

***“Market-Driven Regionalism in Asia:
Integration, Competitiveness and the Quest for Best Practices”***

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Abstract

Asian economies have prospered significantly since they've been implementing their respective outward-oriented reform programs. Even with the dramatic shock of the Asian Crisis, these economies persevered in their reform of the real sector. Moreover, they have reacted to the rise of China and India in the globalization process by expediting reforms and embracing FTAs to open international markets even further, rather than retreating behind protectionist barriers. We argue in this paper that regionalism in Asia needs to aim at improving regional competitiveness by reducing intra-regional transactions costs and supporting the market-led regional integration process in Asia. Evidence exists that this is an explicit objective of most of these arrangements; however, in order to be successful, these agreements will need to be based on “best practices”.