In recent years, many different regional initiatives have been proposed by Japan and other countries in East Asia, including Southeast Asia. It is now necessary to study how to perceive them from the perspective of development aid. On the basis of this situation, this study examines the significance of regional integration from the perspective of development in consideration of regional trends in East Asia. Grasping progress in regional integration led by the Association of Southeast Asian Nations (ASEAN) and reviewing diverse regional initiatives, it assesses the desirable style and implementation of JICA's assistance to the Southeast Asian region from regional standpoint. This report refers to assistance in ASEAN integration and the efforts to address transnational issues as priority areas from the regional perspective.

Since the 1990s, Regional Trade Agreements (RTAs) for Free Trade Areas (FTAs), customs unions and other forms of integration have been rising markedly. It is estimated that more than 50% of global trade is accounted for by RTA members. Economic integration is thought to be accelerating stabilization and development of the regional economy. On the other hand, it has been pointed out that RTAs may allow limited states in the region to exclusively enjoy economic benefits and thus widen the intra-regional disparities. Moreover, this trend does not merely impact on external economic activities. Intensifying economic integration also increases the influence on domestic economy and other areas. Given the positive and negative sides of integration, the subject of regional integration can no longer be overlooked in any discussion on development. And apart from regional integration, it is becoming increasingly important to address development issues in a transnational manner.
New perspectives and new significance of assistance to Southeast Asia

The Southeast Asian countries that form ASEAN are positioned as the most important region for Japan’s official development assistance. They are a very significant area in political, economic and geopolitical terms. This region has, in recent years, seen some new moves that reflect regional structural changes such as an initiative for setting up an East Asian Community and the intensification of ASEAN integration. They provide an opportunity to review Southeast Asia from the perspective of regional integration. Behind these changes is the formation of production and logistical networks on the scale of East Asia, encompassing Southeast Asia. In addition, the emergence of populous China and India as economic powers have further boosted intra-regional trade.

Given this structural transition, there have over the past several years been increasing attempts to institutionalize the economic integration that is actually occurring in East Asia. Such attempts include the framework of ASEAN plus Japan, China and South Korea (ASEAN+3) since 1997 and the East Asia Summit, which was first held in 2005.

On the part of ASEAN, integration efforts are being accelerated. In December 1997, ASEAN adopted the ASEAN Vision 2020 in a bid to establish an economic zone ensuring free circulation of goods, services and investment and freer movement of capital, people and information on the basis of open regionalism by 2020. In 2003, the Declaration of ASEAN Concord II was adopted with the aim of creating an ASEAN community, after building security, economic and socio-cultural communities. Thereafter, we see the trend towards institutionalization accelerating. For example, a study for the establishment of the ASEAN Charter commenced and integration efforts in different sectors/domains started earlier than initially planned.

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BIMP-EAGA and Other ASEAN Growth Areas: assistance in peace-keeping and cooperation in non-traditional security areas and stimulation of trade and activities in the private sector

Transnational Challenges

Public Security and Development: standardization of statutory systems and enhancement in institutional capabilities to combat terrorism, sea piracy, money laundering, cyber crimes and suchlike

Environment: Increased action to address domestic environmental issues and to deal with trans-boundary environmental issues, boosted capabilities for proper control of shared natural resources and support for Clean Development Mechanism (CDM) projects

Energy: support for energy conservation, diversification of energy sources and tightening of complementary relations in the ASEAN region

Commitment to Human Resource Development

(1) Human Resource Development (HRD) for bolstering competitiveness, such as the training of people to be able to respond to the demands of the business world; (2) HRD to progress in integration, including the nurturing of personnel who propel integration; (3) HRD for addressing transnational cross-border challenges and (4) HRD that serves to correct disparities

Course of Action for Assistance

(1) improvement in JICA Headquarters’ structure and approaches for executing assistance, (2) development of programs with a priority on addressing challenges on a regional scale, (3) streamlining of international agreements, (4) determination of continued priority challenges, (5) close collaboration with ASEAN Secretariat and other related organizations and utilization of networks, (6) consolidation of knowledge for ASEAN regional assistance including the use of think-tanks in different countries within the region

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* The report is available for download from the JICA website at http://www.jica.go.jp/.