

**Chinese Taipei Pacific Economic Cooperation Committee and Taiwan  
Institute of Economic Research**

**28<sup>th</sup> Pacific Economic Community Seminar  
TPP and RCEP; Emerging Dual-Track Pathways  
towards FTAAP  
13-14 November 2013**

**Session 1: RECP: Consolidating from Asia Track  
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# From trade negotiations to economic integration

- Highlighting of successive barriers
- Greater integration of regional resources in search for higher living standards
- International production networks

# From trade negotiations to economic integration (2)

- Services, central not peripheral
- Investment central – commercial presence
- Division between WTO and IMF/World Bank outdated
- Standards essential for interoperability, not a peripheral “technical barrier to trade”
- Standards are part of Intellectual Property
- Innovation central to economic development

# The Ideal Institution?

- would have a wide mandate. Its central focus would be promoting positive interactions that reconcile important social and cultural customs with removal of barriers to international commerce. It would seek to promote competition wherever it could be expected to enhance consumer welfare. It would look especially towards reducing impediments to the operation of international production networks. It would seek to resolve disputes and issues that arise in managing intellectual property rights including accessibility and dissemination of standards. It would deal with impediments to flows of services and therefore of investment which facilitate cross-border business. And its mandate would extend to movement of people, especially those with skills which are needed by international production networks in specific places but also as skill-acquisition in employment grows in significance relative to foundation education, to movement of people able to acquire new skills. The institution would understand that its task is not simply to implement well-understood rules but to evolve new rules as issues not foreseen are encountered. It would be an institution suited to a world of networks rather than established organizations and hierarchies, and a world of relational contracting rather than black-letter law.

- Is RCEP a Path towards such an institution?

# Level of ambition

- Trade in goods
- “substantially eliminate” restrictions and discriminatory measures in trade and services
- Liberal facilitative and competitive investment environment
- Reduce IP-related barriers, promote utilization, protection and enforcement of IP
- Promote competition
- Other related matters

- Key is to locate ASEAN Economic Community in an appropriate regional and global setting
- “The ASEAN Way”
- “High Quality” should be judged by coherence of provisions with modern world, and likelihood of secure outcomes, not vigour of rhetoric

# Do TPP and RCEP converge, and towards FTAAP?

- Asia or Asia-Pacific?
- Club governance
  - - accession
  - - compatibility, the future role of WTO