

ASEAN's Economic Community and its Strategic Implications

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The Association of Southeast Asian Nations (ASEAN) envisages that it will be transformed by 2015 from an association to a community consisting of three pillars, namely, the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC). The establishment of the ASEAN Economic Community shall be marked a milestone in the evolution of ASEAN.

ASEAN, which was established in 1967, has long had deep concerns over political-security conditions on domestic and regional levels while economic cooperation did not reach its full potential, at best, during the Cold War. For much of its history, ASEAN showed little progress in the economic sector, though there were a number of ASEAN initiatives to improve regional economic cooperation. ASEAN has been structured based on the 'ASEAN Way,' characterized by consultative and quiet diplomacy, a non-interference principle, and a consensus-based decision-making mechanism. The 'ASEAN Way' has often been depicted as a double-edged sword in the sense that it has been praised as a factor that made ASEAN successful in promoting peace and security in the region, while condemned as one of the hindrances to a more effective and competitive ASEAN - particularly in dealing with economic matters. The poor design of the economic cooperation scheme and the lack of commitment to it from ASEAN member states were not uncommon.

The paradox of economic regionalism in Southeast Asia was that in forming its own regional economic inte-

gration goal, it also created counter-regionalism among its members, who were compelled to make a choice between liberalization and protectionism. The objective of the AEC will be to achieve economic liberalization in the trade of goods, services, and investments. The national interests of the individual member states are often not consistent with regional interests or even with those of the other members'. ASEAN has had little to offer to entice its member states to remove these structural impediments in the past. The 'ASEAN Way,' the embedded principle, and the divergence of development levels among the member states created the major hurdles for further economic integration during the Cold War.

With the end of the Cold War and the emergence of regional trade blocs in other regions, ASEAN appeared to embark on the pursuit of regional economic integration. This movement was accelerated by several external events, such as the rise of China and India as major competitors for foreign direct investment (FDI) and the economic crisis of 1997-98, which revealed the ineffectiveness of ASEAN and resulted in strong de-

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mands for deeper economic integration. The emergence of East Asian regionalism also added an impetus for ASEAN integration while remaining a 'driving force'.

There has been an explicit tendency to direct more effort toward the establishment of the AEC since its approval in 2003. ASEAN has adopted the ASEAN Charter and a number of agreements which aim to provide a more transparent and rule-based mechanism for the establishment of the AEC. The recent development of the AEC, seeking to form a single market and production base and a fully-integrated region, seems to manifest a more concrete political will to realize it. This new movement is expected to bring a more uniformed schedule for liberalization, which would mean a departure from the traditional 'ASEAN Way'.

ASEAN is at a crossroads again with its new goal of creating an integrated community. The political economy of the AEC should be scrutinized according to several factors. This paper briefly reviews ASEAN's efforts prior to the establishment of the AEC and examines the AEC's rationale and strategies, focusing on mainly three factors: the resistance of protectionism against liberalization, political considerations, and the 'ASEAN Way'. Finally, the paper discusses the policy implications of the AEC for South Korea.

The Evolution of ASEAN Economic Cooperation

1. Liberalization vs. Protectionism

ASEAN's economic cooperation, another word for liberalization, had to face a counter-movement of protectionism. The foundation for trade liberalization was still weak, and there was no strong political will for economic integration. Protectionism, believed to make sense for development, was still the prevailing form of government policy in the region. In reality, there was also a strong connection between political elites and business circles, in which political elites were often engaged in running businesses.

At the first ASEAN Summit in 1976, the leaders adopted the Declaration of ASEAN Concord and the Treaty of Amity and Cooperation, which laid the foundation for further regional cooperation. Also in 1976, the ASEAN Industrial Projects Scheme (AIPs) was implemented. AIPs aimed for each member state to specialize in a designated industry. The scheme, however, was not fully utilized due to protectionism, which was linked with competitive industrial structures, the lack of private sector contributions, and the hefty economic dependence on major external powers. Rather, it became a regional version of import substitution policy for the member states. There were a number of similar initiatives in the early 1980s, such as the ASEAN Industrial Complementation Scheme and the ASEAN Joint Ventures, which were introduced but invariably became neither operational nor sustainable. These were not based on deliberate guidelines but constrained by bureaucratic red tape while the private sectors in general were excluded from these initiatives.

Apart from such joint efforts for industrial development, there were other attempts toward trade liberalization. The Preferential Trading Arrangement (PTA) introduced in 1977 intended to facilitate intra-regional trade by reducing tariff rates. However, the PTA was far from the current mode of Free Trade Agreements because the margin of preference rate was only ten percent, and it was on a product-by-product basis. Since it was on a voluntary basis and contended with protectionist policies, the lack of proper institutionalization was another reason for the failure of the PTAs. Not surprisingly, the commitment of the member states toward economic cooperation was low. During the 1970-80s, only about thirty percent of the planned projects were implemented.

2. Political Factors in Economic Cooperation and Development

The establishment of ASEAN and its development were largely possible because of a series of responses to challenges raised during the Cold War. ASEAN, as a group



of small powers, could not publicize its political-security goals for fear of causing unnecessary political responses from concerned parties such as Vietnam and China. It could have invited superpower rivalry into the region, but doing so could then have turned the region into a battleground or the base of a proxy-war. Since its inception in 1967 ASEAN has had to struggle for its survival and recognition as a regional group. It has put a priority on maintaining peace and stability in the region by securing national and regional resilience. The increasing threats brought about by the spread of communist regimes into Indochina in the late 1970s forced ASEAN to aspire for greater economic cooperation because the governments of its member states, generally lacking political legitimacy, had to secure a certain level of economic growth. But, no doubt, the *raison d'être* of ASEAN was still political. The economic developments of the 1970-1980s were, rather, the result of close relations with economic powers outside the region.

With the end of the Cold War and the withdrawal of Vietnam's troops from Cambodia, it seemed that there was no tangible threat-posing state in the region. This provided the actual motive for ASEAN members to think of regionalism. Consequently, with the emergence of regional trade blocs, globalization has appeared as a new challenge for it to meet. ASEAN is viewed as a means to generate economic activities and consequently raise living standards. The establishment of the ASEAN Free Trade Area (AFTA), therefore, should be understood not only in economic terms but also in a political context as a new motive to tie its member nations together. It was also expected to contribute to ASEAN's institutional consolidation so that ASEAN could facilitate its bargaining power in dealing with powers outside the region in various multilateral negotiations.

3. The ASEAN Way in Economic Cooperation

The 'ASEAN Way' was the backbone of regional cooperation during the Cold War era, largely focusing on political-security issues. However, as ASEAN has begun to

pay more attention to economic issues since the end of the Cold War, the 'ASEAN Way' evolved into a hindrance to further economic integration. ASEAN decided to establish the AFTA in 1992, but this did not prove to be a well-prepared initiative for regional integration. Regional trade blocs and preferential trade agreements extending beyond geographical boundaries have appeared as prominent features since the early 1990s. A united ASEAN was necessary to facilitate collective bargaining. ASEAN also had to show its readiness, or willingness, for economic integration in order to avoid lagging behind, which was also pivotal in attracting foreign investment into an integrated market. The priority of the AFTA on paper was to "further cooperate in the economic growth of the region, accelerating the liberalization of intra-ASEAN trade and investment."¹ However, increasing intra-regional trade was not considered an urgent matter under AFTA, the rules of which were generally based on the 'ASEAN Way'.

There was also a general weakness in managing matters of non-compliance and dispute settlement. The mechanism of the Common Effective Preferential Tariff (CEPT) has allowed members not only to maintain an Exclusion and Sensitive List but also to withdraw without penalty from initial commitments to the AFTA process. As a consequence of this flexibility, the highly complex CEPT became a *de facto* web of bilateral deals among the members, rather than a single regional mechanism², which inherently lessened the effects of AFTA. According to former ASEAN Secretary-General Ajit Singh, most decisions made by ASEAN members are based on national interests rather than regional interests.³ Malaysia, for example, insisted on protecting its automobile industry until early 2007 despite pressure from the Thai government to remove non-tariff and tariff barriers on competition. The Philippines had also considered temporarily excluding petrochemicals from the CEPT scheme in 2002. Though there was little evidence that ASEAN economic cooperation helped the member states' economic growth, ASEAN's focus shifted from economic cooperation to economic integration



in the aftermath of the Asian economic crisis of 1997-98, which later paved the way for the AEC.

ASEAN Economic Community

1. Toward the ASEAN Economic Community

The economic crisis of 1997-98 revealed the ineffectiveness of ASEAN in dealing with economic problems. Though ASEAN was not invented for that purpose, it had to justify its existence as a regional organization that had lasted for decades. ASEAN responded to the crisis by pushing for the dual process of deepening and widening regionalism. On the one hand, the economic crisis of 1997-98 became a catalyst for accelerating the pace toward economic integration. The leaders of the member states signed the ASEAN Vision 2020 to create a more integrated and liberalized region in terms of the trade of goods, services, investments, and capital. It also envisioned the transformation of ASEAN into a stable, prosperous, and highly-competitive region with equitable economic development, and reduced poverty and socio-economic disparities. It came with the Hanoi Plan of Action, which was an implementation program for Vision 2020. With the Hanoi Plan of Action, the states set a new target for the full implementation of AFTA by 2015. Under the new Vientiane Action Programme (VAP) signed in 2004, the completion of the elimination of tariffs by all members was scheduled to take effect by 2015.

On the other hand, ASEAN has expanded its efforts to embrace East Asia. ASEAN Plus Three (APT), the Chiang Mai Initiative, and the East Asia Summit (EAS) have become the key figures of East Asian regionalism. The rise of China and India and bilateral preferential trade agreements were a logical basis for ASEAN to seek accelerating regional integration. ASEAN has claimed to be a 'central force' in an expanded regionalism in East Asia. There were growing concerns that it could be overruled by Northeast Asian countries that individually have greater political power and economic capability than

ASEAN as a collective unit. In search of long-term goals, the APT member states have envisioned establishing the East Asian Community, which would mean not only economic integration but also shared-identity and close political cooperation.

Anxiety over the absence of an ASEAN Community and the possible establishment of the East Asian community got the ASEAN member states to take urgent steps toward further integration. This structural problem has laid the grounds for deepening regionalism in Southeast Asia through the ASEAN Community and the ASEAN Charter. ASEAN's objectives have been sharpened focus on becoming an integrated community, as sanctified by the Bali Concord II in 2003.

Though all three pillars of the ASEAN Community are equally important, the AEC seems to be regarded as the most advanced pillar. It was the AEC that originally took the lead with the primary goal of community, while the others were presented in response to it. Singapore has actively pursued the AEC, aided by the most open economy in the region. Meanwhile, Indonesia, keen to resume its role of leadership in ASEAN, proposed the ASEAN Political-Security Community where it could play a larger part. For a similar reason, last but not least, the Philippines advocated the ASEAN Socio-Cultural Community. The AEC is still probably explicitly in line with the logic of regional integration, which can be achieved through more rule-based institutions. The establishment of the AEC would bring ASEAN to a single market and production base. Indeed, AEC aims to bring liberalization in trade and services and standardization of economic interactions in the region.

The adoption of the ASEAN Charter in 2007, which was ratified by the member states in 2008, was part of efforts to realize the ASEAN Community. The ASEAN Charter laid an institutional foundation with the AEC Council, which is a main body for AEC building. The establishment of the Committee of Permanent Representatives and the enhanced role of the ASEAN Secretariat and the Secretary-General of ASEAN were also designed to move toward further institutionaliza-



tion. It also adopted blueprints in 2007 for the effective implementation of the three Communities. In order to ensure the execution of the measures laid out in the AEC Blueprint, the ASEAN Secretariat distinctively introduced a scorecard system. The adoption of the AEC Blueprint Scorecard system, which is supposed to report to the ASEAN Summit, indicates a change in the way of doing business to some extent. However, the reduction of tariff rates under these schemes was not sufficient to improve intra-regional trade due to persistent non-tariff barriers. It was only in 2007 when ASEAN started taking action against them more seriously when noticeable improvement was witnessed. These efforts included the development of the ASEAN Guideline on Good Regulatory Practice and Mutual Recognition Agreement (MRA) for Electronic and Electronic Equipment. It was about time for ASEAN to complete the reduction of tariffs under the CEPT and conclude FTA deals with major trading partners.

The AEC Blueprint does not merely mean a simple compilation of all existing documents but rather emphasizes the need for reviewing existing initiatives to make them relevant in practice. ASEAN has instead introduced various new instruments to realize the AEC. On the liberalization of trade in goods, the ASEAN Trade in Goods Agreement (ATIGA) was adopted and came into force on May 17, 2010. With its new features, ATIGA is expected to be a single reference document in trading goods, replacing the CEPT. It not only covers all trade-related areas, including tariff and non-tariff measures and trade facilitation, but also provides full tariff reduction schedules and disciplinary measures for non-tariff barriers. Along with ATIGA, several pacts were introduced for the purpose of accelerating regional integration. Among them were the ASEAN Comprehensive Investment Agreement (ACIA) and the protocol for the implementation of the ASEAN Framework Agreement on Services (AFAS), which were signed in 2009.

To form an overarching agreement, ASEAN member states signed the ASEAN Comprehensive Investment

Agreement (ACIA) in 2009. In contrast to earlier agreements, namely, the ASEAN Investment Area and Investment Guarantee Agreement, the ACIA has an expanded scope to cover portfolio investments. Regarding dispute settlements, it grants foreign investors the right to bring the issue to an international arbitration institution, whereas previously it has been settled only in a domestic court with the joint decision of the disputing parties.

2. Process or Progress?

It should be noted that, in many ways, the process toward the AEC has brought about some changes which could ultimately result in progress. On a domestic level, more individual member states have eased their protective measures. For instance, for the first time, Indonesia will amend a related law to allow foreigners to own land in Indonesia, though strict conditions will apply. There is also growing demand for economic integration among the private sector and the government in order to escape the so-called middle-income conundrum. For example, Malaysia, as a middle-income country has a political need for economic growth with its national vision to be a fully-developed country by 2020. It also needs a more integrated market for its exports and a production base for investment. In fact, Malaysia's inward FDI has been outpaced by its outward FDI since 2008. Although the readiness of the CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) for the AEC has been notably doubted, their political will to overcome existing hurdles appears strong. The increasing pressure to modify the 'ASEAN Way' has been evident. The ASEAN-X mechanism, which was enshrined in the ASEAN Charter, is another example of a new attempt for economic integration. Under the ASEAN-X formula, the member states are allowed to move further, if there is consensus, without the full participation of all the nations. It also contrasts to the traditional practice of consolidating through the 'ASEAN Way'. However, the continued influence of the 'ASEAN Way' not only as a



norm but also as a *modus operandi*, and its disjuncture from new goals, constrains the realization of the AEC.

Newly-adopted agreements for the AEC called for institutionalization through the introduction of an unprecedented compliance schedule. The AEC Scorecard indicates the low level of commitment to the AEC Blueprint, and this has led to growing concern. The total implementation of the blueprint was only about 68.2 percent. The implementation rate decreased from 87.6 percent of 105 total measures for the first period of 2008-09 to 56.4 percent of 172 measures for 2010-11. The scorecard, seen only as a compliance tool, did not reveal the details of the current status and progress of the AEC. To be specific, under the AEC Blueprints, the AEC will be based on four pillars: a single market, a competitive economic region, equitable economic development, and integration into the global economy. The AEC Scorecard stipulates that the implementation rate of the single market pillar is only 65.9 per cent of the 173 targeted measures for the period 2008-11. Making matters more alarming is that non-tariff barriers remain a key challenge. One study shows that nearly half of all tariff lines were linked to at least one non-tariff measure.⁴

The achievement of investment-related goals scored the worst with a mere 38.5 percent implementation rate for the period of 2010-2011. The poor performance in investment liberalization reflects the concerns that the free flow of investment would distort the interests of domestic groups. The second pillar of the AEC Blueprint, a competitive economic region, achieved 67.9 percent of 78 total measures. The second pillar is notable in relation to the establishment of common competition policies and laws. However, it seems that the ASEAN member states consider it is a subject that should be tackled domestically rather than regionally. The third pillar of the AEC Blueprint, equitable economic development, had an implementation rate of 55.5 percent for Phase 2 (2010-2011), while it achieved a 100 percent rate for Phase 1 (2008-2009). This denotes that the vast gaps between the firms in various business sec-

tors and among the member states remain a structural problem in sharing burdens or benefits from economic integration. The best performing pillar was the integration into global economy with an implementation rate of 85.7 percent for Phase 1. This suggests that ASEAN has continuously engaged with non-ASEAN member states mainly through FTAs. East Asian countries have been a major partner for bilateral and regional FTAs.⁵

Certainly there are many more great challenges and opportunities for the AEC to be realized. As the AEC Scorecard stipulated, the overall performance of the AEC Blueprint hardly met the original target. This was mainly caused by the peculiarities of ASEAN's character as a regional institution. The 'ASEAN Way' is still visible in the process of the AEC despite increasing pressure to modify it - if not seek its removal. In particular, 'informality', one of the more significant features in ASEAN's practices, often comes with less commitment from the member states. For instance, "only 73 percent of the 124 agreements under AEC have been ratified by all ASEAN member states."⁶ The ratification of the measures by all member countries does not necessarily mean immediate implementation. As mentioned above, the AEC Scorecard, which aimed to facilitate the implementation of measures by identifying specific actions to be taken collectively and individually, failed to provide a strong motive for the member states. This is mainly because it did not unveil the details of the record of each member in specific sectors, and thus, as a result, ASEAN was set back by not following the proper protocol.

There is a lack of effective disciplinary measures for noncompliance. Narrowing the development gap and improving connectivity among member states have hardly been met, though there are important impetuses for less-developed countries to participate in the process of liberalization. The liberalization of trade has made advanced efforts thus far, at least measured in the elimination of tariff rates. Non-tariff barriers and negative sentiment to investment liberalization, which are probably substantial hurdles for the AEC in



practice, have increasingly become challenges that must be tackled urgently.

Apart from the conviction that regional economic integration can be carried out by a number of agreements, the concept of AEC remains obscure. The AEC Blueprint states that the form of the AEC as a 'single market' and production base has five core elements: (i) free flow of goods; (ii) free flow of services; (iii) free flow of investment; (iv) freer flow of capital; and (v) free flow of skilled labor. It should be noted that the term 'single market' was not coined by ASEAN. In the context of the EU, a single market refers to an eventually-united monetary and fiscal system. With such deep integration, each country shall surrender part of its authority to a supranational entity. But in the ASEAN context, the movement of labor under strict conditions will be limited to only professionals, while excluding unskilled labor. Thus, the concept of the AEC is far from the European one and is likely to be formed as an 'AFTA Plus'.

It is considerably more important that the AEC has become increasingly harder to be completed in practice by the target year. This difficulty was attributed to the fact that the leaders of the member states have delayed the inauguration of the AEC by one year to the end of 2015. Though there have been a number of initiatives, including ATIGA and ACIA for the institutional building of the AEC, they have not succeeded in providing comprehensive guidance but instead have created more confusion over the implementation instead. Time constraints have been used as an excuse for the lack of consultations for making such agreements among the related parties on the domestic level. In this sense, it can be said that in terms of the AEC, ASEAN made more 'process' than 'progress'. This observation on the AEC leads to the prospect that it is highly unlikely to see the creation of the AEC by 2015. Given the paradox of the AEC's dilemma between liberalization and protectionism, it should be an evolutionary process, not an overnight change.

Meanwhile, the process toward the AEC will be strategic and dynamic in order to manage the economic integration and its external relations, particularly East

Asian regionalism. Dealing with the rise of China has become one of the core strategic interests of ASEAN over the last decade. East Asian regionalism has become a strategic means for China's involvement in the region, while ASEAN, as a middle power grouping, has played the role of a driving force. East Asian regionalism can be a key element in managing economic integration as well. It is interesting to note that what sparked off a flurry of FTAs among non-ASEAN nations was China's proposal to start an FTA. In order to gain recognition for ASEAN's viability as an economic unit, cooperation with powers outside the region was considered as a possible means.⁷ After most deeply-hit economies recovered from the Asian economic crisis, the focal point of economic cooperation in East Asia shifted to trade issues through the pursuit of FTAs.

In the absence of an FTA covering the whole of East Asia, there were a growing number of bilateral FTAs, either with ASEAN or with individual ASEAN nations. Take the example of the rivalry among the 'Plus Three' countries - Korea, China, and Japan - in which the FTA negotiations between ASEAN and China elicited similar deals with Korea and Japan. It provides ASEAN with a strategic option. ASEAN would prefer to have regional economic cooperation covering a wider scope where it can keep its centrality. The Regional Comprehensive Economic Partnership (RCEP) or even the Trans-Pacific Partnership (TPP) including some member states could be accepted as one of ASEAN's strategic options. However, there is also a growing concern that any involvement in larger structures carries the risk that ASEAN could be superseded and made into an irrelevant actor behind the scene, or even weakened as a regional organization.⁸

Policy Implications for South Korea

Two observations can be drawn from the process of building the AEC. First, though it is hard to expect to complete the establishment of the AEC by 2015, there



has been an increasing tendency toward economic integration. Second, East Asian regionalism and the AEC are inseparable from one another. Forming the AEC was a response to emerging East Asian regionalism, and it provides an important impetus for East Asian regionalism. Thus, the AEC process should attract more attention from related parties (i.e. South Korea) that have become significant economic partners with ASEAN not only in primary commodities but also recently in complex production links. As the AEC is expected to be an evolutionary process toward economic integration, Korea needs to diversify its strategy from bilateralism with superpowers to middle-power partnerships. Korea should prepare to deal with ASEAN as a middle-power grouping. Some policy implications for the Korean government can be suggested as follows:

1. The fact that the AEC is an evolutionary process implies two things. First, the elimination of non-tariff barriers and the liberalization of services and investments will be pursued in a flexible way, according to each member state's domestic conditions. In other words, there will be bilateral channels with individual nations as far as the significant improvement of investment and trade relations are concerned. Second, in spite of the failure to complete the original goals of the AEC, the recognition of ASEAN as a group would be notably improved with the implementation of the AEC, thus contributing to the improvement of ASEAN's bargaining power. For example, though Korea and ASEAN concluded FTA deals in 2005, bilateralism was adopted as the de facto mechanism between Korea and each individual ASEAN member state. In the case of the review of the Korea-ASEAN FTA, ASEAN would appear as a single entity with larger bargaining power. It would then be in a position to request Korea to adopt a comprehensive approach through bilateralism and regionalism. While bilateralism will remain the backbone of economic relations with Southeast Asian nations, regionalism will become increasingly important in enhancing bilateralism and vice versa.
2. In the process of East Asian regionalism, Korea and ASEAN can find a common ground for strategic cooperation. What ASEAN can get from building close relations with South Korea through middle power grouping is the latter's strong support for ASEAN's centrality in East Asian regionalism. There has been a tendency toward increasing rivalry in terms of the institutionalization of East Asian regionalism. For instance, the RCEP and the TPP are often seen as contending regional architectures. The leaders of the ASEAN Summit in October 2013 welcomed "the on-going negotiations for the RCEP and noted the importance of making the existing FTAs more responsive to the needs of businesses and increasing their utilization."⁹ Part of ASEAN's middle power strategy is to be integrated into the global economy, which is the fourth component of the AEC. It would imply that the RCEP process would be in line with the progress of the AEC. As ASEAN led RCEP initiatives, a close collaboration with ASEAN would give Korea more options over the regional architecture in East Asia.
3. Given that economic and political cooperation are inseparable, there is room to develop a strategic partnership between Korea and ASEAN. A strategic partnership could help both by providing more options in dealing with power games in the region. Undoubtedly, the need to engage with China more actively, while keeping a strategic alliance with the U.S., is inevitable. Korea's initiatives, including the East Asia Vision Group (EAVG) and the East Asia Study Group (EASG), received warm support from related parties in Southeast Asia and were finally implemented. South Korea's once-expected role of mediator would provide room for strategic collaboration with ASEAN as a middle power grouping through economic regionalism. If Korea and ASEAN could stand as a group of middle powers together, they could at least consider strategic options more liberally. It does not mean that they may take an option of balancing or bandwagoning, but, to a certain degree, the risk of souring their relationship with the superpowers will be low.



4. Korea should develop various measures to assist in the establishment of the AEC to meet the practical needs of ASEAN, such as narrowing the development gap and securing connectivity. Korea can share its experience of economic development, which would contribute to narrowing the development gap. Undoubtedly, Korea's advanced technology, particularly in the IT sector, would be useful in improving connectivity among the member states. ■

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Notes

¹ "Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area"

http://www.asean.org/images/2012/Economic/AFTA/Common_Effective_Preferential_Tariff/Agreement%20on%20the%20Common%20Effective%20Preferential%20Tariff%20Scheme%20for%20the%20ASEAN%20Free%20Trade%20Area.pdf.

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³ *New Straits Times*, 2 May 2003.

⁴ SanchitaBasu Das, "Assessing the Progress and Impediments Towards an ASEAN Economic Community" SanchitaBasu Das ed. *ASEAN Economic Community Scorecard: Performance and Perception*, Singapore: ISEAS, 2013. P.4.

⁴SanchitaBasu Das, 2013. pp.2-16.

⁵ SanchitaBasu Das, 2013. pp.2-16.

⁶ S. Pushpanthn, "ASEAN's Readiness in Achieving the AEC 2015: Prospects and Challenges" SanchitaBasu Das ed. *Achieving the ASEAN Economic Community 2015: Challenges for Member Countries and Business*, Singapore: ISEAS, 2012.p.16

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⁸ Joakim Ojendal "Southeast Asia at a Constant Crossroads: An Ambiguous 'New Region'" Fredrik Soderbaumet al.*Regionalization in a Globalizing World*, London: Zed Books, 2001, p.168.

⁹ "Chairman's Statement of the 23rd ASEAN Summit, 9 October 2013"

<http://www.asean.org/images/archive/23rdASEANSummit/chairmans%20statement%20-2023rd%20asean%20summit%20-%20text%20-%20final.pdf>

