



What is CREP?

CREP (Comparative Regionalism Project) is an innovative project which aims at comparing and analyzing regionalism in Asia, Europe, and Americas.

This is the first scholarly systematic attempt to analyze regionalism in Asia from a comparative perspective. CREP also adopts a challenging “trans-disciplinary” approach in conducting the comparative research.

That is, researchers in Law, Political Sciences, and Economics will conduct their research on the common specific topics in discipline-specific methodologies so that they eventually identify common as well as different findings and assessments in the shared topics.

Message from the Director of CREP

Interview with the CREP Director,

Tamio Nakamura (Ph.D. 1991, University of Tokyo)

**Associate Professor of the Institute of Social Science,
University of Tokyo**

Q1: How did you come up with the idea of CREP?

Dr. Nakamura: When Japan concluded with Singapore and Mexico respectively the Economic Partnership Agreement (EPA) that includes the Free Trade Agreement (FTA) in the early 2000s, I sensed a fundamental change in Japanese economic diplomacy toward neighboring states in East Asia. Until the mid-90s, Japan showed little interest in bilateral agreements such as EPAs/FTAs; rather, Japan showed strong policy commitment to the WTO legal framework based on multilateralism. I wanted to know in particular *why* the fundamental policy change from multilateralism to bilateralism had occurred in the government in the early 2000s.

Although I read newspapers and journals, existing studies cannot fully explain *why* the change came about. Some scholars argued that malfunction of the existing framework such as the WTO and the APEC in responding to the Asian financial crisis in 1997 caused Japan's policy shifts from multilateral agreements toward bilateral agreements. Indeed, multilateralism as represented in such as organized form as the WTO has some drawbacks. Its members are world-wide and large in number, resulting in slow decision-making; the WTO's policy instruments are mostly legal measures, and in the case of the APEC, which is another extreme, its instruments are completely non-legal, broad political understandings. Legal instruments necessitate lengthy negotiations, and non-legal instruments are followed by non-compliance. Thus in either forum joint responses to new economic issues tend to be slow or ineffective.

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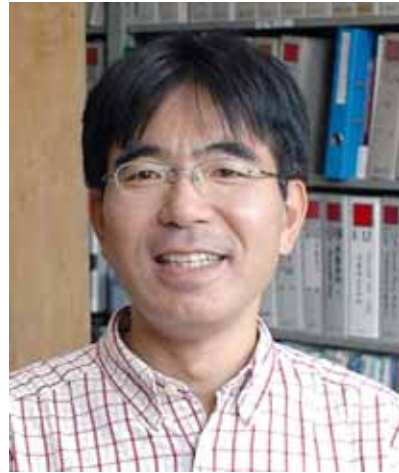
Message from the Director of CREP (contd)

However, that does not explain fully why Japan changed its diplomacy specifically after 1997. Clearly the WTO framework is not designed to respond to such economic issues as the Asian financial crisis. Similarly, the APEC is not a venue to agree on some specific governmental actions to respond to such crisis either. I suspect that there must have been a change of opinion within the Japanese government as to diplomatic strategies toward East Asia. I would imagine that the Japanese government wanted to develop new political relations by strengthening bilateral economic partnership with Asian neighboring states. On the other hand, the Japanese government has not disclosed any specific goals of this economic partnership diplomacy. The present government mentioned an East Asian "community" building. But please note that that "community" begins with a small "c", not a large one; and at the same time the government stresses the importance of maintaining the current Japan-US economic and political close tie as well.

Thus, my original question of "why" grew into a bigger question of "whether" and "what sort of" regional cooperation is possible in East Asia. This requires joint study in social sciences, and in particular requires international collaboration with Asian scholars. Moreover, if we can compare our economic, political and legal situation in East Asia with the experiences of the European Union (EU), NAFTA and Mercosur, we may be able to identify some suitable institutional framework of cooperation among the states and the peoples of East Asia.

Q2: What are the expected outcomes of CREP?

Analyzing and explaining East Asian regionalism in clearer social science terms and publishing the results in English are the first expected outcome of CREP. The comparative method is useful in this respect. By applying existing analytical framework, concepts, and terminology developed in studies on Europe and the Americas, we can analyse and explain East Asia as much as possible in common terms. Having said this, we may not be able to explain some East Asian peculiarities. In this case, we will have to develop a new analytical framework and/or concepts to explain those peculiarities, which is the second expected outcome of CREP.



Dr. Tamio Nakamura

The third expected outcome is to provide policy recommendation concerning future regionalism, especially in East Asia. We will need to focus on non-state actors such as local governments, business sectors, and various NGOs, which have not been primary actors in conventional treaty making processes. Because the dynamics of regionalization processes include not only state actors but also non-state actors, which is especially the case in the current East Asia, expected policy recommendations will be more inclusive and multi-dimensional than usual policy recommendations.

Q3. What are you feel working on your work as the Director of CREP?

I recognize that my task as the CREP Director is to set the pace and momentum of this research and to keep it efficient, and, above all, academically interesting and attractive. It is a very challenging task. First of all, since I specialize in European law (EU and British law), I must also increase my knowledge of East Asian national and international law. In short, I have to expand my jurisdiction in legal study.

Secondly, CREP needs various kinds of coordination. (a) It is an international project, and we need to coordinate the research with scholars abroad. (b) It is a multi-disciplinary project, and I need to understand the basics of each social science so that I can liaise and coordinate effectively between them. Thus my discipline will have to become plural.

Obviously, CREP is a team work. Sub-leaders of CREP, each of whom represents a different discipline, are just as important in carrying out this project.



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Message from the Director of CREP (contd)

Q4: Which areas/topics, have your previous works concentrated on?

I have been interested in the constitutional aspect of the EU legal system. I started my academic career with the study of British constitutional law. My Ph.D. thesis was about the British constitutional change since its accession to the European Communities. The legal interaction between the EU and its member states fascinated me and still does. Based on my previous studies in European and British constitutional law, I may be able to propose some analytical frameworks that can be applied commonly to European, American and East Asian regional arrangements.

When I was an undergraduate student in the early 1980s, I talked with my friend about a dream of mine. I said then that it would be great if we could have an East Asian Economic Community (EAEC), and I could be the Japanese judge to the EAEC Court of Justice. My dream was teased and treated as quite unrealistic at that time, but I wonder if that would still be the case.

Q5: Will CREP change or add your research agenda? If so, how?

CREP will, I hope, enrich my understanding of EU and British law. On the flip side, by contrasting Europe with East Asia, I will probably realize some specifically European elements of law. More generally, I will be able to put the EU law in a wider legal context for reassessment.

I may also find new research topics from that perspective. For example, the EU Member States have recently become keen on adopting soft (non binding) measures for their cooperation, the so-called Open Method of Cooperation (OMC). If you take OMC out of the whole EU legal and institutional background, it looks quite similar to the soft (non binding) measures agreed under the framework of the APEC. But that is not a proper understanding of the significance and the role of OMC in the EU. The EU has its independent institution and some legal measures to supervise and control OMC, whereas the APEC has none of these. Small portions of OMC complement large portions of hard law in the EU.

In East Asia, the situation is quite the reverse. Because CREP will look into various soft measures by ASEAN and/or some groups of East Asian countries, we might be able to suggest to the EU some success factors of soft measures without extensive hard law backups.

Q6: What is your hobby? How do you usually spend your holidays?

Climbing mountains is my long-standing hobby. I am also a fan of classical music and jazz. My little dream is to give a family concert one day with my daughter playing flute, myself being a pianist perhaps with unexpected "original" touches.

Interviewed on July 7, 2005 by **Sawa Omori**
(Project Manager)

Reports on Monthly Research Seminars (1)

On May 23-24, 2005, Dr. Tomoo Marukawa gave a talk entitled "Regionalism and Business" at the Monthly CREP Seminar, which was held at the Institute of Social Science at the University of Tokyo. His presentation focused on how European regional integration benefited the EU industry, citing the telecommunication industry as the most successful example.

He raised the question of why Free Trade Agreement (FTA) has not been formed in Asia despite economic benefits analyzed by economists employing the Computable General Equilibrium (CGE) Model.

Dr. Marukawa hypothesized that the distribution of the manufacturers' interests will affect the outcome, the pace, and the contents of regional integration. He raised mobile phone terminals (2nd generation) as an example of an industry in which European firms have succeeded while Japanese firms have not succeeded.

To be adopted as an international standard is a very important condition for firms producing mobile phone terminals in order to succeed in the telecommunication industry. In this vein, the EU firms held the European Conference of Postal and Telecommunications administrations (CEPT) and decided to create a standard at the European level. Also, the European Telecommunications Standards Institute (ETSI) contributed to standardizing GSM, which is the most widely used 2nd generation of mobile phone terminals in terms of world market share.



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Reports on Monthly Research Seminars
(1) (contd)

However, Japanese firms were far behind in making PDC (Japanese 2nd generation model) the international standard. According to Dr. Marukawa, one of the reasons why Japanese firms did not succeed in making their models an international standard is because NTT was prohibited from doing business overseas by 1997.

Japan's third generation model (WCDMA) is in a good position, since NTT Docomo and European firms such as Ericsson and Nokia have developed WCDMA, and this has been adopted as an international standard for the third generation model. However, Korea has adopted CDMA 2000 (US Model) as the third generation standard, and China has adopted WCDMA (Japan), CDMA (US Model), and SCDMA (China's own model).

Dr. Marukawa posits that these examples from firms producing mobile phone terminals show that standardization in Asia is very different from trade and investment flows in Asia where *de facto* regional integration has been achieved without formal institutional mechanisms.

In addition, Dr. Maruyama suggests that in Japan's case, those who support moves toward Asian regionalism are not people from the business sector but policy makers. Hence, Japan's moves toward regionalism are not backed by economic interests but by political interests. The Japanese business sector may have tried to avoid the risk of being excluded from FTA.

With respect to the distribution of manufacturers' benefits from comparative perspectives, Dr. Marukawa further argues that the relations among the European firms are equal and horizontal, while the relations between the US firms and Canadian, Mexican or other Latin American firms are unequal and vertical relations. In the case of Asia, though current firms' relative positions are vertical (Japan-Korea, Japan-China, and Korea-China), Korean and Chinese firms are strongly motivated to catch up with Japanese firms, which may produce critical differences from cases of Europe and the Americas.

Following Dr. Marukawa's presentation, participants engaged in active questions and discussions. Whether the current success of the Nokia firm should be regarded as a result of benefits from regional integration has been discussed, as has the question of whether Japan's low world market share of 2nd generation model should be regarded as a failure.

Reports on Monthly Research Seminars (2)

Dr. Kazushi Shimizu gave a talk entitled "ASEAN and Regionalism" at the Monthly CREP Seminar on June 28, 2005. Prof. Shimizu provided an analysis on processes and tasks of intra-ASEAN economic cooperation facing the current structural changes in the world economy. According to Dr. Shimizu, ASEAN countries initially tried to pursue "ASEAN's Strategy for Collective Import Substitution Industrialization for the Heavy and Chemical Industries" from 1976 to 1986, which resulted in failure. After the 3rd Summit in 1987, ASEAN countries aimed to pursue "ASEAN's Strategy for Collective FDI-dependent and Export-oriented Industrialization." Further, during the pre-crisis period of the 1990s, ASEAN countries set up some important cooperation frameworks such as ASEAN Free Trade Area (AFTA) and ASEAN Industrial Cooperation (AICO).

Intra-ASEAN economic cooperation entered into new phases due to structural changes in the world economy after the Asian financial crisis in 1997. Prof. Shimizu argued that these structural changes in the world economy are as follows: 1) China's rapid economic growth and emerging power within the region, 2) the stagnation of APEC's economic cooperation, and the growing economic cooperation using FTA framework, 3) stagnant world-wide trade liberalization due to the gridlock of the WTO rounds, and 4) increase in inter-dependence of the East Asian economies and emerging East Asia-wide regional economic cooperation, which includes China, Korea, and Japan in addition to ASEAN regions.



Photo by Jeff Levick



Reports on Monthly Research Seminars
(2) (contd)

Dr. Shimizu also pointed out that factors such as conflicting national interests and the lack of effective dispute resolution mechanisms, the economic gaps among member countries, and the MNCs' strategy which may go beyond ASEAN regions, for instance, can be regarded as centrifugal factors that may cause threats to advancing intra-ASEAN economic cooperation. Under these circumstances, ASEAN countries have tried to deepen economic cooperation through such means as the Declaration of ASEAN Accord II in 2003 which aims to establish ASEAN community by 2020. Further, Dr. Shimizu explained how intra-regional economic cooperation has been accelerated by citing Toyota's International Multipurpose Vehicle (IMV) plan as an example.

Discussions and questions followed Dr. Shimizu's presentation. Differences between the EU and the ASEAN countries were discussed concerning the degree of ASEAN's legal binding and effective monitoring system to ensure implementation. The issue of whether the production system of Toyota's IMV Project within the region should be considered as a situation in which MNC's strategy is consistent with policies of intra-ASEAN economic cooperation was also discussed.

Selected Faculty Publications

Books

- Ando, Ken'ichi.** 2005. *Japanese Multinationals in Europe, A Comparison of the Automobile and Pharmaceutical Industries*, Cheltenham, UK: Northampton: Edward Elgar.
- Nakamura, Tamio.** 2005. Edition. *New Horizon of EU Studies: New Approaches to the Polity Sui generis*. [EU Kenkyu no Shin Chihei: Zenrei Naki Seitai heno Sekkin.] Kyoto: Minerva Publishing.

Articles and Book Chapters

- Ando, Ken ichi.** 2005. "EU, the Political Economy of the Institute beyond Nation State," in *New Horizon of EU Studies: New Approaches to the Polity Sui generis*. [EU Kenkyu no Shin Chihei: Zenrei Naki Seitai heno Sekkin.] ed., by Tamio Nakamura. Kyoto: Minerva Publishing.
- Nakagawa, Junji.** 2005. "Round Table-International Trade Law in Times of Change: Focusing on WTO, FTA and EPA (Chaired by Junji Nakagawa)." *Horitsu Jiho* [Law Journal] June: 4-26.
- Nakamura, Tamio.** 2005. "The EU as a Plural Constitutional Order: An approach to the Constitutional Treaty." *Seigakuin Daigaku Sogo Kenkyusho Kiyō* [Seigakuin University General Research Institute Bulletin] No.32 (March 2005): 83-124.
- Nakamura, Tamio.** 2005. "EU Constitution from the Japanese Viewpoint: Some Suggestions to East Asian Regionalism" *The First EUIJ International Conference: The New Frontier of the European Union-Report of the Conference at ICU in Tokyo* February: 161-168
- Usui, Yoichiro.** 2005 "The Principle of Environmental Integration in the European Union: From a Discursive Constructivism." *Niigatakokusaijoho Daigaku Johobunkagakubu Kiyō* [Bulletin of Niigata University of International and Information Studies] 8 (March 2005): 89-117.

Research Grants

- Ando, Ken'ichi.** Japan Society for the Promotion of Science (JSPS) Grants-in-Aid for Scientific Research [Kakenhi] 2005, Basic Research C, "Research on the Mutual Relationships between Globalisation and Regional Economic Integration".
- Ando, Ken'ichi.** JSPS Invitation Fellowship Programme for Research in Japan (Short-term), (Invited Fellow, Odile E. Janne, Lecturer, Management at Birkbeck College, University of London, UK), "Comparative Analysis of the Industrial Cluster in the Context of Multinational's Global Strategy".





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Conference Presentations

Usui, Yoichiro. "Framing Regional Integration Studies: From the perspective of European Integration Studies" presented at the Workshop for the Comparative Study of Transnational Management in East Asia, held by Waseda University Centre of Excellence Contemporary Asian Studies on March 16 - 17, 2005.

Usui, Yoichiro. "The Construction of a Climate Change Problem towards International Action: the UNEP and the EU." at the Keio EU Studies Group, Keio University on May 21, 2005.

Faculty Briefs

Nakagawa, Junji attended the conference entitled *Regional Trade Agreements and the WTO Legal System* hosted by the British Branch of the International Law Association, held at Edinburgh, United Kingdom on May 27-28, 2005.

Nakagawa, Junji will coordinate a conference entitled "Major Issues of FTAs in Asia" at United Nations University, Tokyo, Japan on October 27, 2005. For more information, please contact Professor Nakagawa via an e-mail (nakagawa@iss.u-tokyo.ac.jp).

Event

The First CREP International Workshop, entitled "Designing the Project of Comparative Regionalism", will be held on September 12-13, 2005 at the Institute of Social Science, University of Tokyo.

The workshop will serve as a solid base to plan and implement CREP; specifically, the first CREP international workshop will set up common themes and frameworks and will plan a concrete research agenda for each region and discipline (Invited Scholars Only).

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