

**Political Economy of
Asian Regional Architecture:
Possibilities for Korea-India Cooperation?**

**14th India-Korea-India Dialogue on
*India-Korea Partnership: Realizing the Potential***

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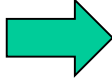
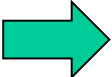
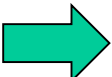
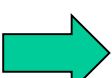

Issues at Stake

- (East) Asia a Latecomer in Worldwide Tendency towards Regionalism
 - East Asia Serious with Its Regionalism Only Since AFC
 - Increasing Awareness in East Asia for a **Sustainable Regional Architecture**
 - East Asia Now Most Dynamic in Regionalism
 - Many Bilaterals, Minilaterals and Region-wide Initiatives
 - A Long Process: Many Hindrances Still to Overcome
 - Divergent National Strategies (Vision/Target/Membership)
 - Lack of Reconciliation Process: Political Risks
 - 'External' Stakeholders' Interest (US and others)
- Korea and India busy with Own Regionalism Strategies

Issues at Stake

- Aim of the Presentation
 - Conjecturing the Future Shape of Asian Regional Architecture
 - Identifying the Challenges and Opportunities
 - Elaborating on the Potential of India-Korea Partnership

Increasing Complexities in East Asian Regional Architecture

- Increasing Bilateral FTAs within East Asia
 - Sometimes Overlapping Membership
- Minilaterals also on the Rise
 - ASEAN+1's; ASEAN+CER; TPP-4; TPP-8; Now TPP-12
- A Number of New Region-wide Initiatives
 - Asia-Pacific Community (APC) 
 - East Asia Community (EAC) 
 - FTA of the Asia-Pacific (FTAAP) 
 - Trans-Pacific Partnership (TPP) 
 - Regional Comprehensive Economic Partnership (RCEP) 
 - EAS-Expanded; NEAFTA; EAFTA; CEPEA, etc.

Critical Evaluation: Unresolved Issues

- “Membership” Issue
 - Often **Overlapping**
 - **No Clear-cut Boundaries** for Region-wide Initiatives
- Issue of Unclear “Sequencing” and “End Goal”
 - “End Goal” Not Enough Elaborated and Conflicting
 - TPP-4→TPP-8→TPP-12→?
 - ASEAN+1→ASEAN+3→ASEAN+6→CEPEA→?
 - EAS (ASEAN+6)→EAS-Expanded→?
 - Negotiating RCEP/FTAAP for What?
- “Division-of-Labor” Issue
 - ASEAN+3 vs. East Asia Summit (EAS)
 - EAS-Expanded vs. APEC

Key Issues Related to the Future Shape of Regional Architecture

- Diversity versus Unity? Or What?
- Areas of Cooperation
 - Trade and Investment Exclusively?
 - What to Do with “Security”?
 - How to Do: Financial/Monetary Cooperation/Integration?
- Modality of Cooperation
 - FTA→Customs Union Only? or Single Market/Money?
 - OECD Modality?
 - EU-Style Community with Security Emphasis?
- “ASEAN-Centrality” an Effective Vehicle?

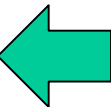
Structure of Initiatives for East Asian Regionalism

- East Asian Processes
 - ASEAN+X and the ASEAN-Centrality
 - East Asian FTA?
 - East Asia Summit (EAS)→EAS-Expanded→RCEP
- Northeast Asian Processes
 - China+Japan+Korea (CJK)?
 - Korea+China! → Korea+Japan? Japan+China?
- Asia-Pacific Processes
 - TPP already Negotiated
 - Future of RCEP?
 - FTAAP a Solution? How Feasible?

Newly Emerging Initiatives-1

Asia-Pacific Community (APC)

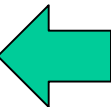
- Initiative of **Australia** (Now Nearly Dead)
- What Differentiation to Existing and Old Initiatives?
 - Community for What?
- ASEAN as an Entity or on the Basis of Individual Countries?
 - ASEAN-Centrality Abandoned?
- Loose End for Membership a Main Feature?
 - United States
 - Russia



Newly Emerging Initiatives-2

East Asia Community (EAC)

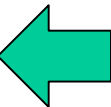
- Initiative of **Japan** (Now Nearly Dead)
- What Differentiation to Existing and New Initiatives?
- Membership Issue
 - United States?
 - India?
 - Russia?
- Vehicle of Cooperation and Integration?
 - Trade and Investment?
 - Diplomacy and Security?



Newly Emerging Initiatives-3

FTA of the Asia-Pacific (FTAAP)

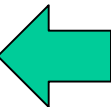
- Initiative of **APEC** (Still Pursued)
- From the Scratch or Using Stepping Stones?
 - An APEC-wide Negotiation for FTAAP Possible/Needed?
 - TPP and RCEP as Stepping Stones (Pathways)?
 - ASEAN+X as a Stepping Stone?
 - Linking (Docking and Merging) Sub-regionals?
- Other Issues to be Resolved
 - Roadmap
 - TPP-4→TPP-8→TPP-12→FTAAP?: Commitment Strong Enough?
 - ASEAN+3→ASEAN+6 (EAS)→ASEAN+X?
 - RCEP→US, Canada, Mexico, Peru, Chile→FTAAP?
 - What about India?



Newly Emerging Initiatives-4

Trans-Pacific Partnership (TPP)

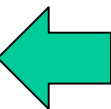
- Initial Launch and Membership Expansion Planned
 - TPP-4→TPP-8→TPP-9(US)→TPP-11(Canada/Mexico)→TPP-12 (Japan) **Successfully Negotiated**→TPP-21(?????)
 - Europe's "Staged Regionalism" as a Model?
- A Number of Obstacles Expected
 - Asia-Pacific Diversity and the Final Goal?
 - A Divide in Asia-Pacific a Big Risk (cf. RCEP)
 - The "Leadership" Problem
 - What Role for China?
 - When Korea's Accession?
 - What about "ASEAN" as an Entity: ASEAN-Centrality?



Newly Emerging Initiatives-5

Regional Comprehensive Economic Partnership (RCEP)

- ASEAN-centered, but China-dominated FTA Initiative
- To be seen as an Asian (China's) Strategic Response to US/Japan's TPP Involvement
- Japan's Stance to RCEP?
 - If TPP were Successfully Launched
 - If the Launch of TPP Fails
- Leadership Rivalry between China and Japan a Major Issue to be Considered
- Also other Influential Stakeholders Important
 - AUS/NZ; India; Korea and Russia and United States



Future of East Asian Regionalism: How to Manage the Political Risks?

- Addressing the **Political Risks** Most Important
- Solutions to be Sought Consistently and in a Cooperative Manner, and Not in Isolation
- Solutions Often Require Multi-disciplinary Approach
 - Economic; Political; Socio-cultural; Politico-Economic, etc.
 - Political Economy of East Asian Regional Architecture
- Taking Reference of Successful Cases
 - **European Integration** as an Instrument of Détente and Trust-building Process → Essential for Reconciliation
 - Asianize the European Success Stories? →
 - Strong Caution Needed!

Future of East Asian Regionalism: How and What to Learn from Europe

- Lessons from European Integration
 - Plenty of Lessons with Positive and Negative Implications
- What to Take? versus What Not to Take?
 - Should be Contemplated in Conjunction with the Local Conditions and Environment
- What to Take?
 - Sense of **Pooling** (Rather than 'Abandoning') **Sovereignty**
 - Lessons from "**Diplomacy of Reconciliation**"
 - "Stepwise Approach Needed"
 - Process of and Rationale for Membership Expansion
 - "Spilling Over Effects" on Essential Factor of Success

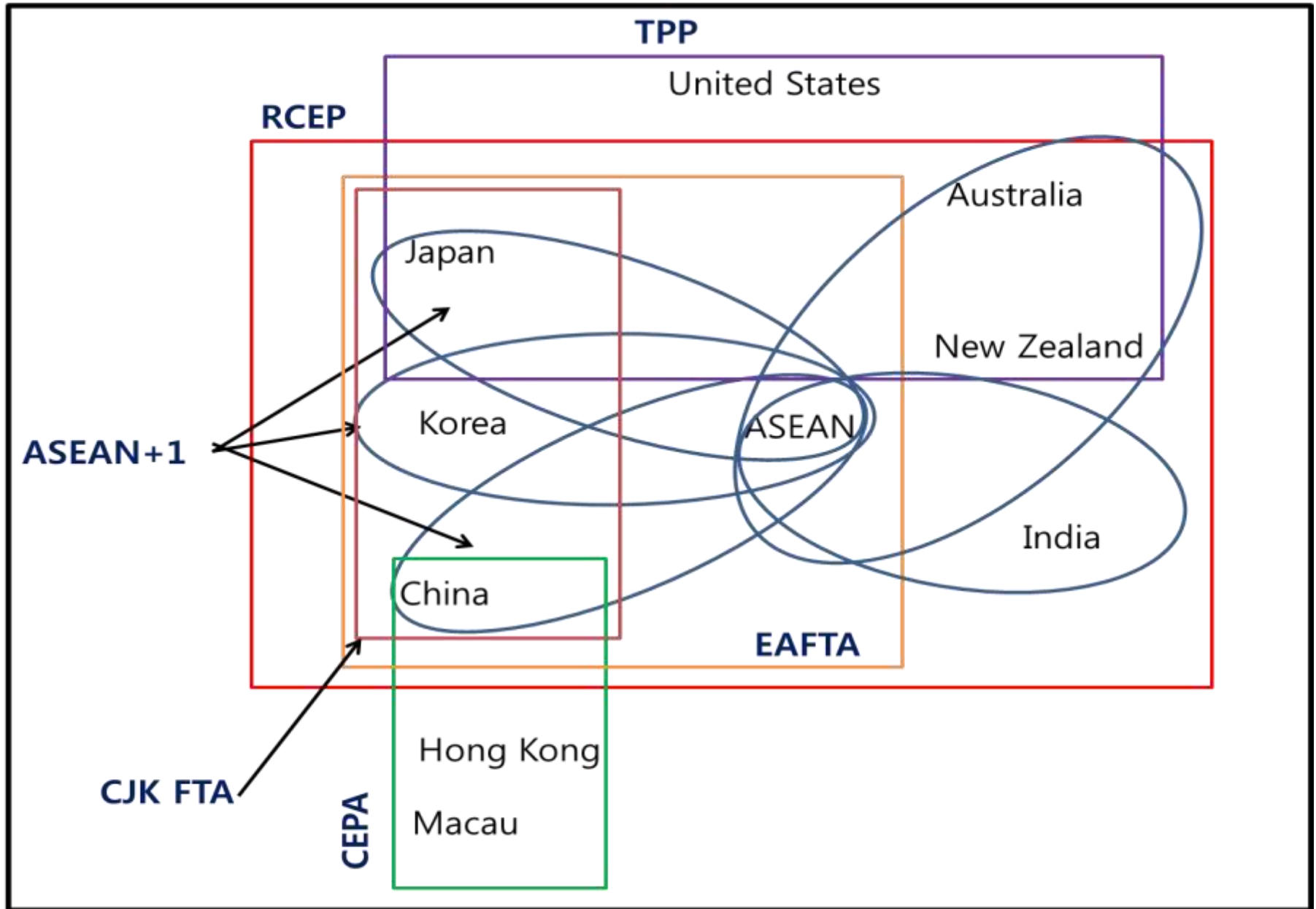
Potential for India-Korea Partnership

- India and Korea Common Membership to
 - East Asia Summit (EAS)
 - RCEP Negotiation
 - Asia-Europe Meeting (ASEM)
- Three Leadership Competitions in Asian Regional Architecture
 - Japan vs. China for Regional Leadership
 - China vs. United States for Global Leadership
 - ASEAN Centrality vs. Korea's New Leadership Aspiration

Potential for India-Korea Partnership

- How to Establish India-Korea Partnership
 - Regularized Official and Semi-official Dialogues
 - Involvement of Civil Society to be Expanded
 - Ensuring Successful Operation of Korea-India FTA for Mutual Benefit
 - Ensuring and Basing on “Small and Incremental” Successes
 - Starting from Tangible Outcomes
 - Adopting Commonly Accepted “Long-term Goals and Vision”
 - Set up a **Temporary “Vision Group”** for this Purpose

Overlapping Membership of East Asian Regionalism



Thank you very Much!!