

SESSION SEVEN

Mapping the Second Decade of East Asian Community Building (Draft only)

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Introduction:

East Asia has become an increasingly significant region for trade and foreign direct investment (FDI) penetration. Among the top 10 global trading economies (with EU 27 counted as one), half are from East Asia. China, Japan, Hong Kong, South Korea and Singapore are respectively, the world's third, fourth, sixth, seventh and ninth biggest traders.

East Asia's new influence is not only being felt in the global economy, but also in politics, culture and technology. The region's economic weight gives it a voice and a role in Asia - Pacific and the world stage.

With the first ASEAN plus 3 (China, Japan and South Korea) informal meeting in Kuala Lumpur in December 1997 and the first East Asia Summit in 2005, the ASEAN plus 3 process has been under way and the East Asian Community building (ASEAN plus 3 plus Australia, New Zealand and India) is evolving.

Directions and suggestions for mapping the second decade of East Asian Community building will be partly discussed in this paper.

Reviewing East Asia Cooperation Process:

In the past ten years, many cooperation mechanisms have been set up and consolidated by regional countries.

In political and security cooperation: East Asian summit, ASEAN Plus Three cooperation, Treaty of Amity and Cooperation (TAC), ASEAN Regional Forum (ARF), etc.

In economic and financial cooperation: East Asian Finance Ministers' Meeting, currency swap and bond market, Asian currency unit, GMS, and East Asian Economic Community, etc.

These cooperation mechanisms not only brought about mutual benefits to participating states, but also forged better understanding and closer relations among them in spite of their differences as to the levels of economic development, political regime, religion and culture.

Bilateral relations between regional countries are vastly improved owing to co-operations in the East Asia framework.

Emerging from the need and efforts of East Asian countries to cope with the 1997 economic and financial crisis, East Asian community building has so far laid strong background for the second decade of its growth.

How can East Asian countries of significantly different backgrounds join together in cooperation? The answer probably lies in their need for cooperation and coordination for the sake of mutual development in order to cope with globalization, the rapidly changing world, issues coming from their national development process, and the consequences of climate change.

Though East Asian countries are willing and have strong background for further cooperation, and 3 regional summits have been held, East Asian Community seems to need more coherence, trust, bold new visions accompanied by action plans to meet the second decade.

Some Thoughts on East Asia Community Building in its Second Decade:

The recent Third East Asia Summit (Singapore, 21st November 2007) has demonstrated the desire of regional countries in building a united, stable and prosperous East Asia, promoting sustainable development in the region, and accelerating the process of East Asian Community Building.

With outcomes of East Asia summits, particularly the 3rd one, directions for the second decade of East Asian Community building are clear now.

- Fostering the ASEAN Plus Three process as the main vehicle for building an East Asian Community, with ASEAN as the driving force.

- Further enhancing confidence-building in the region.
- Deepening economic integration with the formation of East Asian Economic Community and a Comprehensive Economic Partnership in East Asia (CEPEA).
- Accelerating cooperation on environment to ensure sustainable development in the region.
- Nursing East Asian regionalism. Obviously, in the decade to come, East Asian Community building moves forward in two ways: broadening and deepening cooperation of regional countries.

However, looking at the objective of a united, stable and prosperous East Asia in the context of sky-high oil price, increased competition and inter-dependence among countries, and serious ecological and environmental problems, we can see that it is vital for East Asia to have a clear vision and strategy on sustainable development, in which fast development is accompanied by a safe environment for the future generations to inherit. Under this strategy, national development is a contribution to regional peace and prosperity, the presence of trust and mutually beneficial relations are a guide to relations between countries, and the spirit of community is the core of joint efforts and collective actions in tackling regional common problems.

Regional countries have so far developed their own policy of development, based on sustainable development, such as “Efficiency Economy” of Thailand and “Harmonious Society” of China.

Six noticeable areas that need East Asia attention and cooperation are energy, finance, infrastructure, environment, education, and development gap among regional countries.

- Most East Asian countries are fast growing economies, so energy is vital for their economic development. The issue of energy security is more imperative in the context of high oil price and the uncertain supply in the future.

In this regard, along with steps towards energy market integration, the establishment of cooperative mechanisms for collective actions in crisis situation and cooperation in development of alternative energy such as bio-

energy should be promoted, particularly cooperation in developing bio-fuels to tap into the community's advantages.

- There have been good starts in financial cooperation among East Asian countries, but finance remains a weak point for most East Asian states, and a threat of a new financial crisis is still hanging overhead. It is important to develop deeper and better-integrated financial markets and strengthen regional mechanisms to prevent and manage financial crisis. In this connection, better consultation and coordination on financial and monetary policies is vital.

- In recent years, projects to build and develop networks of highways and intra-Asia Railway under ASEAN, ASEAN + 3 and GMS's umbrellas have created more favorable conditions for regional countries in transportation, trade and service. Cooperation and assistance in infrastructure development is crucial for regional countries, especially the less developed ones, as it is an effective instrument to improve economic growth, to facilitate the flows of capital, goods and people, to help millions of peoples out of poverty, and to bring nations closer to one another, thus contributing to mutual understanding, security and prosperity of the region.

- Along with global warming and climate change faced by every country, most regional states now have to deal with serious environmental problems such as pollution, forest destruction, flood and sandy-storms etc. These problems seem to worsen indirect to their economic development. They have become transnational and in many cases, one single country can hardly resolve them. A fund for environmental protection may better help regional countries to tackle environmental problems.

- Deepening economic integration may be a key element in promoting East Asian Community building. Regionalism can also be deepened through collaboration in education, as it brings not only knowledge in sciences, deepening understanding on various cultures of the region, but also "forging a sense of an East Asia identity and consciousness, people-to-people exchanges".

Although some high-profile educational centers can be found in East Asia, the accessibility to good education is unequal throughout the region. This has led to education gap alongside the development gap.

A better education for younger generations, the future of East Asia Community needs a long-term strategy and concrete measures “to tap into region’s centers of excellence in education”.

- East Asia regional integration is still at its early stage and the development gap among the countries remains wide. This could be an obstacle in the way of harmonizing their interests and policies as development level often determines national interests and policies.

Narrowing the development gap among East Asian countries requires efforts by both more developed countries and less developed countries. The more developed countries should assist the less developed ones while the latter should take the initiatives to formulate national development policies to make their country stronger and their people richer, and thus bridging the development gap with the former.

With all these efforts, we are convinced that the efforts to cooperate in building an East Asian Community in the 2007 – 2017 period will turn the dream of Regional Leaders about a decade of consolidation and closer integration of East Asian Community into a reality.