



JAPAN, APEC, AND EAST ASIAN ECONOMIC COOPERATION A MITSUI USA SYMPOSIUM

CENTER ON JAPANESE ECONOMY AND BUSINESS

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日本 經濟 經營 研究所

For many Asians, the progress made by the European Union (EU) and the strength of the euro currency is something to admire, aspire to, and sometimes, scoff at. It's a double-edged sword, in a sense. On the one hand, East Asia needs to engage in deeper integration economically and politically, but not necessarily in the ways Europe or the Americas have. And on the other hand, Asia's deep history and complex bilateral relations with its neighbors has made it hard to all join hands and form one big happy circle. But nonetheless, Asian or not, everyone seems to agree that some form and degree of economic and political cooperation is necessary; witness groups such as the Asia-Pacific Economic Cooperation (APEC) forum and the Association of South East Asian Nations (ASEAN), as well as numerous free trade agreements (FTAs) that have popped up like mushrooms over the past several years.

Can all of the bilateral and multilateral FTAs, as well as the nonbinding agreements made within APEC and ASEAN, coexist effectively? How will that work? What nation will step up to be the leader? What does East Asia need to do in order to be a stronger economic, and therefore, political, force in the realm of the global economy?

On February 14, 2005, the Center on Japanese Economy and Business (CJEB) of Columbia Business School, the APEC Study Center of Columbia University, and the Mitsui USA Foundation sponsored this sixth annual Mitsui USA Symposium. Presenters included Takatoshi Ito, Professor at the Graduate School of Economics and Research Center for Advanced Science and Technology, University of Tokyo; Peter Drysdale, Emeritus Professor of Economics, Visiting Fellow in Policy and Governance in the Asia Pacific School of Economics and Government, The Australian National University; Merit Janow, Professor in the Practice of International Economic Law and International Affairs, School of International and Public Affairs and Co-Director, APEC Study Center, Columbia University; Hugh Patrick, Director, CJEB and Co-Director, APEC Study Center, Columbia University; and David Weinstein, Carl. S. Shoup Professor of the Japanese Economy, Department of Economics, Columbia University.

This report is a summary of the evening's presentations and discussions; it can also be found at www.gsb.columbia.edu/japan.

INTRODUCTION



HUGH PATRICK

R. D. Calkins Professor of International Business Emeritus, Director, Center on Japanese Economy and Business, Columbia Business School

It is my pleasure to welcome you to this exciting symposium on Japan, APEC, and East Asian Economic Cooperation. East Asia has been, and will continue to be, the most dynamic, rapidly growing region in the world.

First I want to express my thanks to each of the panelists. To Professor Peter Drysdale, who has made a special stop-over in New York today on his trip from Australia to Honolulu to be here for this symposium; to Professor Takatoshi Ito, who made a special trip from Japan for this symposium, arriving over the weekend and leaving tomorrow; to Professor Merit Janow, who has just returned this weekend from a stint in Geneva serving on the World Trade Organization's (WTO) Dispute Settlement Appellate Body; and to Professor David Weinstein, who hasn't had to travel far to be here, and I hope

and trust will never have to travel far to be here—since, eventually, he will take on the directorship of the Center on Japanese Economy and Business.

Second, I want to thank the Mitsui USA Foundation, with which we have had this important and successful collaboration for this annual event for some years.

PRESENTATION



TAKATOSHI ITO

Professor, Graduate School of Economics and Research Center for Advanced Science and Technology, University of Tokyo

I think the progression of Europe—the creation of the European Union in 1999 and the introduction of the euro currency in 2001—was a shock to Asia. It was a shock that all those European countries could get rid of their own currencies and introduce a common currency in the region. Then why not East Asia?

The most current round of WTO talks, which is called the Doha Round, is going very slowly because the tariffs are now very low in advanced

countries, and the final package deals with Japan's most difficult sectors, which are strongly connected with our culture. That takes time, which leaves countries and regions to devise their own initiatives in addition to, or in parallel with, the WTO arrangement.

Asia, including Japan, has been on the defensive because the other players did not participate in this region before the year 2000. So Asia is discriminated against in Mexico, the United States, and some European countries. Asia has a disadvantage with tariffs and their position regarding the manufacturing of automobiles and other goods, which are produced by countries in the North American Free Trade Agreement or the EU. Large Japanese corporations invested directly in those countries so that they could jump the tariff barrier, but the smaller companies did not. However, even large Japanese companies have to import key parts and other semifinished goods from Japan for assembly in Mexico, and they are subject to high tariffs. Since American and EU countries can import parts free of tariff, Japanese corporations were at a disadvantage. That was the reason why Japan pursued the NAFTA with Mexico. If NAFTA extends to Central and South America and if the EU expands from 15 to 25 coun-

I think the progression of Europe . . . was a shock to Asia.

—Takatoshi Ito

A lot of semi-finished goods are going back and forth among Asian countries.

—Takatoshi Ito

tries as planned and beyond, Asia is left out of regional blocs and is discriminated against. And that, I think, is a very strong motivation, though a somewhat defensive one, for Asian countries to create their own regional arrangements.

Regional, or interregional, trade and investment have risen and are now as high as in Europe. So a car assembled in Thailand probably used parts sent from Japan, but also parts from the Philippines and electronic devices from Malaysia. So a lot of semifinished goods are going back and forth among Asian countries. It makes more sense if Asian countries get together and eliminate tariffs on those semifinished goods and parts.

The difference between East Asia and Europe is that East Asia still depends on outside final markets, namely the United States. So they trade manufactured goods back and forth within Asia, but when the goods are finished, a substantial portion of the final product (not all of them) is exported to the United States, so East Asia still depends on the United States as a final customer.

But now even this is changing, as China starts to absorb a lot of the final goods from Asian countries. China's weight is increasing: Japan exported to China more than to the United States in 2004. If this trend con-

tinues, obviously Asia will become like Europe, and the countries will export and import from each other. The circle will be closed, for better or worse.

Now, this is an old story. The Asian currency crisis in 1997 was a strong tipping point for this region. As you recall, the crisis spread from Thailand to Indonesia and to Korea. Many Asians realized that they were all in the same boat, and that they had to help each other. As it turned out, the United States did not assist any of those countries bilaterally, and the International Monetary Fund, which was supposed to help the countries in crisis, was prescribing the wrong medicine. This is a bit of a sweeping generalization, but let me just say that many Asian policymakers and academics still remember how the United States and IMF caused difficulties in an already difficult situation.

This sort of awareness came about because of the Asian currency crisis, an awareness that East Asia comprises one investor classification and one entity that have to help each other out.

The euro, I think, was pretty much a surprise in the sense that nobody knew what really to expect until it was launched. In that sense, it was a shock, and many skeptics, especially in the United States,

were proven wrong when it was a success. The launch went smoothly, and I would say it is doing extremely well. The currency is now on the minds of investors as an alternative to the U.S. dollar. The yen is far behind in third place in terms of usage of the currency, and it again looks like the United States and Europe are the two strongest economies, while Asia is still fragmented within the financial and economic world.

As I mentioned earlier, when Mexico joined NAFTA, Ford and Mercedes Benz were able to import parts from their headquarters to Mexico tariff free, while Toyota and Honda had to pay a 30 or 40 percent tariff. So the disadvantage was clear, a side effect of not joining NAFTA.

Japanese businesses pushed the Japanese government very strongly to sign an FTA with Mexico; it was finally done and will be in effect soon. So now Japanese corporations can import parts and finished goods from Japan tariff free. An equal playing field has been created. But this is just an example. Other bilateral agreements with other countries and in other sectors can easily happen. This is why I think that Japan and other Asian countries are rushing to sign bilateral FTAs to forge strong economic ties with North America, South America, and Europe.

Now, the FTAs in Japan and Korea are, as I mentioned, very recent phenomena. The Korea-Chile FTA was the first for Korea, while both Korea and Japan also tried to have FTAs with other Southeast Asian countries. Right now, everything is pretty much bilateral initiatives, as Korea and Japan try to find trading partners willing to enter into an FTA agreement. China is pursuing a slightly different strategy. It wants an FTA with ten Southeast Asian countries together, at the same time. The timetable is a little bit slower but it is said to be more comprehensive. We don't know the details, but the supposedly comprehensive FTA with these ten countries would be a uniform arrangement. China is also pushing to start trade liberalizations with certain countries earlier than the comprehensive ones. So there's a bit of a conflict, or rivalry, between China and Japan in trying to get certain countries as their trading partners.

Japan is now trying to develop FTAs for these reasons I mentioned, and for additional factors as well. The trade ministers and academics are trying to push FTAs with Asian countries, but they are called economic partnership agreements, or EPAs. So some agreements are called EPAs instead of FTAs. What is the dif-

ference between an EPA and an FTA? The EPA not only makes tariffs zero, but also tries to have a deeper integration within two countries, including legal issues. So, basically, it's a harmonization of regulations, investment treaties, and taxes. It's called an EPA because Japanese tariffs on manufactured goods are already almost zero. There's a very strong domestic resistance to FTAs from the agriculture and fishery sectors. For the Japan-Korea FTA, everyone thought it would be easy to sign one since both countries have weak agricultural sectors. But the Japanese thought their agricultural sector was stronger than Korea's, and vice versa. They both had this illusion that opening agriculture to each other wasn't a problem, but when they got close to an agreement, they realized there were problems with some products. The Japanese have a problem with Korean fishing boats, while Koreans worried about the Japanese manufactured goods flooding the Korean market. Then Korea took Japan to the WTO over quota on nori, or seaweed, imports, and now the Japanese are very angry.

I think the Japan-Korea agreement is getting delayed, as well as the agreements with Thailand and the Philippines, even though the latter two countries' problems can be

worked out if there is political will. So the negotiating process that's going on with these bilateral FTAs is very interesting; hopefully, Japan can conclude a substantial portion of them sometime this year.



PETER DRYSDALE

Emeritus Professor of Economics, Visiting Fellow in Policy and Governance in the Asia Pacific School of Economics and Government, The Australian National University

Professor Ito provided us quite a complete background on the many things that are taking place in East Asia on the financial cooperation front, and particularly on the trade front. I won't try to repeat those details and draw my own conclusions from them, but, in a sense, jump to the conclusions. I'd like to focus on some of the fractures, or some of the difficulties that are emerging in the process of what I regard as a fairly inevitable trend in East Asia. What Professor Ito described is something that has been driven by two sets of factors. He detailed the more proximate factors that prompted

There's a very strong domestic resistance to FTAs from the agriculture and fishery sectors.

—Takatoshi Ito

This “partnership” between Beijing and Tokyo came together in a period of uncertainty about dealings across the Pacific with Washington.

—Peter Drysdale

the closer economic cooperation within East Asia around the period of the East Asian crisis, and all that followed after that, including the political relations between the East Asian capitals—Tokyo, Seoul, Beijing—and all the capitals throughout Southeast Asia, and Washington. He also discussed the response in East Asia to the problems with trade policy negotiations at the time, especially with the collapse of the talks with the WTO.

But of course all these developments are the product of a longer-term structural change, the intensification of trade relations, and the capital movements within East Asia that are bringing together a much more integrated economy. Australia is very much a part of this. If you look at the Australian economy and at these trade statistics Professor Ito described, Australia is the most East Asian of all the economies in East Asia. It has a much higher share of its trade with other East Asian economies than any other economy in East Asia, including Japan, China, Malaysia—you name it. More than 70 percent of our trade is with East Asia, and for very obvious reasons. We have a very complementary economy with Northeast Asia, based on raw materials—or the supply and the strategic supply of raw materials. More than half

of Japan’s strategic raw materials are drawn from Australia; this is also true for Korea and now, increasingly, China, too, with the big energy deals that are being done. That’s the way of the future for Australia also.

At what point is East Asia now? I want to emphasize the big shift on the trade policy front that has taken place in the last half-decade or more. That’s a shift toward bilateralism in East Asia. It’s a path that started from a long traditional commitment by Japan in particular to the multilateral system (in terms of the commitment to overcome discrimination), through Article 1 of the GATT in the postwar period, but it goes way back to the redressing of the unequal treaties between Japan and the great powers of the early Meiji period.

There has been a sudden shift in the long-term political and economic interest for Japan. This didn’t all happen because of the instigation by Japan. Of course, the significant move away from multilateralism to some extent in East Asia really started with the response to NAFTA. The idea floating around in the 1990s was that if North America could break all the rules that have been held so dear in the postwar period through the Atlantic Charter, then why can’t we also do it in East Asia? That was a silly idea, frankly, from the viewpoint of

East Asia’s own interests, but it was an idea that came naturally to the political surface in East Asia and stayed there. Japan resisted it for some time, but then that resistance broke down dramatically during the financial crisis and then around the collapse of the WTO’s Seattle Ministerial meeting.

The other complication is Washington’s dealing across the Pacific with its East Asian partners. The politics of all this are really quite important. What is amazing to me is how the FTAs got off the ground. The very important political reality is that this “partnership” between Beijing and Tokyo came together in a period of uncertainty about dealings across the Pacific with Washington. It essentially came together when Beijing needed to take out some kind of insurance policy against potential problems with Washington.

Of course, the go-between in that important process was Seoul, and the coming together of ASEAN + 3 had the political principle to stimulate it. The political interests in Beijing, Tokyo, Seoul, and Washington are critical to the long-term future of the ordered development of East Asian economic integration.

The shift has been dramatic. Professor Ito mentioned the deal that first ended Tokyo’s virginity on free trade agree-

ments, the one with Singapore. Now, that deal and most of the deals, including the one with Mexico, that have been done are economically insignificant. It might be symbolically significant, however; it might signal that down the road they will be important in the way the region conducts its trade policy affairs. However, in terms of economic impact, all of these deals that have been negotiated so far are trivial. Perhaps there is one exception, one that my own country concluded and signed in at the beginning of this year with the United States, which, interestingly, was a consequence of these earlier moves in East Asia. We wouldn't have got into that deal if things hadn't fallen apart the way they did in Northeast Asia. A lot of us in Australia became extremely worried about that development for those reasons.

The political context of these preferential deals is really very important in understanding where they've come from, and where they might go in the future. Let me put the headlines at the beginning and try to explain this later on. We've got an East Asian movement going on here without a coherent East Asian strategy, although Professor Ito rightly described it in a way that looks fairly ordered. I want to draw attention to the problems. I'm totally sympathetic with the enterprise

because this is a thing that had to happen historically. Without more dialogue, without more institutional cooperation between East Asian neighbors and ourselves in the Western Pacific, we're bound to have problems down the road, but there are serious problems on the way to getting to a set order to the relationships as well.

What's the problem with bilateralism? If it's serious bilateralism, the problem concerns preferential arrangements; they involve preferences against outsiders. They're bilateral and therefore don't encompass everybody. Professor Ito told us, appropriately, that the whole East Asian enterprise is one that involves increasing integration across the economies of East Asia, with East Asia becoming like Europe. How can East Asia become like Europe, which has a common and single market, if East Asia has a whole set of bilateral deals that involve discrimination against other partners within the region? As I say this, they're not deeply entrenched yet, but if they do become deeply entrenched, then that's a major problem for the integration of the entire region. This is especially true in a region in which the strength, the engine, the force of economic growth involve specialization across a whole range of processes in produc-

tion. We call it "fragmentation trade": processing this in China, delivering that to Taiwan, delivering it to Korea, and then back to Taiwan, to Japan, and so on, and exporting it to global markets.

Indeed, if you look at East Asian integration, as Professor Ito observed, on average, 50 to 60 percent of East Asian economies trade is with other East Asian economies, which is by far the largest proportion of final goods trade compared with the rest of the world. Most of the intra-East Asian trade is intermediate goods trade or components goods trade, as you would expect from sensible and efficient specialization among these economies in East Asia. If you cut the opportunity for that specialization within the region through bilateral and discriminatory preferential arrangements, then you cut off the source of the very thing you're trying to foster. That's the really big problem we face potentially down the road.

Can we find a way out of the potential mess of these preferential arrangements multiplying in East Asia? What are the next steps? Is this truly, as some people have argued, a process of competitive liberalization, which will eventually widen into a broader East Asian arrangement?—something, for example, that eliminates discrimination and preferences

In terms of economic impact, all of these deals that have been negotiated so far are trivial.

—Peter Drysdale

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—Peter Drysdale

of a bilateral kind but broadens into a European type integration arrangement?

The step from one set of arrangements to another, however, is not easy. Getting from point A to point B is what we have to think about very carefully.

The North American model was very important in stimulating this process. It was an unfortunate model from the viewpoint and circumstances in East Asia, since these circumstances really recommended a stronger focus on the global market. That's what initially drove the formation of APEC, with its emphasis on opening up the region. The emphasis was on negotiating through the WTO and, earlier, in the GATT. Initially, the whole purpose of APEC was to engineer the acceleration of settlements through the Uruguay Round, including those of great importance; fixing the East Asian economies, including getting rid of the comprehensive Multifibre Agreement (MFA); and removing the restrictions on trade of labor-intensive manufactured goods like textiles and clothing.

East Asian interests were, and remain, global interests. So if this process in East Asia is to strengthen East Asian integration, then ultimately it's got to emphasize those global interests. The swing in Japan and

elsewhere to preferential bilateralism could be the first step that encourages effective, competitive liberalization. But it's not likely that it will do that.

The proliferation of initiatives is a real problem. As I said, Australia has joined the game, and, at one point, it looked like we had no one to play with at all. Japan quickly started proposing various bilateral FTAs but not with Australia, because, obviously, we're an agricultural supplier. If we entered a FTA with Japan, we would have to seriously consider the liberalization of the agricultural sector in Japan. So that wasn't on, and it still isn't. And the same problem, of course, occurs with Korea in the negotiation of these things.

So where did Australia go? It went to the Association of South East Asian Nations (ASEAN), but ASEAN wasn't too keen on Australia politically at the time. Then Australia went to the United States, and, of course, with September 11, and with political circumstances as they were, it encouraged the rapid negotiation of what is a very messy, and a not very liberalized, FTA with the United States. In fact, all the independent studies of the Australia-U.S. FTA suggest that, on balance, it's either neutral or trade diverting. It's not a very positive FTA at all, but it's a very important one symbolically. It's

a particularly big thing more on the investment side than on the trade side, so we're into that.

Subsequently, however, there has been significant rethinking on these issues in Australia. We've initiated the beginning of a study for the potential negotiation of an FTA with China, and that will be very significant if it is ever brought to pass. An FTA with ASEAN has come back to the agenda; Australia and ASEAN are committed to the conclusion of an FTA. So we're in this game in a big way now as well.

China's FTA strategies in all of this are very important. As Professor Ito said, China's strategy with respect to ASEAN has been different from Japan's and that of the United States, because it has taken ASEAN as a whole. Essentially, the political policymakers in Beijing won out over the economic ones in moving forward with an FTA with ASEAN, because China, as it grew and emerged, had a political problem with ASEAN. China wanted to take a political initiative with ASEAN, especially in the context of Japan's approach and, in a sense, politically trumped Japan by taking this big step of an FTA with ASEAN. It will take longer to negotiate, as Professor Ito said, but already some early harvest actions have been taken within the framework of those negotiations.

So significant changes have already taken place in the structure of trade between ASEAN and China, which directly affect third parties like Australia, for example.

The politics of trumping Japan and Southeast Asia, I might say, were certainly not contemplated by the negotiators in Japan of the initial moves toward FTAs. It just wasn't on the horizon that China would get into this game. China, as you will recall, had just arduously negotiated its succession into the WTO. But now China is a big player in the FTA game and emerges because of its strength and its potential as a serious, important, competing hub in East Asia. It's been involved in the process of extending its FTA arrangements through its dealings with Hong Kong. It has ambitions to develop the FTA strategy as leverage when dealing with the United States, while also articulating the notion of a broader East Asian FTA, although that's obviously not on the cards among Japan, Korea, and China at this stage.

Why isn't it in the cards? Because, importantly—and I now come back to the political issue—there is a big black hole in Northeast Asia. The big black hole is the nature of political relationships that persist between Tokyo and Beijing. As long as

that problem exists in the same way that it does at the moment, it's really very difficult to make progress on a broader East Asian FTA. So what we have around this political structure is the emergence of a set of economic arrangements that are being entrenched around at least two, perhaps three really true competing hubs in East Asia: the China hub, the Japan hub, and, perhaps, in a minor little way, the Korean hub.

So what's the state of play in East Asia? We have competing preferences, we have hubs and spokes emerging in East Asia across the Pacific. The origins of these arrangements are so complicated that to try to reach out and broaden their scope would be a major enterprise. Imagine trying to encompass NAFTA in a broader East Asian or Asia-Pacific arrangement, as some people here in the United States and also in Canada have suggested in recent times.

The current entrenchment of these hubs-and-spokes arrangements in East Asia has a big cost to East Asian integration and growth. So there are worries here, if not inevitable difficulties, to overcome. If you look at what's happened in East Asia, you see that China was one hub and Japan was another. These arrangements have Japan reaching out through ASEAN, China reaching

out to ASEAN, Australia now linking into ASEAN, and so on. The United States is starting to make its way across the Pacific into negotiations with ASEAN as well.

Is there an exit strategy? Well, at the moment, there's a model that will help free the entrapment of the hubs and spokes in the region. Some have suggested that a broader free-trade area in the Pacific, or a trade area in East Asia, has its difficulties. I talked about the broader free-trade area of Asia and the Pacific. Perhaps if this is driven by the United States, it might be a way of getting out of the mist. But this is where the APEC problem emerges. You can try that, but it's bound to fail. All the bilaterally sensitive arrangements are hardly going to be settled in the near term. The result of avoiding having to deal with any of this is the creation of these bilateral arrangements replicated numerous times in the Asia Pacific enterprise.

What we've done in a lot of these bilateral arrangements could be done again here. We could negotiate something, fail, but declare success. That's what we do in many of these arrangements and that's what we might do in the broader Asia Pacific deal, avoiding everything of importance. But of course that would bring the whole Asia Pacific enterprise

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into question. The Asia-Pacific enterprise in the form of APEC is still a deep and valuable exercise, not only in economic dialogue, but also, increasingly, in political dialogue encompassing all the major players across the Pacific.

One funny strategy is what we call the single market issue. When you apply it through Asia and the Pacific, it might have more sense than it looks to have at first sight. Europe came to the single market after it did the trade liberalizations or the trade regionalization thing. But why do you have to do that? There are a lot of issues that APEC has been fairly good at focusing on, like trade facilitation and distant facilitation issues that really constitute the idea of a single market.

In terms of the impact on trade efficiency, the single market agenda is much more attractive than trying to go down some preferential trade group route across the Pacific. If you measure the impact of APEC, which often is said not to have much force in terms of its economic effect, but rather in terms of diplomatic dialogue, trade efficiency has been quite significant since the establishment of APEC in the early 1990s through the early twenty-first century. Trade efficiency for APEC has improved quite considerably over this relatively short period, and it's improved

faster than trade efficiencies in other parts of the world.

So APEC has had a positive effect. If you use that data, for example, in the last five years or so the APEC effect on trade growth has been on the order of \$50 billion or so a year, so it's not a trivial matter. That's a product of the trade liberalizations encouraged unilaterally and of other initiatives of APEC, but it's also a product of trade and investment facilitation efforts that have been put in place by APEC.

Coming back finally to FTAs, frankly, there's no good FTA without a sunset clause. A free-trade area is hopefully a stepping-stone toward general multilateral free trade. You do it with somebody you like, and then you try to extend it to the rest of the world if you're really trying sincerely to make trade free, rather than to protect some special interests within a discriminatory type of arrangement. But none of the FTAs have sunset clauses. There's no provision in the WTO for them to be eliminated or multilateralized, and the likelihood that we can get that reform into the WTO is still fairly remote. There aren't any rules or commitments to multilateralize, although there are actually one or two examples in which there has been some commitment to do so. One of them is the ASEAN agreement in which not

every ASEAN member, but most of the ASEAN partners, have committed to multilateralize their liberalization steps taken with their ASEAN partners. It's a scheduled phase of liberalization, and that's been quite successful as a mechanism for broader liberalization of the ASEAN economies.

A similar thing happened with commitment to the Closer Economic Relations (CER) Trade Agreement between Australia and New Zealand, but in a slightly different way. The power of vested interest in such arrangements once they get established is very strong. It's very difficult to persuade American producers of motor cars in the Australian market to liberalize car imports, especially once FTAs contain really specific rules of origin that undermine the Australian motor vehicle import market. Things like this entrench these sorts of arrangements with the specific rules of origin and with the preferential treatment for the parties to the program.

So what's a way through this? One way might be to use one of these deals that are significant to break the logjam by incorporating a multilateralization provision that contains an automatic sign-on provision. This actually has been introduced in the ongoing debate about the arrangement between Australia and China. Frankly,

I am not personally at all optimistic that those who are advocating this position, including myself, can be very effective or persuasive, but it is now being debated seriously. The possibility is, for example, that we might do the most nimble of rules of origin arrangements with China. We have the New Zealand arrangements and we can extend them to China. China has the ASEAN arrangements that can be extended to us, and we have an automatic sign-on clause for anybody who is prepared to join this arrangement on essentially the same terms. If you could get an arrangement that's significant, that would likely make a trade agreement with China be quite significant. An arrangement like that could help to break the logjam.

China-Australia is one possibility. Australia-ASEAN is another opportunity. The idea here would be to join up with Japan and Korea in these various arrangements and extend them into an open East Asian free-trade arrangement. North America would find it very hard to join this, given the nature of the arrangements embedded in NAFTA. So it would tend to entrench a broader East Asian arrangement, and that would be good in terms of the difficulties that the bilateral agreements present for East Asian integration and its future. But

the rest of the world's problems, of course, have to be dealt with finally through WTO negotiations.

So these arrangements, if they were put in place, would involve open membership and a transparent review of the processes of protection that are involved.

In conclusion, I have a great deal of sympathy for the vision that Professor Ito laid out in his presentation about the deeper, wider, and closer integration within East Asia. At the same time, there are risks in the character and the direction of East Asian trade diplomacy, in particular. At the moment, these risks cannot be discounted. They're very serious, which need a significant initiative to turn around. There are one or two strategic opportunities, but I must say that delivering a breakthrough, for example, on the Australia-China deal, is going to be pretty difficult. It will be a big deal if we can do it, let alone incorporate some novel provision like multilateralization of the preferential treatment that we extend to each other.

The provisions to multilateralize would be great. Frankly, that would be consistent with China's ultimate interests, because China's choice has got to be a global trading system one in the final analysis. It can't rely or focus entirely on the

East Asian or any other region, simply because of the scale and weight that its economy will have in the world over time.

A movement in this direction will help maintain important and, hopefully, positive leverage on the United States and Europe. APEC will continue to remain significant in this process, because it continues to be the most important vehicle for both the economic and political dialogue between the major players in East Asia and the Pacific. The key thing to all of this is that the East Asian effort will ultimately show more and more strength if the political impasse between Beijing and Tokyo can be resolved. The broader East Asian and Pacific enterprise will continue to complement whatever East Asia wants to achieve through its own integration.

DISCUSSION



MERIT JANOW

Professor in the Practice of International Economic Law and International Affairs, School of International and Public Affairs; Co-Director, APEC Study Center, Columbia University

China's choice has got to be a global trading system one in the final analysis.

—Peter Drysdale

I see FTAs as expressions of dissatisfaction with the multilateral system and the pace of multilateral negotiations.

—Merit Janow

I'm wearing my professor's hat today in reaction to the fine presentations that preceded this comment.

Let me offer six observations that may punctuate what has been said before and that mostly speak to certain observations about FTAs in general, and make one small suggestion. These thoughts are offered in the context of the following general observation: I think the train has left the station. There was a time when one could say that FTAs were not a good thing and raise various concerns about them with the thought of turning the clock back or stopping the train. I don't think that's possible any more. As you've seen, there has been a vast proliferation of FTAs and additional negotiations in Asia and elsewhere around the world. Given the number of them that are in place, bilateral and regional free trade agreements are now an economic and political reality.

The question in my mind is not what judges, but rather what policymakers and negotiators, can do at this point to discipline and harmonize these regional arrangements. First, as the previous speakers have already mentioned indirectly, FTAs have an economic dimension, but they also have a distinct political dimension as well. I see that political feature

as particularly important in Asia. This is not to belittle the economic one, but it is intended to acknowledge that the political dimension is important. In this regard, I recall the words of Long Yongtu, the former vice minister of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC). Once when asked why China expressed a sympathetic inclination toward FTAs at a moment when it had just joined the WTO and was trying to bring its system into compliance with WTO obligations, he observed that there was so much anxiety in Asia about the peaceful rise of China, that anything that China could do to demonstrate that it viewed its prosperity as tied to the prosperity of the region was in China's national interest. I thought that was a very insightful and interesting remark.

China's role in regional FTAs is extremely intriguing and very nuanced, as Professor Drysdale outlined, and also quite pivotal. So indeed, the economic motivation is there to deepen economic integration, but it seems to me that the political dimension is as important for some nations. Japan or Australia, for example, appear to strongly favor these arrangements, in no small measure because they do not wish to be left out of any regionalization that occurs. My second point is

that I see FTAs as expressions of dissatisfaction with the multilateral system and the pace of multilateral negotiations. Many think multilateral agreements proceed too slowly. There's also a desire to lock in preferences. That's the businessperson's way of thinking: "NAFTA discriminates against us, even though we're a major investor in Mexico," Japanese firms say. Why should we be at a disadvantage? We need to have those same preferences locked in for us.

What is less clear to me is whether these regional arrangements will prove to be a spur to the multilateral process. Some do argue this, and, of course, Professor Drysdale alluded to the argument that one hears in the United States, that these FTAs will result in competitive liberalization. Some point to NAFTA as having given a push to the Uruguay Round. Some even see APEC as a spur to the Uruguay Round. It is possible that these arrangements will spur multilateral liberalization, but I think the jury is still out on that question.

A third observation is that I don't see these FTAs dealing with certain very hard issues. Professor Ito has suggested that they do allow for experimentation. There is a view within Japan that you can start working on issues that are difficult, such as agriculture, case by case. The agricultural folks will

get worn out through this process, it is sometimes argued. I don't see it. Where is the evidence? The Australia-U.S. FTA has significant exclusions. Japan-Singapore had difficulty with even goldfish. So, at this point, I am a skeptic that the issues which are very difficult to liberalize domestically can be addressed through bilateral or regional FTAs.

As the only lawyer on the panel with economists, I dare say my fourth observation is an economic one. The World Bank has just produced another study arguing that the economic benefits of these FTAs are not advancing global economic welfare. The work I've been reading by the World Bank and elsewhere are trying to say these FTAs are really not proving to be that helpful to the developing world. Indeed, in some cases, they are erecting trade barriers for the developing world. So if we're concerned about the developing world, is this in the global interest?

I guess the fifth observation is that these agreements are not neutral policy. What I mean is the rules of origin and tariffs have their own distortions. Moreover, embedded in these FTAs are alternative regulatory frameworks that are very complicated. They're reflected in how you deal with telecoms, e-commerce, and other services, which have their own

competitive and regulatory issues. Many of the U.S. templates are advancing regulatory objectives on labor and the environment. So these are not neutral templates. Different FTAs are advancing alternative templates, and I think that adds another complexity. For some, that's exactly the reason for doing it. For others, it injects a degree of caution.

The final observation is that I don't believe that these FTAs won't have a cost for the multilateral system. There are many reasons why the multilateral agenda has not advanced as some may have hoped. Among the reasons is that there are very hard issues on the multilateral agenda, notably agriculture. But there are also challenging issues. I don't think these regional agreements are costless for the multilateral process—many may not be trade diverting—but they are surely attention diverting by my way of thinking.

So what can be done about this? One small idea that I hope will be considered has its origins in some writings by European economists. I think it would be very useful for economists—I would pick the four right here to get us started—to ask themselves and develop the checklist on what would need to be contained in regional trade agreements that are truly comprehensive. What would

that look like? What would they have to contain? Economists need to develop a methodological template so that we could evaluate the 300 or so FTAs out there. The regional trade committee at the WTO hasn't been able to evaluate FTAs, to say this is consistent with general objectives or not, in part perhaps because there hasn't been a template that was agreed on. So I think one thing that could be constructive is if there could be a private sector initiative that would evaluate what these FTAs could and should look like if they were to be consistent with, at least, the goals of Article 24 of the WTO Agreement.

HUGH PATRICK

I want to make five points, and then I'd like to speak briefly about U.S. policy. First, the really interesting trend that everybody has pointed out is how much economic integration has already occurred within Asia and how useful and important that has been. I want to remind everybody that this occurred within the context and because of the multilateral trading system of GATT and, now, the WTO. Everybody got access to each other's markets because of the existence of the global system, and they depended on and broadened it without having preferential

I am a skeptic that the issues which are very difficult to liberalize domestically can be addressed through bilateral or regional FTAs.

—Merit Janow

arrangements. One might ask the question, “Will preferential arrangements further enhance what’s already an excellent process, or is it going to retard it?” My view is that it’s going to retard it. We tend to forget that the basic system works very well in bringing about precisely what everybody says is so important.

Second, I’ll remind you that the textbook view of the first and best system for trade is a global multilateral system in which anybody can sell to the best markets and buy from the cheapest ones. The FTAs are a poor second best; the smaller they are, the more bilateral they are, and the worse they are. The dilemma of course, is the political reality that the train has already left the station, as Professor Janow emphasized. We’re going to have more FTAs, and they’re going to have more specific rules of origin that are incompatible with each other. Nobody has mentioned Professor Jagdish Bhagwati’s “spaghetti bowl effect”—the intertwining of specific procedures that are very hard to separate (in Asia, it’s now called the “noodle bowl effect”). This is a very fundamental difficulty when we examine the rules of origin. So that’s my second point, that we’re on a bad path. How do we get out of it? I think we will mess it up so badly for the next

15 years that we will finally learn that we’ve got to go back to multilateralism.

My third point is that ASEAN +3 is fundamentally a political organization as is indicated by its very membership. It excludes important regional players for political reasons; it excludes Australia on the grounds that it’s Australia. It also excludes the United States for what the members presumably consider to be important reasons. If you look at the economic substance of what ASEAN + 3 has achieved, it is in its initial phase of long-term development. On a scale of 1 to 100, I would say ASEAN + 3 has moved from 1 to 2. So it has a long way to go. On the other hand, I think ASEAN + 3 is very important because it creates and enhances a policy dialogue among policymakers from various Asian countries who don’t know very much about each other and don’t trust each other very much. So this dialogue process is incredibly important, but it’s a very long-run proposition. We use the European model, but remember, it took two wars and 50 years after that for France and Germany to really determine they had to work together. I don’t know how long it will be for China and Japan, and what it will take. I hope to God it’s not war, but if you think more narrowly,

before countries can engage in an economic integration that is institutionalized along the lines that have been discussed here, they have to not only know a lot more about each other, but they require fantastic changes in the international and domestic institutional frameworks, agricultural policies, and so forth. They have to generate a lot more trust among each other than I think exists today.

My fourth point is that APEC has had and will continue to have a very important role, because it’s the only economic institution in the Asia Pacific that includes the United States. The involvement of the United States is very important both for Asia and for the U.S. One of the interesting by-products of the APEC process has been the creation of the Annual Leader’s Summit meeting, and that’s become, for rather different reasons, a very important institution, valuable in itself.

My final point is that I don’t think the United States has played a very constructive role in developing and pursuing a global economic agenda. The dilemma in democratic societies is that it is easier for trade negotiators to deliver a bilateral FTA within the term of their elected leader—president or prime minister—than it is to deliver a Doha Round, which is by nature a much more difficult, more complicated

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—Hugh Patrick

negotiation, but more important and the right way to go.

In terms of where the United States fits into all of this, we have to ask, what role do the East Asian countries want the U.S. to play? I think almost all of them, except perhaps China, want the it to play an important security role as a balance and stabilizer based on its military power. To obtain that commitment, they also need the United States to be an important economic player in East Asia, so that business interests will lobby to say that Asia is important in U.S. national interests.

What does the United States want, and what should it want? Obviously, we want peace, security, stability and cooperation on antiterrorism, and don't discount how important antiterrorism is in the U.S.-Asian agenda. Certainly, we want access to Asian markets. Fundamentally, in terms of trade policy, the United States should be refocusing on the Doha Round and moving it ahead, rather than using our negotiating capabilities on these bilateral agreements and tying up the even more limited negotiating capabilities of our bilateral trading partners.

ASEAN +3 provides a wonderful opportunity for the three to get together and talk with each other, using ASEAN more or less as camouflage. What's

particularly important in a political or geopolitical sense is the U.S.-Japan-China triangle, which is becoming increasingly important, economically and politically. Economically, we have huge trade relationships, and not just bilaterally. There are lots of Japanese components in the Chinese products that are exported to the U.S. market. American and Japanese foreign direct investments are rising in China, and that's going to be increasingly important.

When we look ahead ten years, we're going to see the Chinese increasing their investments abroad, as China tries to get natural resources on the one hand and technology on the other. The IBM sale of its PC business to a Chinese company is indicative of that. So we have all sorts of reasons why the combination of Chinese economic growth and strength of the large Japanese economy will provide the United States with opportunities for increasing its Asian economic interactions to its benefit. On the other hand, political tensions are likely to increase. China and Japan are rivals for leadership in East Asia. Both countries are becoming increasingly nationalistic about each other, labeling the other the bad guy, and that's very unfortunate. The U.S.-Japan alliance is tight and strong and will continue to be for the foreseeable

future, because it's in the interest of both countries, politically as well as economically.

For the United States, the big question is how to respond to the inevitable rise of China as an economic power. As we know, economic powers also invest in their military simply for defensive reasons because they have the money. So China will also rise as a military power. The big problem for the United States is how to integrate China into the global economic and political system. China's entrance into the WTO is extremely important, and the country's gradual entrance into global private capital markets is increasingly important also. So, on the economic dimension, we're moving ahead. On the political dimension, there's a tension in the United States even on how to think what our strategic involvement with China should be. China is already important in global politics because it's a permanent member of the United Nations Security Council. We have to move from a G7 to a G8 in order to incorporate China politically much more than in the past.

TAKATOSHI ITO

I'm not sure how I should respond to this, particularly to Hugh's romantic line of argument. I think I have to bring him to the hard reality of the

*China and Japan
are rivals
for leadership in
East Asia.*

—Hugh Patrick

The Japanese rice market can be open to the American rice market. But you have to start this with trustful neighbors and friends.

—Takatoshi Ito

world and the two ways of looking at the FTA. You can either look at it as a bad thing that makes trade diversions and other harmful things, or, you could look at it as a wonderful thing, a deepening of economic relations that was not possible for political, social, or other reasons. In the end, the FTA will be a building block for the WTO.

Suppose the FTA is a bad thing. Well, NAFTA is bad when it discriminates against Asia, so why can't Asia get its countries together and defend itself? Then we'll basically have leverage with NAFTA and the EU and will also become much more open to the rest of the world. So that is justified.

Suppose the FTA is a good thing, as you heard in the discussion about NAFTA being a building block of deep integration of the world economy, an ultimate goal of the WTO. In the end, hard concessions can be given to neighbors, but that's the beginning of the opening. So it's a step forward, which is a wonderful thing.

If that is the case, then why doesn't Asia try that strategy too? Maybe it's difficult for the Japanese rice grower to give concessions to the United States, but maybe the Japanese rice grower can stand the invasion of certain rice grains from Asia. This, at least, opens up the market, and the consumers

get to try these different grains. Maybe 30 or 40 years down the road, the Japanese rice market can be open to the American rice market. But you have to start this with trustful neighbors and friends.

By the way, I think the United States is bullying Japan on the beef issue. That kind of bullying doesn't help with the sense of trust, especially on agricultural issues. That's why I think an FTA with the United States is not on the agenda for Japan.

PETER DRYSDALE

I agree entirely with Professor Janow and with Professor Patrick that we now have a real systemic problem with the FTAs, and there's nothing that surprises me at all about the outcome. What I argued was that we have a real problem, because contrary to the enterprise we all support, what these things are doing is driving a wedge down the middle of East Asian integration between China and Japan. That's complicated enough in its political dimension already, and so to unravel that either requires some grand political initiative or pragmatic initiative of the kind that I described, though the probability of that, I've got to say, is below 50 percent at this stage. It may be rising slightly, but it is below 50 percent, because it requires a grand political initiative.

The grand political initiative is not on the rise, and it may lead to some disturbance, external or internal, but it's not on the agenda yet. So we've got to think about how to break through on this front. That involves thinking seriously again about how to tie up the preferential agreements and make them contribute to strengthening the global system in which East Asia, in particular, has an overwhelming interest.

QUESTION-AND-ANSWER SESSION

QUESTION

Given the fact that both China and Japan are trying to secure their energy resources and compete in other areas at the same time, will their political deterioration spill over to trade?

PETER DRYSDALE

I think the energy issue is looming as one of the biggest issues confronting Northeast Asian politics, security, and economics. Certainly, dealing with that in a constructive framework is what we all have an interest in doing. Australia is the second biggest energy supplier to Northeast Asia, next to Saudi Arabia. It has a particular interest in that and will be playing the

most constructive role we possibly can. Australia has its brief moment of glory in respect to China now because of our attractiveness as an energy supplier. The scale of what is going on there is huge, and over the next ten or twenty years or so there will be spectacular developments in our energy trade relationships with China.

I hope this can be used to broaden structures which are cooperative regarding energy issues in Northeast Asia, since Australia already has a deep, wide, and established energy trade relationships with Japan and Korea.

The relationship between Japan and China is getting worse, and it's difficult, but I could see the solution to the problem. It has to be packaged. List what Japan wants, list what China wants, and somebody, like maybe Korea or the United States, has to be mediate, so that both sides get what they want.

HUGH PATRICK

We have to realize that, fundamentally, the economic relationship between China and Japan is complementary, not competitive, so that it's very beneficial to both sides, reflecting the difference in the level of development and wealth. Similarly, Japan with Southeast Asia is, on the whole,

very complementary, not competitive. China is more directly competitive with Southeast Asia, not so much in their resources trade, but, particularly, in their production of labor-intensive products such as garments.

QUESTION

Many people have observed that Europe had to wait for the proper acceptance of the relative relationships of France, Germany, Italy, and Britain for their regional alignment to work. If that's so, then what is the prospect for regional arrangements in Asia, where political and economic alignments are still very much in flux? Principally, in terms of the rise of China, it wouldn't seem to be in China's interest to enter into an arrangement now that might keep it in its current position in the hierarchy of Asia when it assumes that it's going to be rising relatively fast.

MERIT JANOW

I see China gaining on the diplomatic front, rather than advancing an economic template that is rigid and that binds it to commitments that it may find uncomfortable in the future. So the ASEAN +3 agreement is a modest liberalization of tariffs in some areas. As for the idea of closer economic

integration, I don't see it as having any consequences at all that would oblige China to make choices that could prove uncomfortable under different political configurations. That is kind of the genius of it, in fact.

PETER DRYSDALE

It's a very strategic positioning on the part of China. It's moving toward the Europe of East Asia. This move is a strategic vision, but it's very politically motivated as well. It's not about maintaining established relationships but of developing clearly a future position for dealing with North America. Why shouldn't it be? We would be much happier in many ways if it were a stable and ordered structure that included Japan, Korea, and the rest of us.

QUESTION

A number of my friends in ASEAN have said they would like a framework agreement with the United States. This framework agreement would not legally bind them, but it provides an approach for the United States to be an external partner of ASEAN. What do you think about this proposal?

HUGH PATRICK

The beauty of framework agreements is that you

We have to realize that, fundamentally, the economic relationship between China and Japan is complementary, not competitive.

—Hugh Patrick

don't have to agree to anything. That is to say, there are no legal commitments to carry through anything. In a fundamental way that has been both the strength and the weakness of APEC. APEC encompasses all of these countries; it is an agreement of countries in the region to get together, cooperate, find areas where they can do things mutually, voluntarily, and consensually without any legal sanctions or disciplines. That, I would say, is the best framework agreement there is, and it's the one that should be built on. Whether the sub-regional framework agreements will add to that, I'm not sure. They do have certain political driving forces. The fact that China signaled it was willing to engage in a framework agreement was very reassuring for Southeast Asian leaders, apparently. Addressing that sort of political issue is very important.

Clearly, politics dominate the economics on East Asian and Asia Pacific economic cooperation, and that's probably appropriate. That suggests that we— meaning the academic institutions as a whole—should be holding more conferences on the politics of these issues. This is fundamental, and we economists on this panel have been stressing these political issues specifically, because they're so important, even though we

can't claim that that's our expertise.

QUESTION

Are FTAs slowing down free trade, or are they inevitable and necessary for free trade?

MERIT JANOW

I think the objective question is whether FTAs are trade creating or trade distorting. There's been a lot of work on that, and it sort of depends on which one you're talking about. There's very little that one can say with respect to those FTAs that are in East Asia, because they either don't exist, they're so new, or they're so small that you can't really worry about them in a major sense, in terms of the current trade effects.

I was speaking earlier about whether or not FTAs were intentionally diverting countries from further liberalization initiatives on the multilateral front, and to me that is a concern. I don't think that the incentives are there for dealing with the hard issues, except when you expand the partners, so it's hard for me to imagine that major agricultural reform will occur in the absence of some sort of deal inclusive of the United States and the EU. For example, it is unlikely that Japanese rice farmers would unilaterally decide that rice trade liberalization was okay.

We saw in the Singapore case, which was supposed to be so easy, that goldfish and orchards almost killed that deal for a while. Japan and Mexico got tripped up on orange juice. But that doesn't mean that bilateral agreements are useless or that there can't be other constructive things that can be done. They offer some room for experimentation. All of those other points are also there, but at the end of the day, do you see it as adding up to a net plus or not? I think that's where the opinions divide.

QUESTION

The EU, which many consider was the best solution to Europe's problems, was created because it was politically driven. NAFTA is certainly second best to what the Europeans have done, because it is inherently discriminatory. The question is, why Asia can't move toward the first best solution? Or in other words, why can't Asia move toward a common market? I think, fundamentally, that there's a lack of the same kind of political impetus and political drive that was present in the entire European story right through the euro. It seems to me that with the rivalries that one sees in Asia today, one can hope only for a third best kind of network of discriminatory trade arrangements that are not in

I think the objective question is whether FTAs are trade creating or trade distorting.

—Merit Janow



From left to right: Panelists Hugh Patrick, Takatoshi Ito, David Weinstein, Peter Drysdale, Merit Janow

Asia and are not for the global interest.

TAKATOSHI ITO

I'm not sure Europe is so much better than NAFTA. Yes, it is a customs union. The movement of goods and people is free. There's no proof of rules of origin required, but the wall to the outside is high, and they still put tariffs on automobiles. Any accession countries have to conform to the tariff that the EU 15 imposes, which means that lower tariffs have to be raised so countries can join the EU. So I don't see that the EU is a first best solution until the EU lowers those common tariffs to the rest of the world to zero. I don't see EU as such a beautiful first best.

So nobody is first best. No one is a perfect model and, as you mentioned, common agricultural policy is obviously another shortcoming of Europe.

So Asia has admitted it wants a model that is probably different from Europe and different from NAFTA, but I'm not so sure to call it the third best.

PETER DRYSDALE

I'm happy to say that the core of Europe is infinitely better than NAFTA, and I think there's no doubt about that. But what Europe is doing with the periphery is a different thing altogether, and that's where the problem is. For many years, people have argued that East Asia can't have the same model as Europe because of the structure, the character, and the dynamics of the region. When we think about where it might be down the road, it's going to remain very different from Europe. What's good for Europe is not at all that sensible in East Asia. So East Asian integration has got to have a particularly East Asian character

to it because of its history, its structure, and its dynamic. There are different levels of development, and countries with different economies that have joined the process over at different stages. But what is important is that there is a common enterprise there, and, as you suggest, I think at some point in time a grand political bargain is important to entrench the process. That's what we still don't quite have in East Asia, although I'm confident that the forces are there to provide a platform in the near future. Despite all the problems, I wouldn't want anyone to go away from this meeting thinking that I'm not optimistic about where the East Asian enterprise will go. It does involve, however, a very big breakthrough in China-Japan relations.

第六回米国三井物産財団シンポジウム
日本、APEC、東アジア間における経済協力

2005年2月14日、米国三井物産財団、コロンビア大学ビジネス・スクール日本経済経営研究所および同大学 APEC 研究所が共催し、第六回米国三井物産財団シンポジウムが行われた。以下は本シンポジウムの抄訳である。

アジアにとって欧州連合(EU)の進展やユーロ通貨の強さは賞賛とあこがれの対象であるとともに時には嘲りの対象でもある。それは諸刃の剣であるとも言える。一方で、東アジアも経済的・政治的統合を必要とするが、ヨーロッパや南北アメリカと同じ方法が良いとは限らない。また、アジア諸国の国家関係における歴史的経緯の複雑さからも、一つにまとめることが難しい。それにもかかわらず、政治的・経済的統合がアジアに必要であるという意見がアジア諸国に限らず有力になっている。アジア太平洋経済協力会議(APEC)や東南アジア諸国連合(ASEAN)、そして過去数年に急増した自由貿易協定(FTA)がその証左と言えよう。

これら全ての二国間・多国間 FTA や、APEC や ASEAN 内の法的拘束力を持たない取決めは果たして効果的に共存しうるのだろうか。それはどのように機能するのか。どの国がリーダーシップを取るのか。グローバル経済において強固な経済力を持ち、それにより政治力を持つために東アジア諸国に何が必要なのか。

2005年2月14日の第六回米国三井物産財団シンポジウムにおいて、学界の著名人を集めこの問題について討論した。講演者には、東京大学大学院経済学研究科・先端科学技術研究センター伊藤隆敏教授、豪州国立大アジア太平洋経済学科ピーター・ドライスデール教授、コロンビア大学国際関係公共政策大学院(SIPA)・APEC 研究センター共同所長メリット・ジェノー教授、コロンビア大学日本経済経営研究所所長・APEC 研究センター共同所長ヒュー・パトリック教授、コロンビア大学経済学部(日本経済:カール S.シャウブ)ディビッド・ワインスタイン教授をお迎えした。

伊藤教授は、なぜ日本の関係官庁が包括的な東アジア経済協定をまとめる以前に、様々な個別 FTA の締結を好む傾向があるのかについて概説した。ひとつには EU 誕生とユーロ通貨の影響が強かったことが挙げられた。ユーロが今後どうなっていくかは誰にも予測できないところであるが、ユーロ通貨が強くなり、投資家の自信が増しているため、アジア諸国も世界貿易における立場のとり方を再考し始めている。今世界が南北アメリカ、ヨーロッパ、アジアの3つの貿易グループに分かれているのは明らかである。さらに、米国が北米自由貿易協定(NAFTA)を形成し、それが結果的に日本や他のアジア諸国に対して差別的協定であったこともきっかけとなった。伊藤教授はまた、ヨーロッパと南北アメリカが統合するのならば、なぜアジアでしない手があるかという疑問を投げかけた。日本が現在各国との FTA 締結を推進しているのは、できるだけ早く貿易を促進しようとしているため。伊藤教授は、複数の協定が形成された時が東アジアの FTA を統合するチャンスであると提唱した。

ドライスデール教授は東アジア貿易におけるオーストラリアの役割について発表した。オーストラリアはアジアにとってエネルギーや原材料の主要供給国であるため、アジア諸国との FTA 交渉においてオーストラリアが特異な立場にあることにも言及した。また、教授によれば、FTA の経済効果はゼロに近いため、複数の FTA を形成するよりも、より広範囲の経済協定を成立させるほうが有効であると述べ、現時点で重要なのはまず日本、米国、中国の各国政府がアジア地域でのそれぞれの経済的・政治的役割を定めることである。それが明らかになって初めて、より広範な東アジア経済協定が成立し得ることとなり、ASEAN や APEC などのグループも活性化すると強調。

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ジェノー教授は経済学者と学界が FTA の枠組みを考え、政府機関や世界貿易機関 (WTO)などの組織がそれを雛形とし既存または新規の FTA が公平であるか、経済的利益はあるかなどを測る材料とすべきだと提唱した。世界貿易において FTA が存在し、これからも貿易国間で継続的に形成されていくというのは紛れもない事実であると指摘。問題なのはこの動きをどう止めるかではなく、二国間協定をどう地域協定に統合し、世界的な WTO システムにしていくかということである。

パトリック教授は FTA の増加傾向は様々な点を考慮すると結果的には他国間 WTO システムを弱体化させるものであり、ドーハ・ラウンドについて焦点をあてた交渉がされるべきであると述べた。パトリック教授は東アジア経済協力には米国の参加が不可欠であると指摘。日米中間の三角関係が重要であり、その中では日米関係は強固であり、日中関係は経済的には急速に進展している反面、政治的な緊張が高まっている。経済、安全保障、軍備力において急成長をとげる中国を国際的な経済・政治システムに統合することは米国の国益に適うものである。

このレポートは本シンポジウムの講演・討議を完全収録。日本経済経営研究所 (CJEB) 発行のレポートは CJEB ウェブサイト www.gsb.columbia.edu/japan にてご覧いただけます。

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