



**STATEMENT OF THE 8<sup>TH</sup> ERIA GOVERNING BOARD MEETING**

5 June 2015

Jakarta, Indonesia

**Community Building in the Region in an Emerging New Global Environment**

1. New regional and global engagements, which emphasise deeper economic integration over more countries and greater focus on building a more sustainable, inclusive, and resilient world, are taking place. The Trans-Pacific Partnership, Regional Comprehensive Economic Partnership (RCEP) and the Asian Infrastructure Investment Bank will significantly influence economic developments in the East Asia region. Other major global initiatives that the region would face include the United Nations Post-2015 Development Agenda, the Sendai Framework for Disaster Risk Reduction 2015–2030, the Conference of the Parties to the United Nations Framework Convention on Climate Change, and Boracay Action Agenda to Globalize MSMEs.

2. The year 2015 is a critical one for the community-building efforts of East Asia. The region plays an increasingly greater role as a growth centre of the world and continues to attract attention from all over the world, as the realisation of the ASEAN Community gets closer. ASEAN has accomplished remarkable achievements as it moves towards being a formal community by the end of this year. Even as the ASEAN Community takes centre stage in December 2015, the vision for the ASEAN Community beyond 2015 is already emerging in public discourse and policy platform. Additionally, 2015 is also significant for the expected completion of the initial negotiations on the RCEP, which will provide the framework for deepening economic integration in East Asia.

3. This year 2015 also marks the 10th anniversary of the East Asia Summit (EAS), which was first convened in December 2005 in Kuala Lumpur. As ASEAN continues to drive the integration process, it is time to evaluate the achievements and challenges of the EAS. This impressive grouping of 18 vibrant economies will work its way forward into the next decade through proactive cooperation in social, economic, and political affairs. Recalling the first EAS in



December 2005, the Leaders from 16 countries expressed their full support for ASEAN's efforts to realise the ASEAN Community. They affirmed that such a community in East Asia is a long-term goal that would contribute to the maintenance of peace, security, prosperity, and progress in the region and beyond. Now is the time for the EAS to think how to encourage and support ASEAN's effort towards further community building. Also, now is the time for the EAS to further promote trust and harmony to ensure regional resilience as well as to strengthen cooperation and share experiences in dealing with traditional and non-traditional challenges.

### **Cooperative Regionalism and Improved Governance More than Ever**

4. Given East Asia's growing global role, East Asia can lead the world in addressing the growth slowdown and structural issues in the global economy through cooperative regionalism. This cooperative regionalism is characterised by concerted national efforts and greater regional cooperation at improving governance, implementing structural adjustments, raising productivity growth, and engendering robust domestic and regional consumption. The region is expected to bring forth realistic optimism for growth for all through cooperative regionalism, good governance, and good regulatory practices. The margins for policy reforms are still available in East Asia and the Leaders should utilise these for structural adjustments and good governance.

5. Addressing the connectivity issue for deeper regional integration remains crucial. As work on physical connectivity continues, institutional connectivity amongst the member countries will enhance the quality of growth in the region. It will also allow for risk distribution and a more inclusive growth. Integration amongst the real economy and financial economies of the region should not be sequential, but worked upon simultaneously. The regional economy will have enhanced productivity through development of human resource capacities and beyond-the border connectivity. The region should undertake the next generation of reforms needed to achieve free movement of people and free flow of goods and services.



### **Key Considerations for ASEAN and East Asian Community Building**

6. ASEAN is aiming to be a people-oriented and people-centred Community, as expressed in the Kuala Lumpur Declaration on a People-Oriented, People-Centred ASEAN adopted on 28 April 2015; meaning, regional integration needs to deeply engage and benefit the people. Well-developed supply chains and production networks in the world will create more jobs for the people in the region; increasing the opportunity for local enterprises to grow, empowering people through human resource development, and inducing innovation. By fully utilising and enhancing these regional supply chains and production networks, and implementing appropriately designed economic policies, many social and economic issues can be resolved simultaneously.

7. As East Asia grows and integration deepens, the movement of people across borders becomes an important concern requiring policy attention. An ageing population in some parts of the region and younger demography in other parts will result in an increased demand for both skilled and unskilled workers. The policy space for addressing migration issues has narrowed and requires urgent attention by the Leaders.

### **ERIA's Contribution and Immediate Actions to Meet Expectations and Requirements**

8. ERIA has once again been recognised as the international organisation to provide support to the Chair of ASEAN and EAS in 2014. Based on this recognition and perception, ERIA, as a sherpa organisation and the leading economic think tank in this region, will continue to contribute in building the ASEAN and East Asia Community. In this regard, ERIA should:

#### *Institutional Support and Research*

- Enhance collaboration with, and strengthen intellectual support to, the ASEAN Secretariat in the regional integration process.



- Enhance ERIA's recently established EAS Policy Support Unit, and urge EAS Leaders and Senior Officials to task the Unit to take up socio-economic support activities.
- Communicate with policymakers in East Asia more frequently and more deeply to find out how ERIA can be of help to them.
- Exert its best effort to conduct studies described in the Work Program FY2015 to the maximum extent possible, and to respond to requests by member states. Deepen understanding of economic benefits of integration, including of small and medium enterprises (SMEs), and better understanding of narrowing development gaps.

#### *Public Engagement and Capacity Building*

- Support ASEAN in developing its Vision 2025, especially for the ASEAN Economic Community and the ASEAN Socio-Cultural Community; help ASEAN implement the Vision; and assist in enhancing public awareness and understanding of the Vision, both within and outside the region.
- Deepen capacity building efforts for officials, academics, business associations in Cambodia, Lao PDR, Myanmar, and Viet Nam (CLMV countries) on issues related to structural reforms and regional economic integration; e.g., good regulatory practice, regulatory reforms for improved business environment, etc.
- Deepen engagement and communicate more with stakeholders and the general public.
- Help in the dissemination of regional development and integration efforts to the larger global community by collaborating with academic and government institutions in other parts of the world. Consider the diversification of funding resources to ensure the stability and sustainability of ERIA's activities and operations.



*Partnerships and Collaboration*

- Strengthen collaboration with partner research institutions in East Asia, such as member institutions in the Research Institutes Network and Energy Research Institute Network, and globally to deepen analysis on important issues concerning East Asia and its future and role in the global economy.
- Expand partnerships with ASEAN centres in ASEAN+1 countries, e.g., ASEAN-China Centre, ASEAN-India Centre, ASEAN-Japan Centre, and ASEAN-Korea Centre.
- Although cooperation now has been better than expected, work more closely with relevant multilateral agencies and knowledge institutions, such as the Asian Development Bank, World Bank, Organisation for Economic Co-operation Development, International Energy Agency, Asia-Pacific Economic Cooperation, World Trade Organization, United Nations Conference on Trade and Development, United Nations Economic and Social Commission for Asia and the Pacific, etc.

*Special Considerations*

- Consider the diversification of funding resources to ensure the stability and sustainability of ERIA's activities and operations.
- Raise peoples' awareness to the necessary preparations for a tsunami disaster by promoting 'Tsunami Disaster Prevention Day', as legislated in Japan, and the commemoration of 5 November every year as an international day.

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