

**Japan Economic Foundation, Taiwan Institute of Economic Research  
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# **Seeking a new balance in the regional integration of the Asia-Pacific region**

## **Session 1**

**Role of regional integration in ensuring stable supply of  
resources (energy, minerals, food etc) parts and industrial  
materials**

**Gary Hawke**

**Emeritus Professor, Victoria University of Wellington  
Senior Fellow, NZ Institute of Economic Research**

- 1 People Face Tradeoffs
- 2 The Cost of Something is What You Give up to Get it
- 3 Rational People Think at the Margin
- 4 People Respond to Incentives
- 5 Trade Can Make Everyone Better Off
- 6 Markets Are Usually A Good Way to Organise Economic Activity
- 7 Governments Can Sometimes Improve Market Outcomes
- 8 A Country's Standard of Living Depends on its Ability to Produce Goods and Services
- 9 Prices Rise When the Government Prints Too Much Money
- 10 Society Faces a Short-Run Tradeoff between Inflation and Unemployment

Gregory Mankiw

- 1 There is no such thing as a Free Lunch
- 2 Thinking Incrementally
- 3 Markets Co-ordinate Consumption and Production
- 4 Relative Price Changes Guide Decision-making
- 5 Trade Promotes Growth
- 6 Markets Can Fail

Federal Reserve Bank of Minneapolis

“substitutes everywhere”

- supply chains are more visible and they cross national boundaries
- links between producers and consumers have been supplanted by links among producers
- “just-in-time” manufacturing

- Interdependence within the production process increases the importance of precision of specifications – interoperability is indispensable
- “regulatory cohesion”
- Standards, Intellectual Property

- tension between standards and innovation
- an international regime for managing Intellectual Property and Standards is an essential component for economic integration. But it is no easy task.

- As ERIA exploits its strength in using micro-studies to explore macro-trends, it has found positive links between innovation and exporting at the firm level, and that foreign ownership is usually positive for innovative activity.



# “Seeking a new balance in the regional integration of the Asia-Pacific region”

- willingness to update thinking
- rebalancing away from western-oriented “negotiations” to Asian consensus building

even in the face of major natural disasters, we should look to regional economic integration above all to promote innovation in the face of protectionism pursued through intellectual property and standards regimes.