Does Regionalism Promote Domestic Reform?

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Theoretical Arguments

• Political Economy
  ➢ Addresses problem of time inconsistency

• Economic theory
  ➢ Terms of trade argument
“Domestic Reforms are promoted by regionalism”

Strong empirical evidence for this proposition is lacking (e.g. Dee and McNaughton, 2011)
Example in the Philippines

• Philippine Competition Act (PCA) or R.A. 10667

- Passed in 2015 after being proposed 24 years ago
- However, international commitments were not a major factor in its passing (e.g. establishment of ASEAN Economic Community)
- Proponent of the Law: “quite careful not to refer to the ‘international commitment’ angle when citing the imperatives for passing the bill into law, because a number of congressmen were opposed to this rationale.”
Example in the Philippines

- **Philippine National Single Window**
  - Component of ASEAN Single Window
  - Philippines is the pioneer
  - NSW mandated by EO 482, December 27, 2005
  - Significant progress between 2006 and 2010
  - It has been stalled since 2010 because it was a priority project of President Arroyo and administration of President Aquino distanced itself from this project
EU is a success story

Regionalism

Regional Institutions, e.g. Court of Justice

Empowering Domestic Constituents

Domestic Reform
Can TPP make a difference?

- TPP will retain contingency measures
- The TPP will go well beyond the WTO in terms of coverage, addressing such matters as tariff reductions, services liberalization, foreign direct investment policies, protection of intellectual property, trade in services, behavior of state-owned enterprises, labor and environment, opening up of government procurement, and reducing the trade-impeding effects of different product standards.
THANK YOU !!!

Cảm ơn rất nhiều
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谢谢你。

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