Report of the Network of East Asian Think-Tanks (NEAT) Special Working Group on "The Future Direction of NEAT"

June 6, 2008, Bangkok, Thailand

I. Introduction

1.1 Background and Objectives

Since its establishment in 2003, NEAT has came up with policy recommendations on various issues to help strengthen ASEAN+3 cooperation. In the light of the adoption of the 2nd Joint Statement on East Asia Cooperation and the ASEAN Plus Three Cooperation Work Plan (2007-2017) on the occasion of the 10th anniversary of the ASEAN+3 process at the 11th ASEAN+3 Summit in Singapore on 20 November 2007, NEAT as the Track II body under the ASEAN+3 process needs to review and re-examine its role in ASEAN+3 cooperation and East Asian community building.

During its past 4 years, NEAT held regularly the annual conferences of NEAT members to promote exchanges among East Asian think tanks and submitted its recommendations to the ASEAN+3 Summit on the basis of the research of the key issues in East Asian integration process.

Then, under the suggestion of the 7th NEAT Country Coordinators' Meeting (CCM) held in Singapore during 20-22 August 2007, Thailand was then entrusted to organize a special working group to look into the future direction of NEAT and to examine the related areas or issues that NEAT should focus on to stay relevant and effective.

NEAT Special Working Group on the Future Direction of NEAT is aimed at reinforcing NEAT with the intention of enabling it to face future challenges. Also, NEAT is required to devise a refreshed scheme for East Asian community building in which NEAT will be able to play a crucial role.

As the result, NEAT Special Working Group on Future Direction of NEAT was held during 6-7 June, 2008 in Bangkok. It was sponsored by the Ministry of Foreign Affaires of Thailand and jointly organized by East Asian Studies Center, Ramkhamhaeng University and the East Asia Academic Cooperation Council of Thailand (EACC), the Country Coordinator of NEAT-Thailand.

The Meeting gathered a total of 22 participants from 11 ASEAN plus Three (APT) countries (delegates from Japan and Myanmar were absent) and opened by two distinguished speakers: Associate Professor Dr. Prapat Thepchatree and Assistant Professor Dr. Charit Tingsabadth. Participants who attended the Working Group after each presentation had engaged in an interactive discussion and had offered valuable suggestions and proposals for the future direction of NEAT.

1.2 Topics of discussions

Among many possibilities of topics for discussion, the focus of this meeting is centered on two important areas:

A. East Asian Community Building

B. Reinforcing NEAT

II Main issues and suggestions

2.1 East Asian Community Building

A. In the general term, participants recognized that in the past 10 years many achievements have been made, but in order to move forward and be relevant, there is a general acceptance that, strategically ASEAN must be a driving force and the experience of community building of the EU cannot be emulated but serve as a point of reference. In the long term, the roadmap of East Asia community building must rely on the work of ASEAN community building through the extension of its three pillars and work toward creating East Asian Economic Community, East Asian Political Security Community and East Asian Socio-Cultural Community.

- B. Most participants shared the view that many obstacles and uncertainties remain, such as a lack of full support from its members, a concern of China's rising economic power. Sino –Japanese relationship is an important element, but still full of distrust as shown through overlapping mechanisms of East Asia Summit (EAS) and ASEAN+ 3, lack of follow-up on the policy recommendations. The concept of East Asia community building is still not so popularly attractive as its benefits has not reached out the larger public. Adequate funding is another common issue that has to be addressed in order to conduct activities, such as conference, research, working groups.
- C. On the modality of how to make East Asia community building more relevant and enhance confidence building, participants shared the common view on the necessity of economic cooperation that would benefit the people in terms of production and poverty alleviation. The need of building up a sense of regional identity and social cohesion is also emphasized by some participants

The common area of policy priority proposals by participants focused on the East Asian Economic Community with the call on:

- 1. Deepening economic integration and narrowing the development gaps among East.

 Asian nations should be the top priorities in the East Asia building process.
- 2. The short-run **goal of merging** ASEAN-China FTA, ASEAN-Japan FTA and ASEAN-Korea-FTA into an East Asia Free Trade Area (EAFTA) and setting up an East Asian Monetary Fund.
- 3. The long-term goal of setting up an East Asian Currency and an East Asian Common market.
- 4. Development of East Asian Financial Community
- 5. Proposal for the **promotion of infrastructure investment** and functional cooperation that East Asia should work on a regional basis as East Asia currently has ample financial resources for investment. The proposed projects involve the following areas.
 - Energy Infrastructure

- Technology for improving environment and meeting the targets of managing climate change
- Networking of roads, railways and airports
- Water Infrastructure
- Investment in ICT (Information Communications Technology)
- 6. Promotion of East Asian regional identity through East Asian Studies and strengthening and consolidating academic network, such as expanding ASEAN universities network (AUN) to the level of ASEAN+3 Universities Network (APTUN): setting up a program for students, ex. ERASMUS; encourage credit transfers between universities in ASEAN+3 countries.

2.2 Reinforcing Network of East Asian Think-Thanks (NEAT)

A. Review of the past and current activities of NEAT

- With continuation of some suspicion on economic interdependence, NEAT must identify and try to maximizing common interests. Consolidate what NEAT have achieved on policy recommendations and make stronger foundation to deal with differences by relying on collective wisdom.
- Current activities of NEAT consist of:
 - 1. Setting up of East Asia Research Center affiliated with NEAT China and website: www.neat.org.cn
 - 2. Holds Seminars and 8 Working Groups
 - 3. Make NEAT known to the public via extending NEAT networking to the experts, government officials and business leaders.
- There are challenges faced by NEAT. For example, NEAT activities do not have governmental support and are now facing possible competition from other newly established mechanisms like Economic Research Institute for ASEAN and East Asia (ERIA).

B. NEAT alternative strategies in face of new challenges

- Participants shared concern over the future and possible competition from other mechanisms. In order to make NEAT more relevant and promote a better use of its limited resources, combine synergy is advised.
- Participants have suggested many recommendations and options. The following ones are some alternative concrete actions and concern on the problems that NEAT should consider:
 - 1. NEAT must play an important role in East Asia community building.
 - 2. Strengthening NEAT activities to its original purposes and using several channels to establish linkages with Track I through discussion and sharing NEAT finding and recommendations with the ASEAN+3 unit at the ASEAN Secretariat in Jakarta.
 - 3. Fostering cooperation and linkages with other existing entities with similar objective to optimize its limited resources. Collaboration between East Asian Forum EAF and NEAT could achieve an excellent outcome.
 - 4. Making steps towards institutionalization. NEAT can consider establishing a small permanent secretariat that will coordinate with various Think-Thank and individual researchers.
 - 5. Upgrading the Website of NEAT and Reviewing NEAT Basic Rules and Framework in light of recent changes and developments.
 - 6. Coordinating with various Think-Thanks, such as ERIA and individual researcher, holding academic dialogues and cooperation with other think—tanks inside and outside the region on the basis of openness. Laying out issues to be considered and debated through publications and seminars.
 - 7. Setting up a coherent framework for research agenda and more consistent policy recommendations, such as economic investment policy relevant to the awareness of global environment and its impact on other sectors, such as export.
 - 8. Identifying research gaps and considering whether to adapt a centralized and collaborative approach of research agenda or continuing with its present decentralized and flexible one.

- 9. Setting up a task force as a new mechanism in the process of NEAT that would be issue-oriented and focus on the policy solution and implementation.
- 10. Addressing concern for lack or shortage of academic and data resources for supply of policy through non-disclosure by most government and private sectors in ASEAN+3 countries.
- 11. Seeking further sponsorship from outside resources, such as private business sector and private-nonprofit organizations, etc.

Special Working Group on the Future Direction of NEAT $6^{\rm th}$ June 2008 Bangkok, Thailand

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