

# EAST ASIA INTEGRATION AND COOPERATION IN LIGHT OF A REDEFINED WORLD ECONOMIC AGENDA

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## ON SPATIAL PLASTICITY

East Asia (EA) = Southeast Asia (SEA)+  
Northeast Asia (NEA)?

Wider EA = SEA + NEA + ANZ + India = EAS

Widest EA= Wider EA + USA + Russia?

Coverage depending on Contexts

## MIXED DEVELOPMENTS IN SEA

Intra-ASEAN trade gained in importance after AFTA

Economic and social gaps remains deep and no  
Meaningful measures of mitigation in place

Extra-ASEAN policies remain national. Members are free  
To pursue their respective agendas

Indonesia, Malaysia, Thailand, Myanmar are  
undergoing lengthy political transition

Members are back to positive growth of output and trade,  
After the crisis of 2008-2009, helping prevent spirit  
Of cooperation from weakening, though FDI plunged  
in 2009, reflecting global development

As a result,

Different positions on many things, including  
Extra-regional integration (REI) which is pursued  
With little intra-ASEAN consultation

Nevertheless,

Shared commitment to deepen internal  
Economic integration on a pragmatic basis

## RELATIONSHIP WITH THE WIDER EAST ASIA

ASEAN trades more with CJK than internally. Trade with CJK exceeds by a high margin trade with Ausinnewz (the later three in EA + 6)

The spatial structure is likely to continue to shift Toward CJK , given China's growth and openness

Footnote 1: individual members and individual sectors Differ in in trade direction

Footnote 2: ASEAN countries are aware of the importance Of extra-East-Asian linkages

# BEYOND EAST ASIA

Recent Macro Issues: Cyclical Growth, Rebalancing, Exchange Rate Determination, Financial Regulation, Idea on Regional Oasis

Trade and Investment Issues: Orphan WTO, Web of RTAs, Largely Contained Protectionism, Low Tide of Deregulation And Liberalization

The Epochal Challenge:  
Integration of Climate Change Issues to Economic Policy  
And Business Strategy

## PROBABLE RESPONSES TO CLIMATE CHANGE

Reduction of Energy Intensity: Policy and Technology Issues

Transition from Fossil to Non-Fossil Fuels

Prospect for and Limits to Renewable Energy

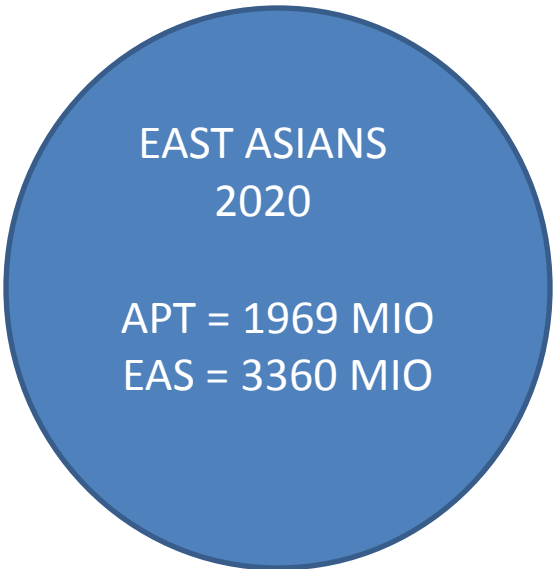
The Necessity of Nuclear Power

Risk of Protectionist Abuses

### Adoption of a New Life Style

Hedonic Thread Mill, Easterlin Paradox, Cantrian Ladder:  
Room for a Less Carbon Intensive Life Style

Is De-growth Necessary and Possible?



## Resource Pooling

(natural capital, produced capital,  
Intangible capital to create  
Regional commons,

For instance **Energy Community,**  
**Asian Monetary Fund,**  
**Asian Scholarship)**

## Convergence

### Measures

(affirmative actions

For small and medium business,

Structural policies[sectoral and regional])

## Market Sharing

(freedom of goods, services, capital, information  
And people to move across borders)

THE ARCHITECTURE



## ATTRACTORS

An impurity or granule to which surrounding molecules  
Tend to converge (to be attracted)

Visionary Regionalists (Renown scholarly politicians of  
The highest stature) who are committed to the  
Accumulation of regional commons as source of  
Improvement in living standards and, ultimately,  
Anchor of peace

Resourceful and capable of mobilizing a progressive share  
In the costs of the formation of regional commons

## APT AS CORE ATTRACTOR

Any moving things require an attractor  
To get to equilibrium. Regionalism makes  
No exception

ASEAN is too small to serve as an effective attractor;  
APT is large enough with learning curve; EAS is larger  
But shorter learning curve and was designed for  
Non-economic spheres

# OPEN EAFTA

MUST BE VERY GOOD TO BE ATTRACTIVE  
TO LATER ENTRANTS WHICH MAY INCLUDE  
THE REST OF EAS, THE REST OF WESTERN  
PACIFIC

INTER-REGIONAL AGREEMENTS WITH APEC  
ECONOMIES ON THE OTHER SIDE OF THE  
PACIFIC

# MACHINERY, BUDGET AND LEADERSHIP

Based on best practices: Secretariat with  
Adequate mandate, competent people,  
adequate system-based budget (in contrast  
To discretionary resourcing)

Shared leadership on rotation basis exercised  
through a council with weighted voting