

Rethinking East Asia Cooperation

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I. “Cooperation” as a Movement (1)

- APEC is expected as a institution for economic cooperation for East Asian participation: US liberalization driven, EA cooperation driven
- East Asian regional cooperation as an idea emerged in early 1990s by calling for an identical EA institution
- In 1997, ASEAN+3 was initiated in the background of the Asian financial crisis
- This institution is backed by two factors: ASEAN as an initiator(driving force), bonding economic interest (for economic recovery)

Cooperation as a Movement (2)

- New consensus was reached for enhancing cooperation
- EAVG report intended to change the nature of the cooperation by calling:
 - --toward a East Asia community as a long term goal- for the first time EA from a region to an identity based on the equal participation
 - --the community supported by the integrated pillars: an East Asia Summit; EAFTA; EAMF; but with no clear identified social and security pillars

Cooperation as a Movement (3)

- EAVG report was accepted by EA members, thus the community building becomes a core spirit and guiding principle for East Asia cooperation movement
- New initiatives were pushed for this community building as recommended by EAVG and EASG:
 - -- from “ASEAN+3” to an EAS (2003)
 - -- from “ASEAN+1” FTAs to an EAFTA (2004)
 - -- Chang Mai Initiative (2003)

Cooperation as a Movement (4)

- However, in the real process, EA as a region of countries features:
- --Politics prevents the movement toward a sole identity—a new EAS (later enlarged) was created paralleling to ASEAN+3(in 2005)
- --CEPEA was proposed as an alternative of EAFTA (2006)
- --Only Chang Mai Initiative finds its rationale by a gradual approach—from bilateral SWAPs to CMIM, also with AMRO

Cooperation as a Movement (5)

- As APO, APT, ASEAN, CJK and EAS coexist, it seems difficult to move toward an integrated and sole identity-the EA community building, and APT seems not acceptable by all to be a core or even a pioneer process
- ASEAN's role as an initiator (driving force) leading the movement toward the future is weakened by itself (as a community), also by the diversified ideas, strategies and visions
- Regional identity seems no consensus among the current cooperation partners, with especially a new power relations and emerging disputes

II. RCEP as a new Initiative (1)

- The new environment gives East Asia to rethink and push again the cooperation for a integrated framework:
- --Rebuild the production network in the new context of outside changing economic environment
- --Improving the intra-regional economic development (not just liberalization)
- --Searching for a new development model (social-economic balanced, sustainable)

RCEP as a new Initiative (2)

- Emerging new initiatives
- --CJK process: from dialogue to cooperation institution--
CJK secretariat, CJK FTA
- --Connectivity initiated by ASEAN and supported by China
and also ROK, Japan
- CMI—double size of CMIM, institutionalizing AMRO
(China's new call)
- China-Japan new initiative on regional economic
integration(2011)
- RCEP initiative by ASEAN in 2011 and formally confirmed
in 2012

RCEP as a New Initiative (3)

- RCEP follows the following principles:
- --Integrating 5 “10+1” FTAs and advancing it to a comprehensive and high quality FTA/CEP, higher than current “10+1” FTAs
- --RCEP covers trade in goods, service and investment liberalization and facilitation, as well as economic cooperation, giving cooperation a special place with concrete agendas
- --Establishment of RCEP will be gradual but with clear defined time table (2020)
- RCEP should well serve two goals: creating new dynamism for East Asia; facilitating the transformation toward a more balanced, equitable and sustainable development model

RCEP as a New Initiative (4)

- East Asia enters a new period of time with emerging nationalism, skepticism in the background of new power relations, disputes on islands and EEZ
- Although the economic cooperation usually separated from the political issues, it is still crucial for the region to cool down the rising tensions and build the political, strategic and social trust. Otherwise, the momentum of the cooperation process may be slow down.

RCEP as a New Initiative (5)

- China's Strategies:
- --Multilateral system is top interest, but.....
- --Regional interests seem based on a broad dimension—neighboring areas from North to South from East to West, but not just close areas.....
- Bilateral FTAs, China-ROK FTA, but....
- Special role in promoting cooperation and key role moving toward a new model