

East Asia Community Building at A Cross Road: RCEP as Attractor

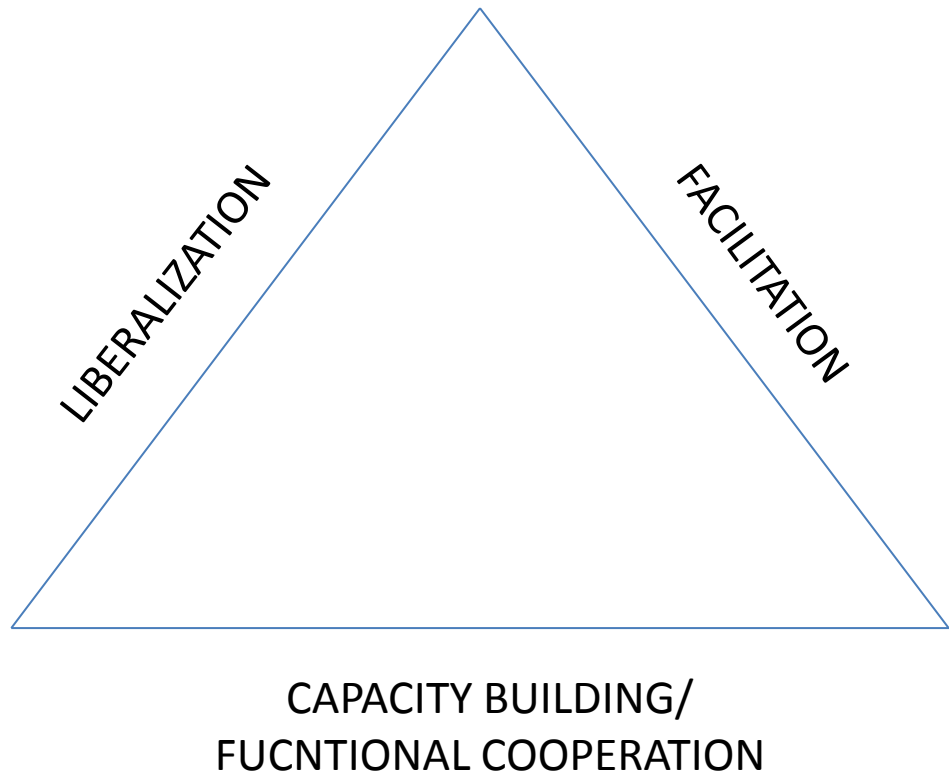
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Changed Economic Policy Environment

- Partly cyclical partly structural causes of slowdown which elevates the centrality of East Asia even more to global growth.
- Diminishing returns on liberalization and apparent fatigue of governments.
- Worsening inequality in the wake of liberalization.
- Persistent obstacles to technology flows to developing economies because of “technology protectionism” on supply side and limited absorption capacity on demand side.
- Issues of long-term sustainability
- Complex national and regional dimensions of change: China’s way of exercising its power while dealing with ROW, Indonesia’s democracy and regional autonomy and deficit in delivering outcome, Myanmar’s turnaround and EA’s responses, escalating territorial disputes in South China Sea and East China Sea.

Need for Innovative Regionalism

- Historical biases in favor of liberalization (quantifiable meticulously, dealt with regularly by diplomats, exciting in terms of first-round growth effect).
- Shift of growth centre to EA makes “EA” ways more appealing as complement to the Westphalian ways (a more balanced agenda of liberalization and cooperation).
- Enormous potential for cooperation in food security, energy security, infrastructure, regional connectivity, science and technology.
- Current status: Somewhat chaotic



RCEP

- COMPREHENSIVE PARTICIPATION FROM THE OUTSET DESPITE ASEAN CENTRALITY (ENGAGEMENT OF TRACK 2).
- BALANCED AGENDA, IMPLYING STRONGER EMPHASIS ON INCLUSION MEASURES GIVEN THAT TREMENDOUS PROGRESS HAS BEEN MADE IN LIBERALIZATION IN THE LAST THREE DECADES.
- PRECOMMITMENT ON FUNCTIONAL COOPERATION.
- EQUALLY ATTRACTIVE WITH ALTERNATIVE DESIGNS SUCH AS TPP
- TIME IS OF THE ESSENCE