

ASEAN, East Asian economic integration

United States President Donald Trump ended his five-nation, eight-day tour of Southeast and East Asia at the East Asia Summit (EAS) in Manila last month. In addition to participating in the ASEAN, APEC and EAS meetings, Trump also held one-on-one meetings with several leaders from the region. The president, who has repeatedly challenged America's traditional alliances in Asia, showed a conciliatory approach during his first maiden voyage to Asia.

In the bilateral meetings, he sounded more like a 20th century trade negotiator than a 21st century statesman. He urged East Asian economies to invest more in the US, buy military equipment and import more gas, generally pressing for economic measures he thinks will reduce US trade deficits. The absence of a US leadership that encourages Asian progress toward economic inte-



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gration is a disappointment.

President Trump's protectionist policies are no doubt a result of unresolved economic challenges created by globalization. The bilateral trade deficits are certainly real. China, Japan and Korea export much more than they import from the US. But the US, through its inaction and lack of innovation, has also contributed to this; and now it is up to the US to fix it.

On the other hand, Asia also must take responsibility for its own recalcitrance and take the steps to move forward. Asian leaders know what must be done. But they remain plagued by inertia, preoccupied by domestic needs and immobilized by con-

servatism, with many leaders seemingly taken by populist opinions. As a result, the region as a whole has failed to take the steps needed to ensure long-term economic stability, economic growth and prosperity.

This is not to say that no positive steps are being taken. In a welcome contrast to Trump's ignorant protectionism, ASEAN and East Asia have continued to advance free trade, opening negotiations on the Regional Comprehensive Economic Partnership (RCEP) and expanding trade deals with non-regional partners, offering almost all of their preferential tariff rates.

But the achievements in tariff liberalization have been offset by the rise in non-tariff measures. There are also challenges in tackling barriers to trade in services. ASEAN member states generally have more restrictive services policies than any other region in the world. Seeking uniformity in

regulatory rules remains challenging, given the widely different levels of development and often clashing national interests.

The result has been delays in the implementation of specific initiatives such as the ASEAN Plan of Action of Energy Cooperation (APAEC), as well as in the ratification of signed agreements and their alignment with national laws. In Trump's policy speeches in Tokyo, Seoul and Beijing, the world saw how economic and social woes can result in protectionist consequences. ASEAN and EAS would be wise to take note.

It has been repeatedly said that the benefits of globalization are at risk because of failure to address its social implications. Just as globalization needs to be humanized and made more inclusive, this is also true for ASEAN and East Asia's regional economic integration. ASEAN already has the necessary constructs embedded in its three

community pillars (the Economic Community, the Socio Cultural Community and the Political Security Community) to address this challenge. These pillars cannot pursue their goals in silos.

The question will be whether or not the existing institutional setup and prevailing mindsets allow us to effectively address these challenges. The pursuit of economic integration must put the welfare of the people and sustainability at the center. Shortcomings in the way social and environmental considerations are addressed will limit the success of economic growth.

As the US President is ceding his global leadership role to others, ASEAN and East Asia need to make sure that global governance works for them and the rest of the world. It is time for ASEAN to become involved in setting global rules, albeit toward a higher level.

As President Trump remains committed to his "America First"

policy that renounces the traditional US role as the key defender of economic liberalization, ASEAN and East Asia have no choice but to act. A wait-and-see attitude is not an option. The current protectionist and populist policies of the US will inevitably fail to deliver on its simplistic promises; but the progressive forces of ASEAN and East Asia must be ready to showcase the benefits of inclusive and sustainable economic integration.

For individual economies, it is not how far they can go, how high they can jump, or how much power they can exert. It is about setting rules for a common destiny, building mutual trust and making reasonable adjustments.

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