

Re-inventing the Idea of an Asia Pacific Community

Peter Drysdale

Crawford School of Economics and Government
The Australian National University

Waseda University, Tokyo, 26 August 2008



Asia's Rise: Origins and Evolution

- **Asia and the Atlantic Charter**
- **commitment to the recovery of Japan**
- **US Alliance framework in East Asia: hub and spokes, bipolar to unipolar power**
- **grand bargain with China**
- **not quite the end of the Cold War**
- **the challenge of Asia's growth to status quo strategies**

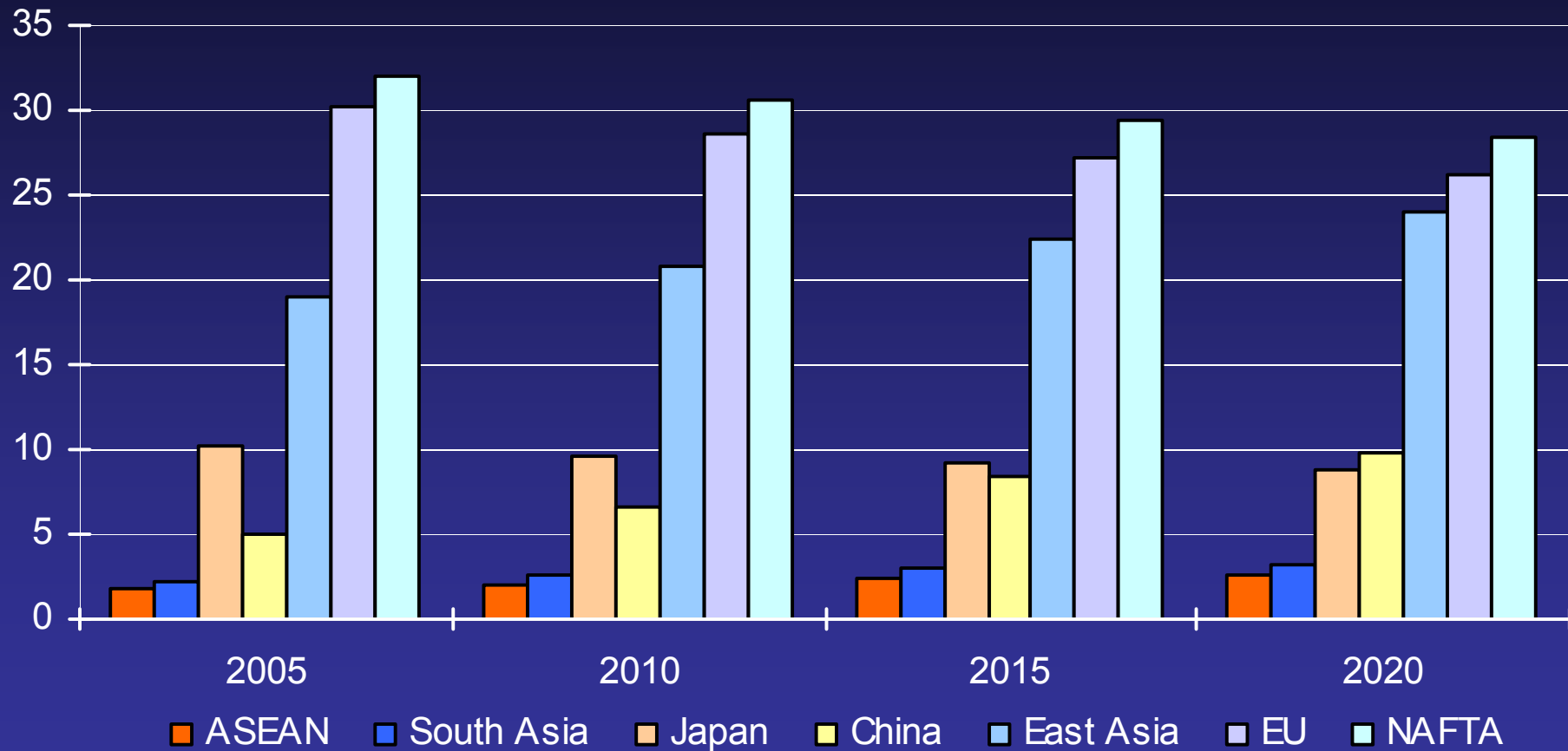


Progress and Prospects

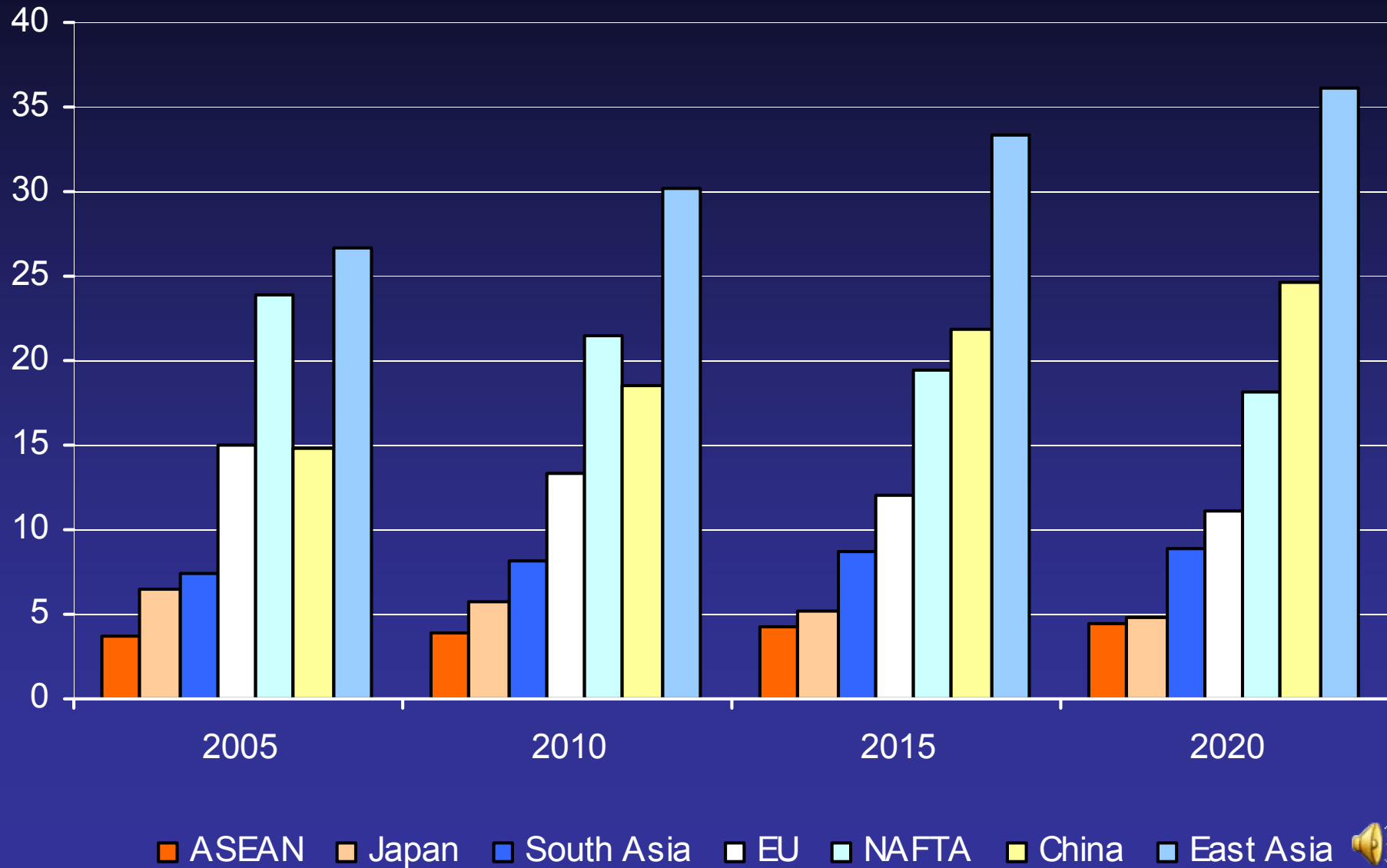
- **commitment to openness, catching up**
- **economic scale and proximity: the drivers of market-driven regional integration**
- **three generations of reforms**
- **first generation reforms: trade and investment**
- **4 waves of trade and economic transformation**
- **projections to 2020**



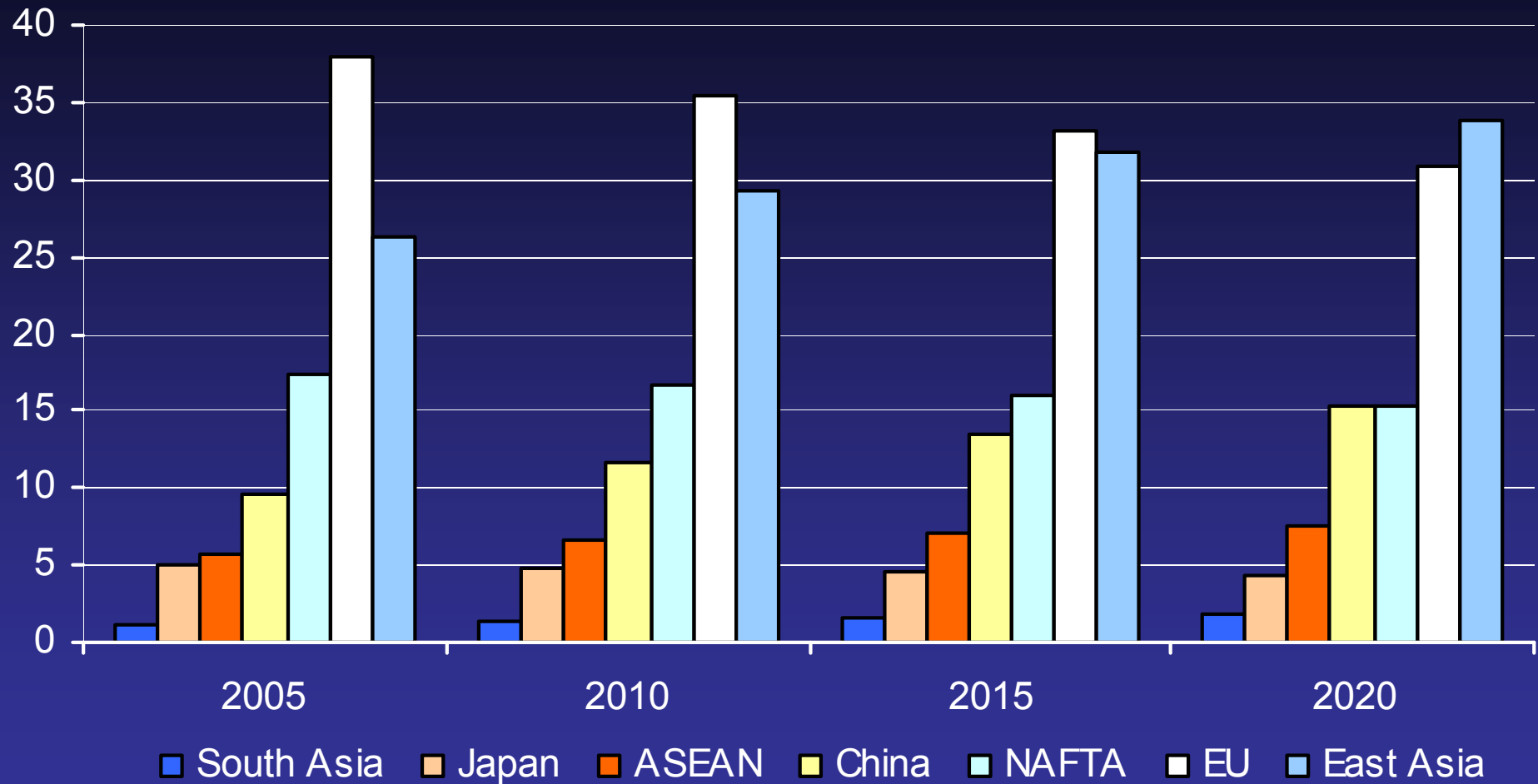
Asia and Projected Output Shares at Market Exchange Rates



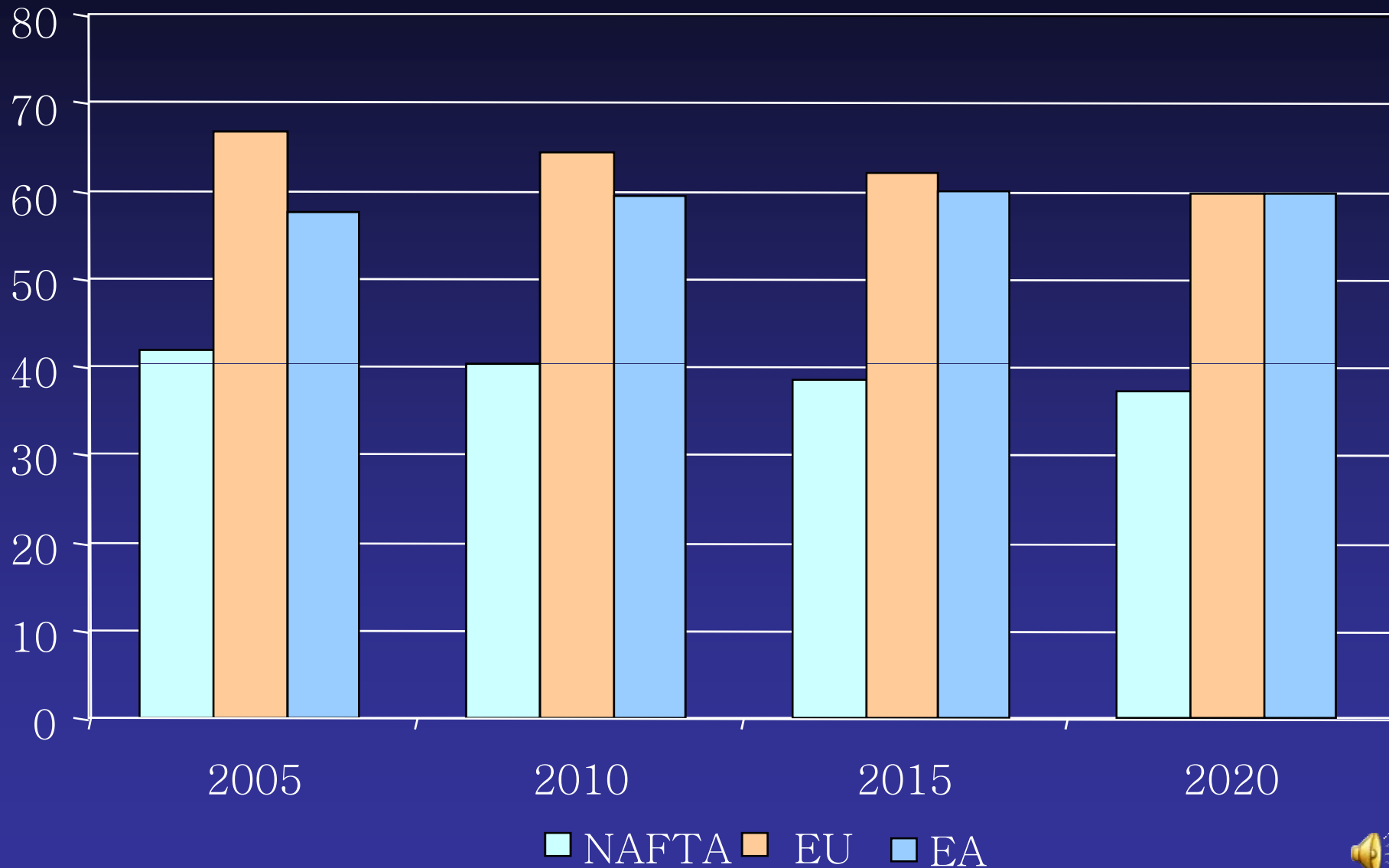
Asia and Projected Output Shares at PPP



Asia and Projected World Trade Shares



Asia and Projected Intra-Regional Trade Shares

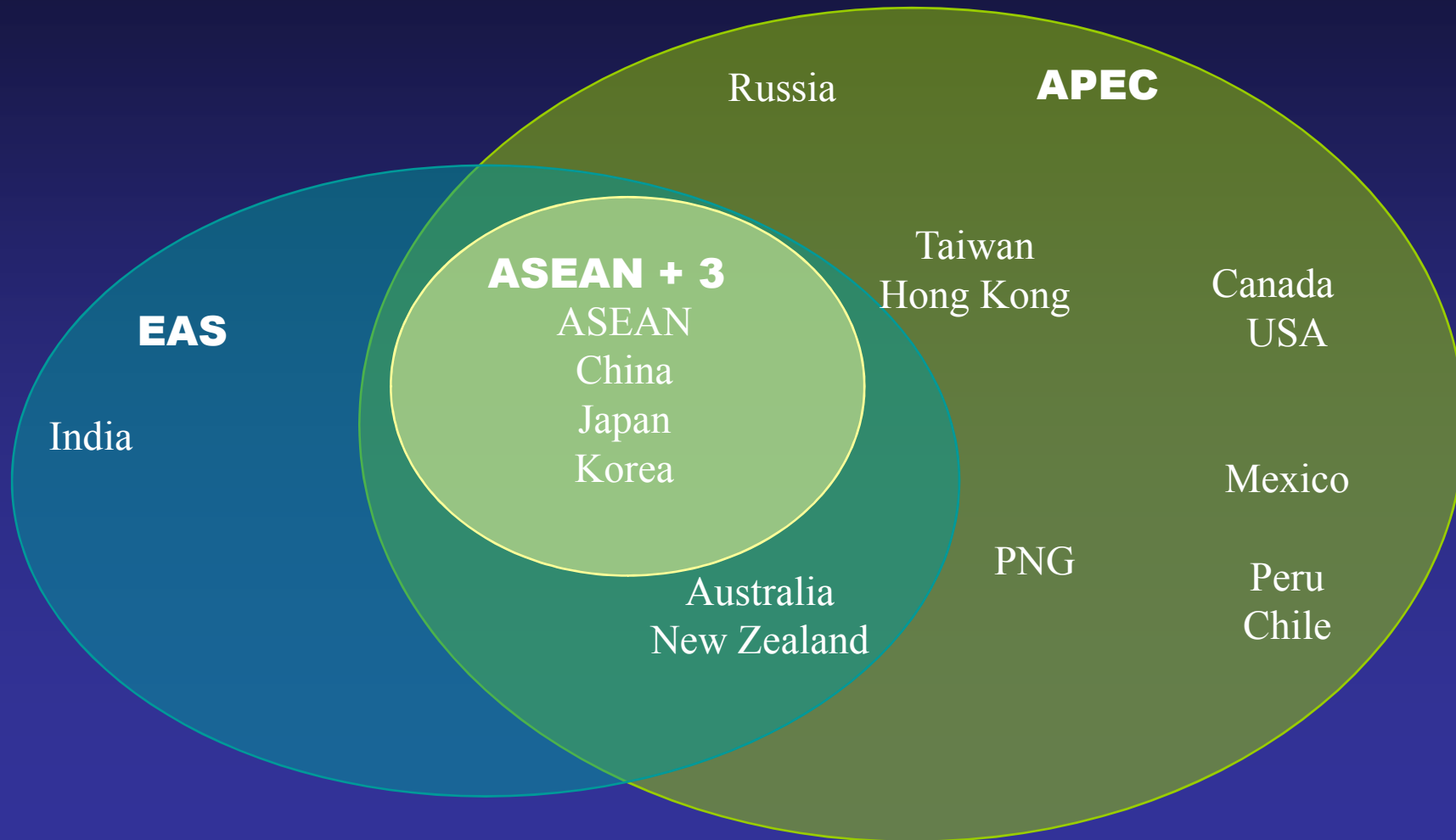


Regionalism in Asia

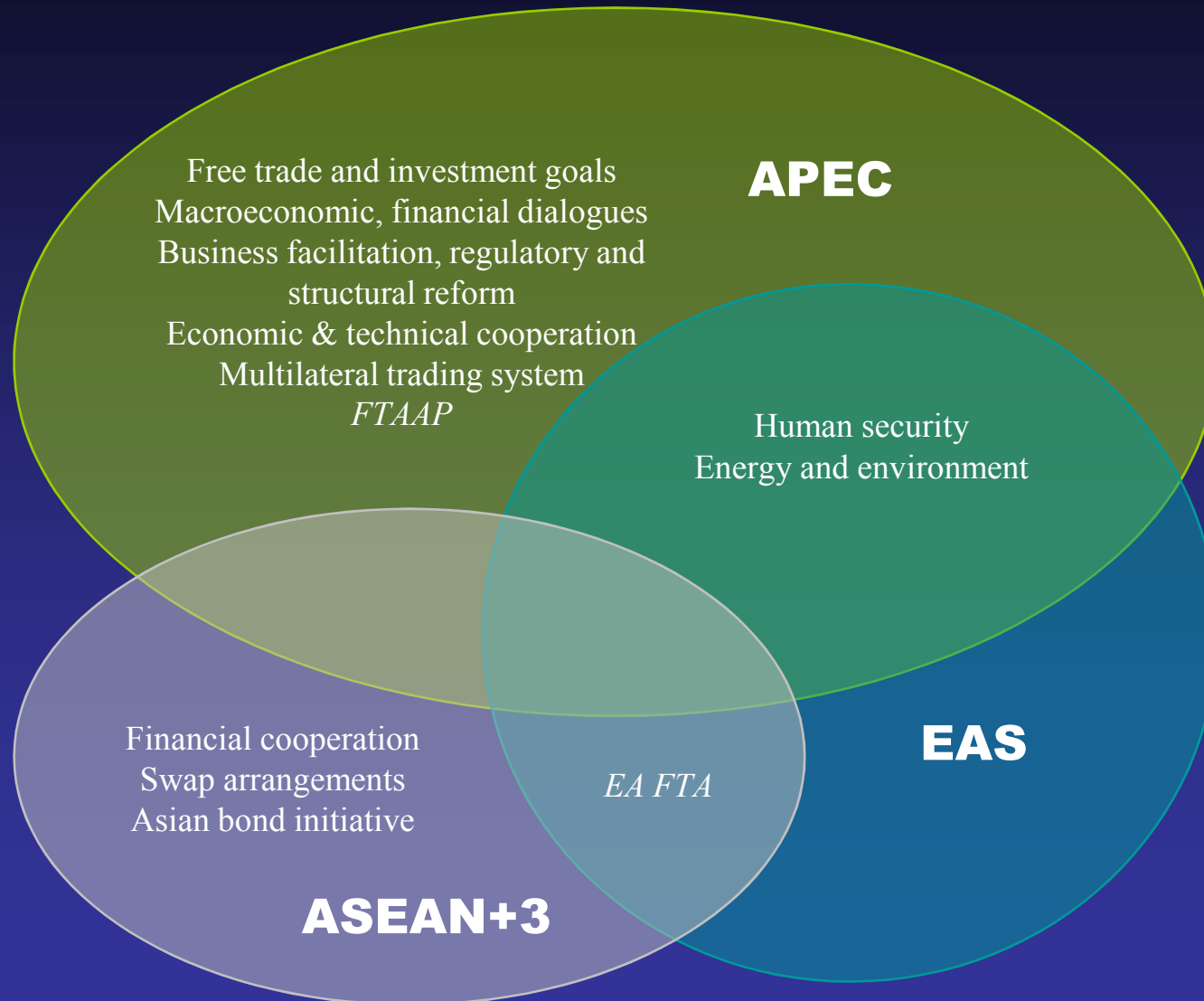
- **primacy of global liberalization**
- **first generation economic reforms: America as a positive factor**
- **crisis: in macro and finance: America as negative factor**
- **second generation reform, national and regional initiatives: America as a non-player**
- **the politics of third generation reform**
- **regionalism as an economic and political instrument**



Architecture of Cooperation: Membership



Architecture of Cooperation: Agendas



Strategy for Re-inventing the Asia Pacific Community

- **economic impact of Asia's rise: trade, investment, finance, environmental security**
- **political impact of Asia's rise: managing the rise of China and India; challenge to American primacy**
- **changing balance of power: hegemonic order, power balance, concord of powers?**
- **gap in political security dialogue**
- **Asia Pacific or East Asian arrangements?**
- **imperative of re-inventing the Asia Pacific Community**

