

# EAST ASIA INTEGRATION AND PROSPECT

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1. What is Regional Integration?


2. The Process of East Asian Regional Integration and the Current Situation

3. Main Issues of East Asia Integration and Positions of Countries in the Region

4. Future of East Asia Integration and Prospect

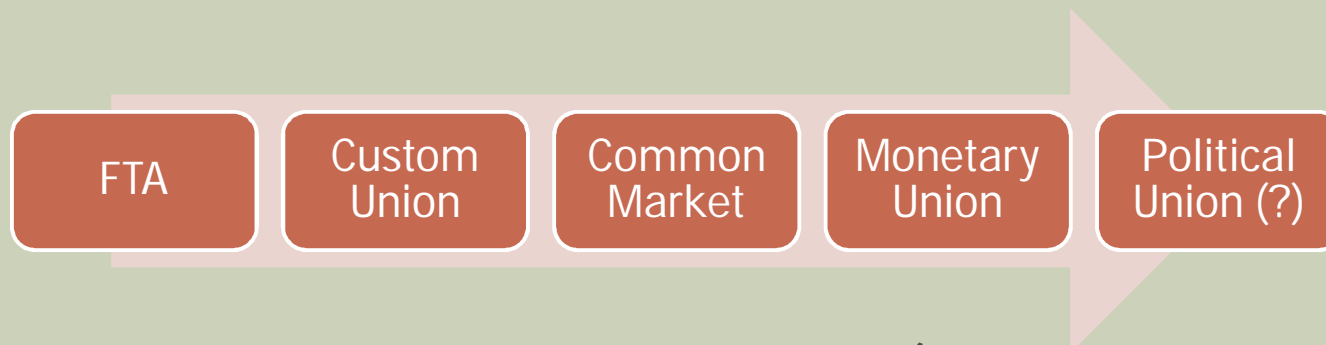
\* Contents

# 1. WHAT IS REGIONAL INTEGRATION?

- Regionalism
  - Globalization
    - Trends which social relations increase at a global level more and more
  - Regionalism
    - A movement or result to make policies and conclude agreements in order to coordinate their own activities for mutual interests in a group of countries
    - Economic regionalism  to devise and implement a set of preferential policies for the purpose of increasing economic exchanges between or among regional member states (FTA, NAFTA, EU etc.)
- Regional Integration
  - Processes and results to establish a community by a group of countries

# 1. WHAT IS REGIONAL INTEGRATION

- Development of regionalism
  - Economic aspect (an economic community)



- Political and security aspect (an security community)
  - Security Community (e.g.: OSCE, Organization for Security and Cooperation in Europe)
  - Political Union (including common defense and foreign policy)

## 2. The Process of East Asian Regional Integration (1)



Recognition of need to regional integration in EA

Current situation of multilateral economic cooperation in EA

Current situation of multilateral security cooperation in EA

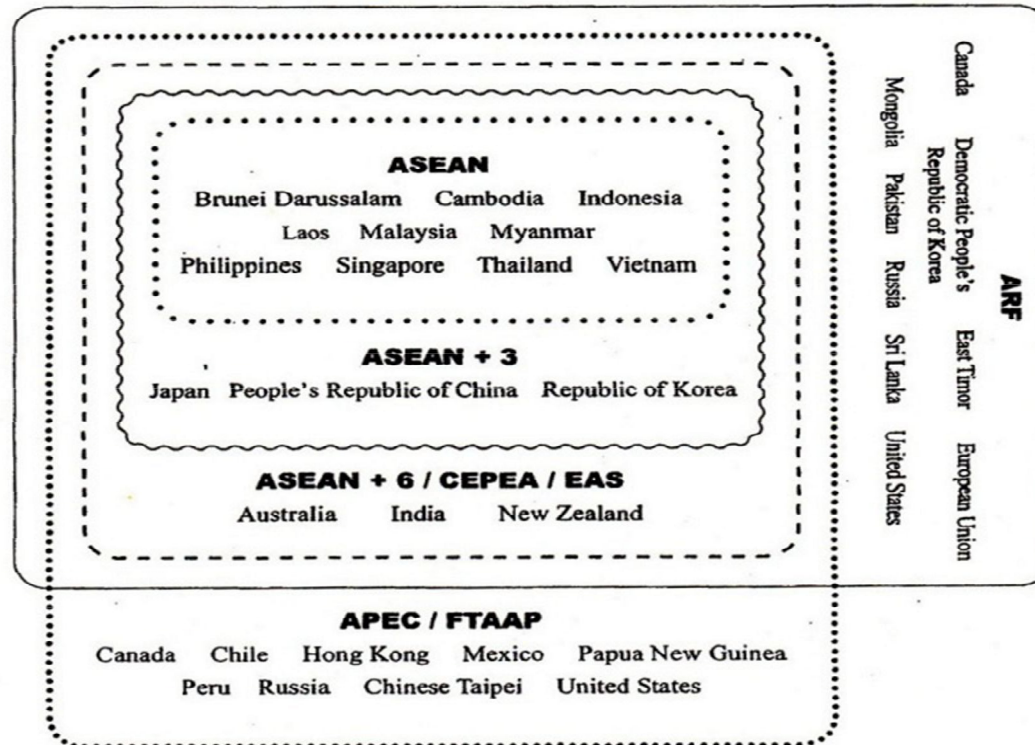
## 2. The Process of East Asian Regional Integration (2)

- Recognition of need to integrate EA region
  - East Asian Financial Crisis in 1997-98
  - Relative indifference to EA region of the US caused by increased interest in Middle East, especially since 9.11 Terror
  - Disappointment over APEC (1987 established)
  - The rise of China and its entrance to the world economy
- Activation of EA regionalism
  - ASEAN+3 (1997)
  - Chiang Mai Initiative (CMI): a multilateral currency swap arrangement among the ten members of the Association of Southeast Asian Nations (ASEAN), of China (including Hong Kong), Japan, and South Korea (2000)

# APEC, November, 2016 at Lima Peru



# Current situation of multilateral economic cooperation in EA

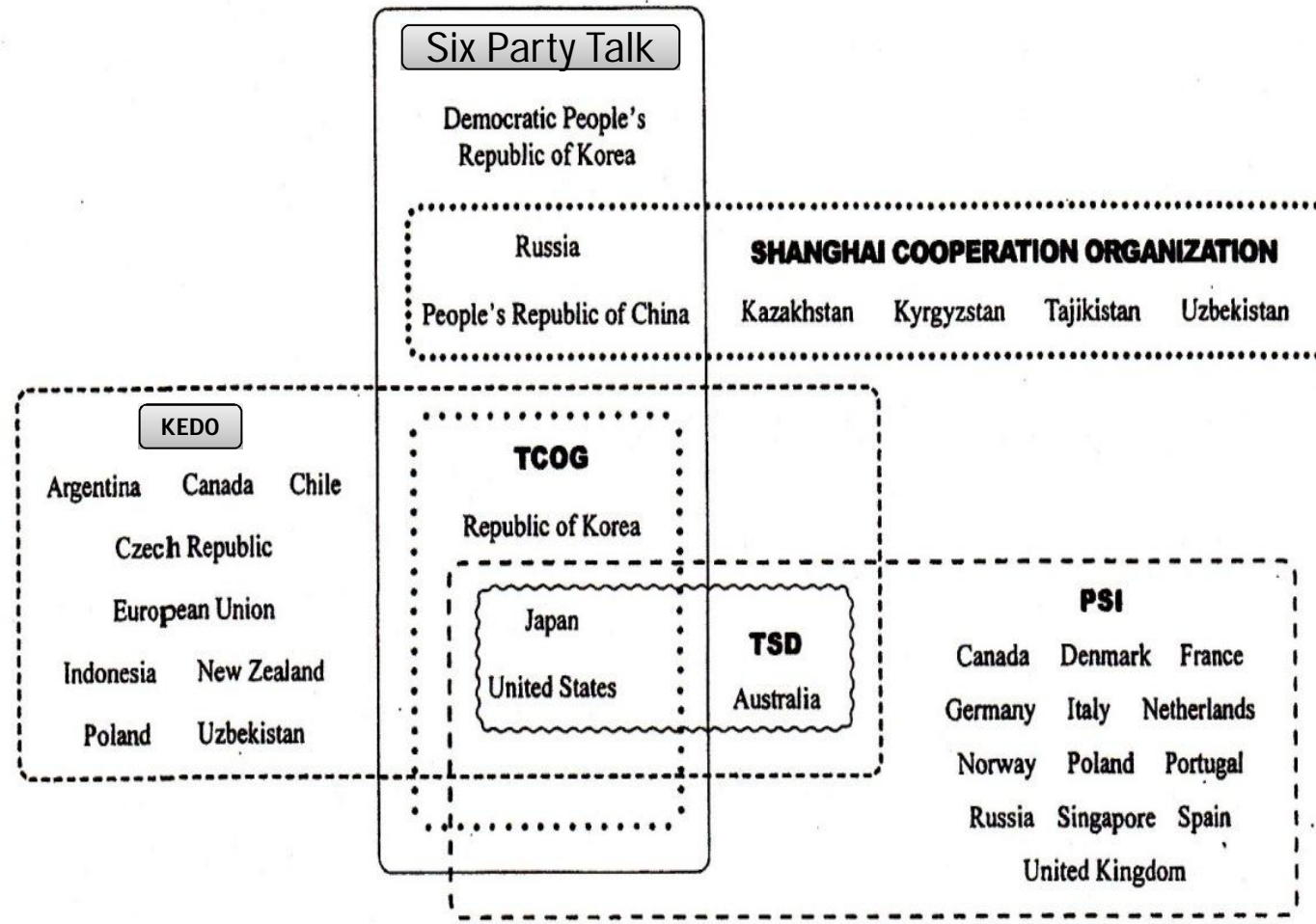


APEC, Asia-Pacific Economic Cooperation; ARF, ASEAN Regional Forum; ASEAN, Association of Southeast Asian Nations; CEPEA, Comprehensive Economic Partnership in East Asia; EAS, East Asian Summit; FTAAP, Free Trade Area of the Asia-Pacific

- TPP, Trans-Pacific Strategic Economic Partnership, [US, Chile, Peru, Australia, New Zealand, Singapore, Malaysia, Brunei, Vietnam, (Japan?)]



# Current situation of multilateral security cooperation in East Asia



KEDO, Korean Energy Develop Organization; PSI, Proliferation Security Initiative; TCOG, Trilateral Coordination and Oversight Group; TSD, Trilateral Security Dialogue

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS)

- Who is in Asia?
- What Norms?
- What strategies for economic integration?



# East Asia





### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (1)

#### Who is in (East) Asia?

- The world's largest and most populous continent that includes Northeast, Southeast, Central, and West Asia
- Efforts toward integration in Asia have appeared variously in terms of membership, issue areas, and the extent of integration.
- However, in term of integration of a single Asian community, such endeavors are hardly found.

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (2)

#### Who is in (East) Asia?

- Regionalism in East Asia: to promote Asianization and East Asian community since 1997-98 financial crisis
- Development of multilateralism and minilateralism, side by side
- Various regional institutions including Asian states
  - ASEAN (1967), APEC (1989), ARF (1994), SCO (2001)
  - ASEAN+3 (1997), EAS (2005), RCEP (2012, 29.5% of World GDP, 29% of World Trade volume)
  - TPP (2005, 38.4% of World GDP, 26.5% of World Trade volume, US participation in 2008 and withdraw) (Pivot to Asia by the US)

Nov.22, 2015





Nov.22, 2015



# 11<sup>TH</sup> EAST ASIA SUMMIT

8 SEPTEMBER 2016, VIENTIANE, LAOS



### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (3)

#### Who is in Asia?

- Positions of major countries (exclusive or inclusive?)
  - ASEAN+3 +3 + 2
    - +3 Korea, China, and Japan
    - +3 India, New Zealand, and Australia
    - +2 US, and Russia
  - Exclusive
    - China, and Malaysia
  - Inclusive
    - Japan, Indonesia, and Singapore (India, New Zealand, Australia, and the US)

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (4)

#### What Norms?

- Issues

Democracy,  
Human Rights,  
Rule of Law



Sovereignty  
Non-intervention

- Positions of major countries

- Emphasis on democracy, human rights and rule of law
  - Japan, Australia, India, New Zealand, and US
- Emphasis on sovereignty and non-intervention
  - China and most ASEAN countries

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (5)

#### What strategies for economic integration?

- Issues
  - How quickly, how inclusively, and how systematically governments should reduce barriers to trade and investment ?
  - How deeply the US should be involved in the process?
  - How much East Asian countries would allow involvement of US?
- ASEAN+6 and EAS
  - To declare to achieve an economic community in the region until 2020
  - However, unclarity of a realizable possibility
  - In the meanwhile, to promote ASEAN+1 FTA and to promote Bilateral FTA, actively
- South Korea, China, and Japan started the negotiation for trilateral FTA from 2012.

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS)(6)

#### What strategies for economic integration?

- Positions of major countries
  - US
    - Maintaining an emphasis on global liberalization of trade and services, centered on the Doha Round
    - But, to promote FTAAP (2006) with TPP (2006) in trying to make a new framework for East Asian economic integration
      - US drew an agreement of APEC members on the promotion of FTAAP in APEC Summit in 2010
    - Observing closely an efforts for economic integration centered on the EAS
    - Now, shift away from multilateralism to bilateralism

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (7)

#### What strategies for economic integration?

- Japan
  - Interest in an effort of ASEAN+3 centered on EAS, first
  - Now, to propose CEPEA centered on ASEAN+6
  - Now making a hedge between RCEP and TPP through participation in TPP
    - Not only the farming sector but also inside of the government party strongly resists to participate in TPP because of worry about opening the agricultural market.

### 3. Main Issues of East Asia Integration and Positions of Countries in the Region (EAS) (8)

- China
  - Preferentially ASEAN+1 FTA
  - Prefer promoting APT FTA next
  - Lastly, promoting APT+3 or FTAAP
- ASEAN
  - generally prefer ASEAN+1
    - ASEAN has brought FTAs into force with major neighboring states including Korea, China, Japan, India, Australia, New Zealand etc. before January of 2010.
    - Starting with Singapore, Malaysia, Indonesia, Thailand, Vietnam etc. it has promoted FTAs actively at the individual state level.
  - A strategy not to be buried under big economies of Advanced countries
  - ASEAN Economic Community toward a common market till the end of 2015

# 4. Future of East Asia Integration

- \* Where is EA regional integration going?
- \* Who are the major actors in a process of regional integration in EA?
  - \* ASEAN
  - \* China and Japan? US and China?
  - \* US and Russia
  - \* Australia, New Zealand, India
  - \* US Trump administration



## 5. Characteristics of regional cooperation surrounding East Asia

- \* the slower development and the lower level of institutionalization in regional security cooperation than in regional economic cooperation
- \* Overlapping issues among regional security and economic cooperation bodies, and membership of plural FTAs
  - \* Economic cooperation bodies to become to deal with security issues
  - \* Two competing multilateral FTAs in East Asia with overlapping membership: RCEP in EA and TPP

## 5. Characteristics of regional cooperation surrounding East Asia (cont.)

- \* A gradual weakening of driving force for East Asian regionalism characterized by “Asianization”
  - \* Participation of some countries with insufficient Asian identities in the EAS
  - \* The rise and fall of TPP, and the relationship with RCEP
- \* Sino-Japanese leadership competition for East Asian regionalism and continuous initiatives of the ASEAN
  - \* Membership: Exclusiveness vs. Inclusiveness
  - \* Controversies over norms for the EAC:
    - \* Respect of sovereignty and non-intervention principle
    - \* Universal norms such as democracy, human rights, and the rule of law

# Conclusion

- \* We need to start again from some fundamental questions including:
  - \* Why do we need an East Asian community and what positive effects do we ultimately expect from the establishment of the Asian Community?
  - \* What does the experience of EU tell us?
    - \* Does it only the way and form to integrate?
  - \* Asian identities could be reestablished in seeking to answers these questions.



**Thank You!**

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