



SHAN ECCH372 Southeast Asian Economic Integration

The Alliance for Global Education International Business Program,

Summer 2009

Chen Chuanxing, Professor, Shanghai International Studies University

Course Overview

This course will explore many of the regional economic issues facing the Association of Southeast Asian Nations (ASEAN). Topics to be discussed include an overview of ASEAN, the ASEAN Free Trade Area and other Free Trade Areas. The course will fall into three parts. The first part provides an overall survey of ASEAN and the economic performance, economic prospects and development challenges facing ASEAN members in recent years. The second part focuses on the ASEAN Free Trade Area covering the agreement on trade in goods, realization of the ASEAN Free Trade Area, comprehensive revised CEPT rules of origin, elimination of non-tariff barriers, trade facilitation, customs cooperation, standards, technical regulations and conformity assessment procedures, framework agreement on services, finance cooperation, investment, consumer protection, competition policy. The last part covers the other free trade areas including the ASEAN's external relations with China, Japan and Korea, and other countries, focusing on the ASEAN-China Free Trade Area.

The format of the course includes lectures, presentation, weekly news updates, and in-class discussions of assigned readings. We will gradually reduce the time allocated to lectures and increase that of in-class interactive discussions.

Course Assessment

- Class discussion: 15%. Students are encouraged to actively participate in the class discussion.
- Group/individual presentation: 25%. Students will be assigned presentations on the course topics.
- Reading reports: 20% (4 points for each of 5 reports). Students should write 5 reading reports on the related topics and hand in them on time.
- Capstone Project: 40%. The Capstone Project grade is comprised of three primary components: 5% for preliminary project research question, project design, sources to be utilized of 500 words (Due Monday, June 29); 5% for midterm project update of 1,000 words (Due Wednesday, July 15). The purpose is to consult with the instructor on the progress you have made and obstacles you may face; 25% for final project due the final day of class (Wednesday, August 5). The final project

includes a 3,000 word paper (30 points) and a PowerPoint presentation (5 points) (Wednesday, August 5).

Course Contents and Readings

Part One: Getting Familiar to ASEAN Economy

This part will make students get more knowledge about the ASEAN economy. It will focus on an overview of ASEAN and the economic performance, economic prospects and development challenges facing ASEAN members in recent years.

Part One (A) An Overview of ASEAN

This topic provides an overview ASEAN including its establishment, objectives, fundamental principles, security community, economic community, socio-cultural community, external relations, structures and mechanisms.

Readings:

- <http://www.aseansec.org/64.htm>
- <http://www.aseansec.org/7069.htm>

Recommended readings:

- BRICK BY BRICK: The Building of an ASEAN Economic Community
Robert L Curry Jr. Pacific Affairs. Vancouver: Spring 2008. Vol. 81, Iss. 1; p. 142 (3 pages)
- ASEAN Beyond Forty: Towards Political and Economic Integration
Rodolfo C Severino. Contemporary Southeast Asia. Singapore: Dec 2007. Vol. 29, Iss. 3; p. 406 (18 pages)
- ASEAN and Multilateralism: The Long, Bumpy Road to Community1
Sheldon Simon. Contemporary Southeast Asia. Singapore: Aug 2008. Vol. 30, Iss. 2; p. 264 (29 pages)

Part One (B) ASEAN Economy

This topic deals with the economic performance, economic prospects and development challenges facing ASEAN members in recent years.

Readings:

- <http://www.adb.org/Documents/Speeches/2005/ms2005041.asp>

Recommended readings:

- Bridging the ASEAN Development Divide: A Regional Overview
David Jay Green. ASEAN Economic Bulletin. Singapore: Apr 2007. Vol. 24, Iss. 1; p. 15 (20 pages)

Part Two: ASEAN Free Trade Area

This part is designed to make students know more about the ASEAN Free Trade Area including trade in goods agreement, elimination of non-tariff barriers, framework agreement on services, investment, consumer protection, competition policy.

Part Two (A) Agreement on Trade in Goods

This topic covers the trade facilitation initiatives, rule-based trade arrangement, elimination of all

import duties, CEPT agreement, customs cooperation, standards, technical regulations and conformity assessment procedures.

Readings:

- <http://www.aseansec.org/19096.htm>
- <http://www.aseansec.org/12021.htm>
- Asian Growth and Trade Poles: India, China, and East and Southeast Asia. Preview By: McDonald, Scott; Robinson, Sherman; Thierfelder, Karen. World Development, Feb2008, Vol. 36 Issue 2, p210-234, 25p;
- ASEAN and Multilateralism: The Long, Bumpy Road to Community1
Sheldon Simon. Contemporary Southeast Asia. Singapore: Aug 2008. Vol. 30, Iss. 2; p. 264 (29 pages)
- Energy and ASEAN Economic Integration
Andrew Symon. Regional Outlook. Singapore: 2005/2006. p. 80 (4 pages)

Part Two (B) ASEAN Framework Agreement on Services

This topic will discuss the important market of trade in services, initiatives in trade in services, achievements.

- <http://www.aseansec.org/6626.htm>

Part Two (C) ASEAN Finance Cooperation

This topic will discuss the surveillance process, roadmap for monetary and financial integration, East Asian finance cooperation.

- <http://www.aseansec.org/6319.htm>

Recommended reading:

- Financial Cooperation of the ASEAN+3: Viability and Prospects*
Jin-Young Kim. Korea Observer. Seoul: Spring 2007. Vol. 38, Iss. 1; p. 163 (28 pages)

Part Three: Other Free Trade Areas

This part will cover the other free trade areas such as ASEAN-China Free Trade Area, ASEAN-Japan Free Trade Area, ASEAN-Korea Free Trade Area, and ASEAN-India Free Trade Area.

Part Three (A) ASEAN-China Free Trade Area

This topic will discuss the objectives, measures for comprehensive economic co-operation, trade in goods, trade in services, investment, and other areas of economic cooperation.

Readings:

- The Economic Impact of China's Industrialisation on ASEAN: an Inter-Regional Approach
M Yusof Saari. Malaysian Journal of Economic Studies. Kuala Lumpur: Dec 2007. Vol. 44, Iss. 2; p. 51 (15 pages)
- Interdependence of income between China and ASEAN-5 countries
Evan Lau, Koon Po Lee. Journal of Chinese Economic and Foreign Trade Studies. Bingley: 2008. Vol. 1, Iss. 2; p. 148
- Sino-Malaysian trade set for double-digit growth
Ding Qingfen. China Daily (North American ed.). New York, N.Y.: Jun 14, 2007. p. 14

- <http://www.aseansec.org/19105.htm>

Recommended reading:

- The impact of Chinese monetary policy shocks on East and South-East Asia. By: Koźluk, Tomasz; Mehrotra, Aaron. *Economics of Transition*, Mar2009, Vol. 17 Issue 1, p121-145
- Between Adapting and Shaping: China's role in Asian regional cooperation. By: Xiao, Ren. *Journal of Contemporary China*, Mar2009, Vol. 18 Issue 59, p303-320,
- The impact of Chinese monetary policy shocks on East and South-East Asia. By: Koźluk, Tomasz; Mehrotra, Aaron. *Economics of Transition*, Mar2009, Vol. 17 Issue 1, p121-145
- Foreign Direct Investment in China: Its Impact on the Neighboring Asian Economies
Dilip K Das. *Asian Business & Management*. Houndmills: Sep 2007. Vol. 6, Iss. 3; p. 285 (17 pages)
- China's Relations with Southeast Asian
Ian Storey. *Regional Outlook*. Singapore: 2008/2009. p. 12 (4 pages)
- ASEAN-China Economic Relations
Robert L Curry Jr. *Journal of Third World Studies*. Americus: Spring 2008. Vol. 25, Iss. 1; p. 275 (3 pages)
- China's ASEAN Invasion
John Lee. *The National Interest*. Washington: May/June 2007. p. 40 (7 pages)
- Developing Regions Facing China in a Neo-liberalized World
Alex E. Fernández Jilberto and Barbara Hogenboom
Journal of Developing Societies, Jul 2007; vol. 23: pp. 305 - 339.
- China's Changing Political Economy with Malaysia and Southeast Asia: A Comparative Perspective
Samuel C.Y. Ku *Journal of Asian and African Studies*, Apr 2008; vol. 43: pp. 155 - 171.
- The Economic Impact of China's Industrialization on ASEAN: an Inter-Regional Approach, M Yusof Saari. *Malaysian Journal of Economic Studies*. Kuala Lumpur: Dec 2007. Vol. 44, Iss. 2; p. 51 (15 pages)
- ASEAN-China Economic Relations
Alice D Ba. *Pacific Affairs*. Vancouver: Winter 2008/2009. Vol. 81, Iss. 4; p. 662 (3 p)

Part Three (B) ASEAN-Japan Free Trade Area

This topic will discuss ASEAN-Japan Free Trade Area focusing the technical assistance and capacity building to ASEAN, trade and investment promotion and facilitation measures, trade policy dialogue, business sector dialogue, facilitation of mobility for business people, any other measures delivering immediate mutual benefits.

Readings:

- Japan, ASEAN, and the Construction of an East Asian Community
Yeo Lay Hwee. *Contemporary Southeast Asia*. Singapore: Aug 2006. Vol. 28, Iss. 2; p. 259 (17 pages)
- Asian Economic Integration: ASEAN+3+1 or ASEAN+1s?
Amita Batra. *ASEAN Economic Bulletin*. Singapore: Aug 2007. Vol. 24, Iss. 2; p. 181 (24 pages)
- <http://www.aseansec.org/22572.htm>

Recommended reading:

- Japan's Official Development Assistance: The Japan ODA Model That Began Life in Southeast Asia. By: Araki, Mitsuya. *Asia-Pacific Review*, Nov2007, Vol. 14 Issue 2, p17-29, 13p,

Part Three (C) ASEAN-Korea Free Trade Area

This topic will discuss the political and security cooperation, closer economic relations, narrowing the development gaps within ASEAN and between ASEAN and the ROK, competitiveness and promoting knowledge-based economy/society, and cooperation in the fields of education and science and technology, mutual understanding, promoting cooperation in coping with emerging global challenges.

Readings:

- An Analysis of Home Country Trade Effects of Outward Foreign Direct Investment: The Korean Experience with ASEAN, 1987-2002
Jung Soo Seo, Chung-Sok Suh. *ASEAN Economic Bulletin*. Singapore: Aug 2006. Vol. 23, Iss. 2; p. 160 (11 pages)
- <http://www.aseansec.org/22557.htm>

Recommended reading:

- ASEAN-KOREA Relations: Security, Trade and Community Building
Inkyo Cheong. *Pacific Affairs*. Vancouver: Winter 2008/2009. Vol. 81, Iss. 4; p. 646 (2 pages)

Topic Four: ASEAN-India Free Trade Area

This topic will discuss the objectives, measures for comprehensive economic cooperation, trade in goods, trade in services, investment, and other areas of economic cooperation.

Readings:

- Challenges of Globalization: Malaysia and India Engagement
Faizal Yahya. *Contemporary Southeast Asia*. Singapore: Dec 2005. Vol. 27, Iss. 3; p. 472 (27 pages)
- India's Flexible Approach at ASEAN
Siddharth Srivastava. *Jakarta Post*. December 19 2005.
- India-Singapore CECA: A Step towards Asian Integration?
Jayan Jose Thomas. *ISAS Insights*. September 5 2005.
- <http://www.aseansec.org/22563.htm>
- India-China Economic Cooperation, Arvind Virmani, Chapter 13. Source: <http://prasad.aem.cornell.edu/doc/books/13India-ChinaEconomicCooperation.pdf>

Recommended reading:

- India, China Pledge Closer Strategic Ties
Ravi Velloor. *Straits Times*. 21 November 2006.