



## SESSION SKETCHES

Asan Plenum 2013: “New World Disorder”  
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### “East Asian Economic Regionalism”

**Panel:** Session 1 (Grand Ballroom III)

**Date/Time:** April 30, 2013, 12:30 – 1:45 p.m.

**Speakers:** Lee Chang Jae, Korea Institute for International Economic Policy  
Ahn Dukgeun, Seoul National University  
Nakajima Tomoyoshi, Economics Research Institute for Northeast Asia  
Gilbert Rozman, Princeton University  
Zhao Quansheng, American University

**Rapporteur:** Kyle Cassily, Seoul National University

Economic regionalism in East Asia has entered a new era with new rounds of talks putting emphasis on two different frameworks for cooperation, Lee Chang Jae said to open the first session of the day. The rise of the frameworks – the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP) – has signaled recent improvements in the region’s economic integration, while bilateral free-trade agreement (FTA) talks have increased, including those between China and Korea. Lee noted the importance of the TPP especially has risen recently with Japan’s announcement that it will join TPP negotiations. He then asked the panel for their opinions regarding the potential for cooperation or competition between the two frameworks and the prospects for each in the near future.

Ahn Dukgeun started the panel debate by putting East Asian economic regionalism in historical context, reminding the audience that only five years ago the idea was just theory. But with the rise of FTA talks, a number of proposals have been submitted simultaneously, turning economic integration into a chess game. Ahn stressed that a key consideration of the RCEP versus TPP debate is that its members overlap, thus making a two-track approach seem nonsensical. He argued that broad economic integration may become unfeasible with the variety of talks being conducted. The key will be the fate of China-Korea FTA talks, which could alter how other countries view the way forward.

Nakajima Tomoyoshi delineated the key differences between the RCEP and TPP,

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calling the latter “a 21st-century FTA” that extends beyond trade of goods in services, investments, intellectual property rights, and reform. The advanced aspects of the TPP make it impossible for China to presently enter negotiations, which causes it to emphasize the RCEP, which is focused on trade goods alone. He stressed the importance of Chinese inclusion, although noting that Japan is amenable to both frameworks.

Referencing his 2004 book *Northeast Asia’s Stunted Regionalism*, Gilbert Rozman said that he has become more pessimistic toward economic regionalism in the past few years. Rozman argued that East Asian regionalism must be looked at in the broader context of economics, security, and culture or identity. While economists may argue that economics can be conducted separately from the other two, history has shown that reality is different – noting the United States’ insistence in the 1990s that most-favored-nation status be linked to human rights. And China has been increasingly linking economics to other issues, such as its suspension of rare-earth minerals trade to Japan in 2010. While he noted the difficulties, Rozman concluded that the TPP’s prospects were not low due to U.S. emphasis on economic issues in its rebalancing toward Asia and efforts to urge transparency with China, which can be achieved through the TPP.

Zhao Quansheng argued that based on Europe’s experience with regionalism when France and Germany took the lead, it would be beneficial for China and Japan to serve similar roles in Northeast Asia. But U.S. strength in the region, however, has created a dual-leadership framework with China. Zhao noted the increased competition between the two powers with the Chinese-led RCEP and the U.S.-led TPP, which China views as a way for the U.S. to increase its regional power. Finally, he concluded that he is unsure if this competition is positive or negative, but China and the U.S. need to find a way to accommodate each other.

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