

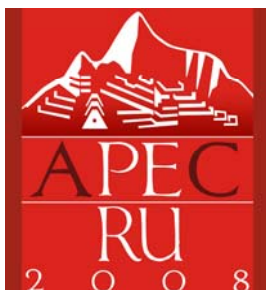


**Asia-Pacific
Economic Cooperation**

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Transforming APEC into a Transregional Institutional Architecture

Purpose: Information
Submitted by: Chinese Taipei



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Transforming APEC into a Transregional Institutional Architecture

Chen-Sheng Ho, Ph.D.
CTPECC
Chinese Taipei
APEC Study Center

1. Purpose of Presentation

- ❖ Describe the idea of transregional institutional architecture (TIA).
- ❖ Explain why APEC should become a TIA.
- ❖ Suggest ways to enhance cooperation between both sides of the Pacific Rim.
- ❖ Provide an initial analysis of Australian Prime Minister Rudd's notion of Asia Pacific Community.

2. Challenges Facing APEC

- ❖ The 20th anniversary of APEC is next year, so need new ideas for enhancing APEC.
- ❖ The notion of APEC as a regional institutional economic architecture is outdated.
- ❖ APEC should be considered a transregional institutional architecture.
- ❖ APEC could work towards more equal balance between APEC economies of the Eastern Pacific Rim and APEC economies of the Western Pacific Rim.

3. Professor Aggarwal's Concept of Regionalism, Interregionalism and Transregionalism

- ❖ Regionalism: "geographically-concentrated unilateral accords."
- ❖ Interregionalism: "the pursuit of formalized intergovernmental relations with respect to commercial relationships across distinct regions."
- ❖ Pure Interregionalism: "the formation of ties between two distinct free trade areas or customs unions."

3. Professor Aggarwal's Concept of Regionalism, Interregionalism and Transregionalism (Contd.)

- ❖ Hybrid Interregionalism: “one customs union negotiates with a group of countries from another region, but the second group is not a customs union or free trade agreement.”
- ❖ Transregionalism: “an accord links [economies] across two regions where neither of the two negotiates as a grouping.”
- ❖ Professor Aggarwal states that APEC is an example of transregionalism.

4. Common Concept: Regional Institutional Architecture

- ❖ A regional institutional architecture (REI) focuses on one region.
- ❖ Merriam-Webster Dictionary: institutional means “of or relating to an institution” and institution means “an established organization or corporation especially of a public character.”
- ❖ Merriam-Webster Dictionary: architecture means “a unifying or coherent form or structure.”

5. New Concept: Transregional Institutional Architecture

- ❖ Transregional institutional architecture (TIA) is a product of the merger between regional institutional architecture (RIA) and transregionalism.
- ❖ A TIA upholds the notion of institutional architecture from RIA in which a TIA must be an institution with a structure.
- ❖ A TIA supports the idea of transregionalism but include the possibility for linking two or more regions.

6. APEC's Emphasis on the Asia-Pacific Region

- ❖ Asian economies play a major role in APEC given that they are the majority in APEC.
- ❖ ASEAN, Australia and Japan have been the initial economies that have started the idea of creating APEC.
- ❖ APEC Secretariat is located in Singapore.

6. APEC's Emphasis on the Asia-Pacific Region (Contd.)

- ❖ The Asia-Pacific region means the Asian part of the Pacific Ocean.
- ❖ However, APEC is based on consensus, non-binding principle, and voluntary participation, so that there is flexibility for all APEC members.
- ❖ Non-Asian members of APEC have not complained given that APEC has been created in Asia and the participation process is flexible.

7. Transforming APEC into a Transregional Institutional Architecture

- ❖ APEC should be considered a TIA because it links two regions, the Eastern Pacific Rim and the Western Pacific Rim.
- ❖ APEC could also be divided into five regions: South-East Asia, East Asia, Oceania, North America and South America.
- ❖ The purpose for stressing regions in APEC is to bring greater balance to the work of APEC.

7. Transforming APEC into a Transregional Institutional Architecture (Contd.)

- ❖ APEC as a TIA means giving priority to projects that include participation of economies from both sides of the Pacific Rim.
- ❖ South American members of APEC would not have to become an APEC host to receive substantial amount of attention and resources.
- ❖ In the future, APEC could consider enlarging its membership to include all economies that touch the Pacific Ocean to enhance linkages among regions.

8. Australian Prime Minister Rudd's Vision of Asia Pacific Community

- ❖ Prime Minister Rudd calls for embracing a regional institution that focuses on the Asia-Pacific region.
- ❖ Prime Minister Rudd says members should include the United States, Japan, China, India, Indonesia and the other states of the region.
- ❖ Prime Minister Rudd says that the institution should address political, economic and security matters.

9. Comments: Australian Prime Minister Rudd's Asia Pacific Community

- ❖ My view is that the new concept for cooperation in the Asia-Pacific region is exciting and visionary.
- ❖ Australia has played a major role in making APEC successful and the new institution should also do well.
- ❖ However, the membership issue is not clear. Could economies from the Eastern Pacific Rim join the new institution?
- ❖ Eastern Pacific Rim economies that would like to join the new institution could strengthen their participation in APEC to illustrate their desire for transregional cooperation.

Thank You