 20.6%
1 — 9.5%

CONCLUSION

Our key findings reveal systemic challenges, such as political instability and institutional apathy, that are hampering the global community's ability to make progress toward these goals. 7 out of 10 respondents— specifically, 68 percent—perceive the general political situation in their country to have worsened over the past 12 months. 46 percent perceive that it had worsened "a lot," while merely 17% remained "a little" or "a lot" hopeful that the political situation in their country would improve over the next 12 months. Across 27 countries, we assessed this level of negativity towards the political situation as noteworthy.

Meanwhile, 63 percent of respondents perceive the "ethical standards of politicians" in their country to be low, while 34 percent find them to be extremely low. They view the most problematic factors for working and doing business in their country as corruption, inadequate infrastructure, policy instability and inefficient government bureaucracy. Additionally, 61 percent of respondents view both America and China's current economic and political influence negatively.

These findings show that there is an urgency for governments to focus on social services, to mitigate varying levels of institutional distrust and to address the deep public concern over American and Chinese influence in the Asian region.

We note that the survey was conducted prior to the COVID-19 pandemic, and therefore, the results do not reflect the dynamics of our current pandemic-laden world that is first and foremost focused on containing the spread of the virus, developing a vaccine, and reopening the economy. That being said, we deduce with some certainty that the COVID-19 pandemic accelerates or reinforces many of the trends in the survey. Will governments' pandemic preparedness and interventions be effective? Will the pandemic have a long-term impact on the U.S. and China's regional stature, given the ongoing debate over the efficacy of a multilateral approach to global health? Will coronavirus recession exacerbate the social and economic inequality around the world?

Looking ahead, our survey respondents point to aspirations for stronger multilateral cooperation and a balanced attitude toward entrepreneurial risk-taking. We hope that our findings can help guide all stakeholders to address the key regional and transnational challenges facing the Asian continent in the years to come. We remain optimistic for the future because every challenge also presents an opportunity for problem-solving in a spirit of collaboration and camaraderie.

ACKNOWLEDGEMENTS

ASIA SOCIETY

Asia Society is the leading educational organization dedicated to promoting mutual understanding and strengthening partnerships among peoples, leaders, and institutions of Asia and the United States in a global context. Across the fields of arts, business, culture, education, and policy, the Society provides insight, generates ideas, and promotes collaboration to address present challenges and create a shared future.

THE ASIA 21 YOUNG LEADERS INITIATIVE

An initiative of Asia Society, the Asia 21 Young Leaders Initiative is an unparalleled network of young leaders from across the Asia-Pacific who are united by a shared commitment to promote mutual understanding and create impact grounded in values-based leadership. A network of nearly 1,000 alumni from over 40 countries, the Asia 21 Initiative brings together remarkable individuals who may not have met otherwise and encourages them to work collaboratively across geographic and sectoral boundaries for greater impact. Local Asia 21 chapters have sprouted in some of the toughest parts of Asia, and have laid the groundwork for a collaborative ecosystem to tackle the most vexing challenges facing the region—one leader, one connection, one project at a time.

PEOPLE ANALYTICS INC.

An opinion research company and partner of Asia Society's State of Asia project, People Analytics specializes in demystifying complex societies and difficult contexts. People Analytics operates multiple polling call centers around the world and conducts over 160,000 interviews per year. Building on the in-depth local knowledge of its team of experts as well as their decades long experience in the field, People Analytics relies on methods that can be objectively verified and independently replicated. With more than a decade of experience collecting, analyzing, and reporting dependable insights, People Analytics assists organizations who wish to unveil even the most hidden aspects of complex societies.

People Analytics is led by Amir Farmanesh. He has served as a visiting professor at the University of Toronto, an Edmond Safra fellow with Harvard University, an assistant professor of policy studies at the Virginia Commonwealth University, an Erasmus Mundus fellow at the International Institute of Social Studies, a governance consultant with the World Bank Group, and a Mirzayan policy fellow with the U.S. National Academy of Sciences. He holds an M.A. and M.P.A. from Syracuse University Maxwell School, and a PhD in Policy Studies from the University of Maryland, College Park.