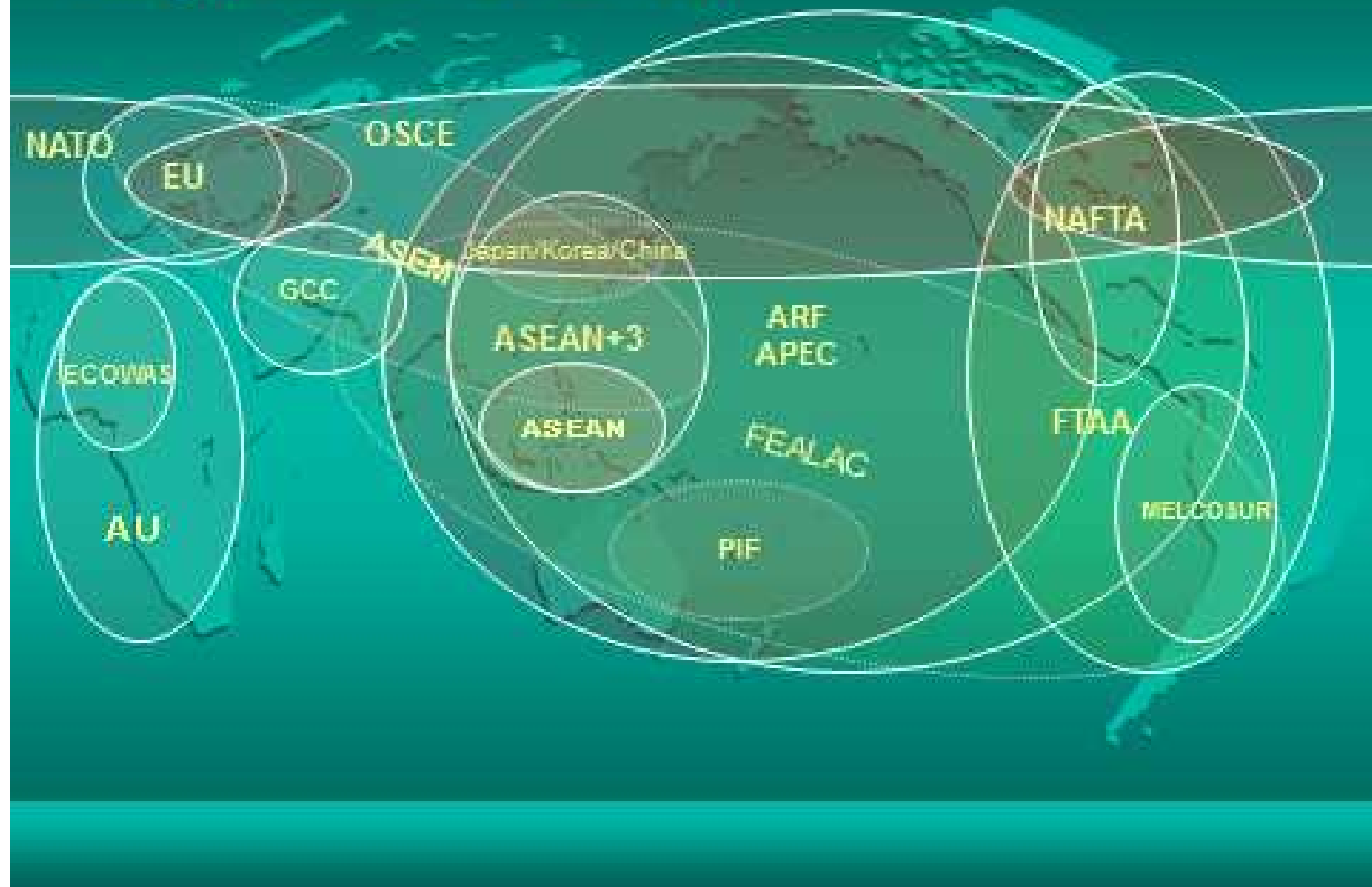
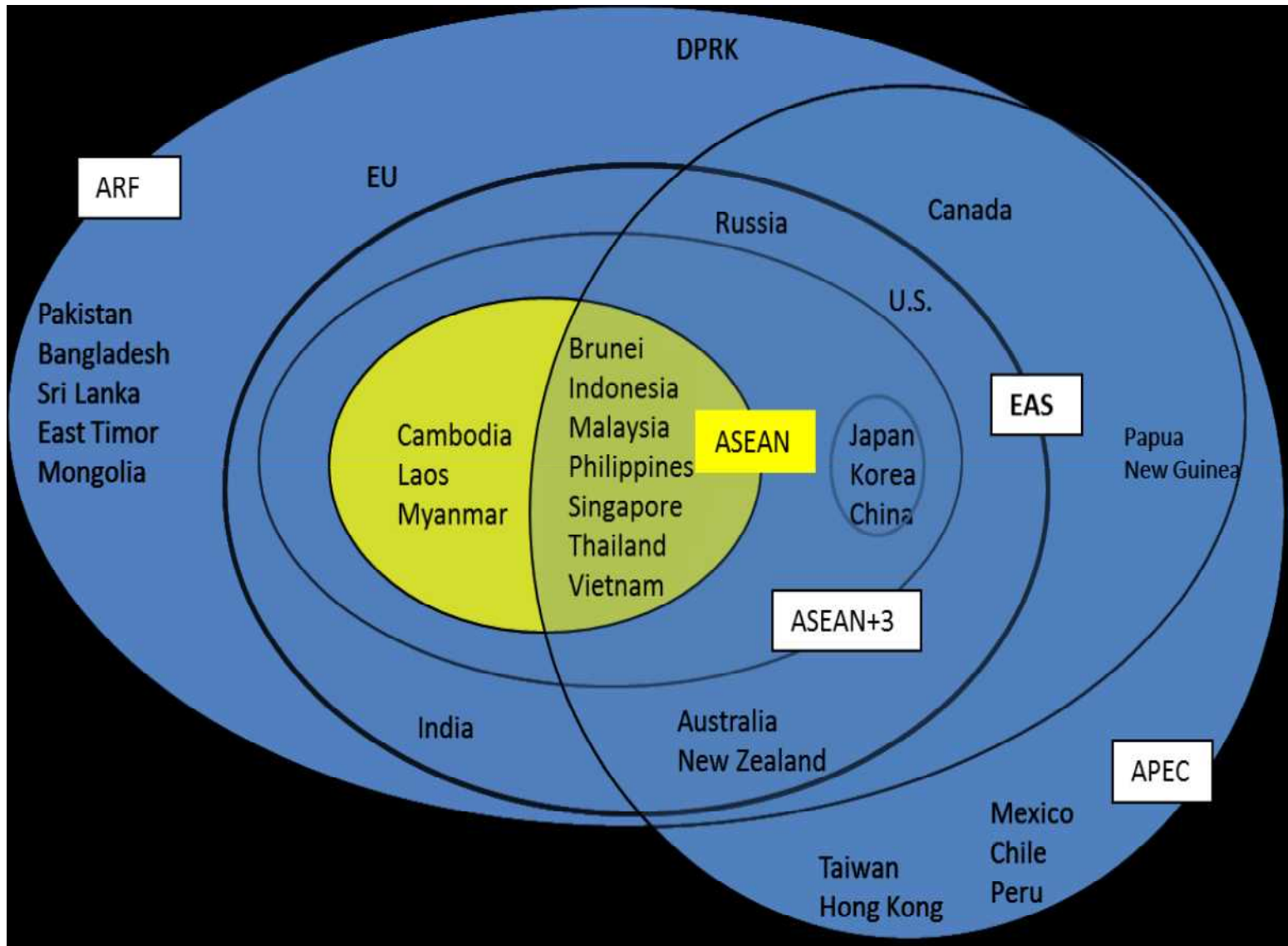


East Asian Regionalism

by: Dodi Sontany

Regionalism Overview





Definition of Regionalism

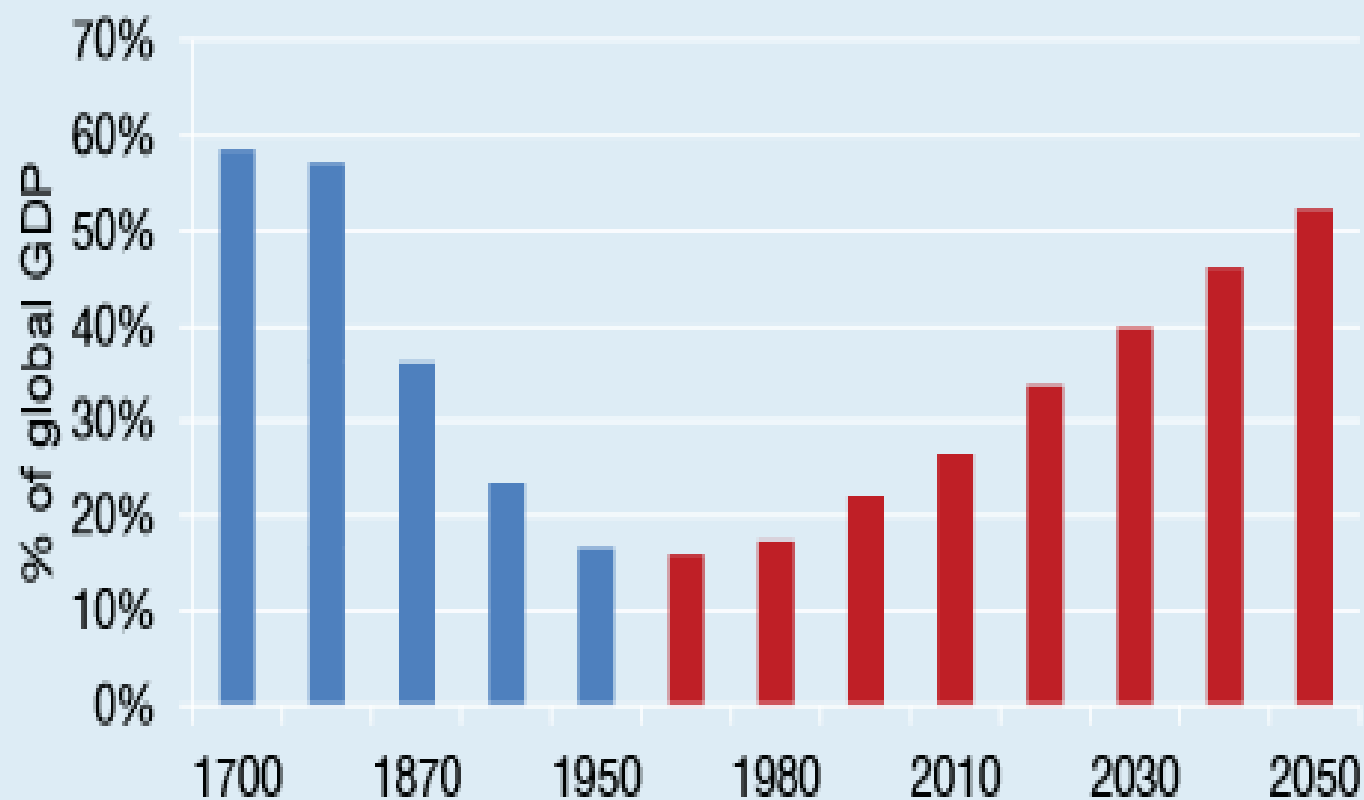
- The definition of Regionalism is the construction and utilization of multilateral intergovernmental institutions to share information, to develop, enforce common rules and regulation and to settle disputes based on shared geographic space

Why Regionalism matter?

- Regionalism can foster peace and prosperity
- Trade Integration can promote wider economic participation
- Financial regionalism can be useful to prevent future Asian Financial crisis

Figure 1

Asia's share of global GDP, 1700-2050



Source: Maddison (1700-1950) (2007); Centennial Group International estimates (1951-2050) (2011). Data for 1750-1790 are PPP and data for 1991-2050 are in market prices.

Research Question

- Why have several regional institutions gained momentum and stalls without creating a single binding institution?

Approach

- Analyzing the development of APEC and ASEAN+3

Hypothesis

- A powerful state judges that the functions or norms of an existing regional institution do not accord with its own interests and then commit itself to another institution which would serve its own interests better.

APEC

- No binding and constraint for its declaration
- Need consensus in every decision made
- Bogor Goal: APEC leaders aim for free and open trade and investment in the Asia-Pacific by 2010 for industrialized economies and by 2020 for developing economies.

APEC after Asian Financial Crisis

- Still not yet able to achieve trade/investment liberalization
- Failed to prevent the catastrophe of 1997 Asian Financial crisis
- Lose faith especially from Asian members

APEC and the construction of Pacific Rim Regionalism

- Ravenhill critic some failure of APEC
 - APEC is slow in progressing in key areas
 - lacking effective secretariat
 - fatally flawed institutional design
 - insoluble conflict of interest between its members

New APEC

- United States promote anti terrorism agenda in APEC meeting

ASEAN+3 and EAS

- Start the gather between 10 members of ASEAN countries plus China, Japan, Korea
- Created Chiang Mai initiative
- America concern about China domination and thus pressured Japan to include Australia, New Zealand, and India (ASEAN+6)
- Evolve to East Asian Summit and include US and Russia

United States

- Interested in using East Asia Regionalism to create cold war era strategy to contain China
- Worried about the inclusivity and get exception by East Asia Regionalism
- Reject Mahatir's East Asia Economic Caucus Proposal
- Block Japan proposal to create Asian Monetary Fund

Japan

- Interested to compete against China's growing soft power in South East Asia
- Promoted India, Australia, and New Zealand to help to balance Chinese economy power

Korea and ASEAN

- Threatened for being marginalized by China and Japan influence
- Frustrated between the rivalry of China and Japan for region leadership
- ASEAN able to successfully launch ASEAN Plus 3

Conclusion

- A powerful state judges that the functions or norms of an existing regional institution do not accord with its own interests and then commit itself to another institution which would serve its own interests better
(Hypothesis proved)
- Thus Regionalism in East Asia will not be achieved if the players keep jumping around and make a new grouping

THE END