

The Impact of the Crisis on Regional Economic and Financial Integration in Asia and Europe

A project jointly organised by:

- 🎧 Asia-Europe Foundation (www.asef.org)
- 🎧 Asian Development Bank Institute (www.adbi.org)
- 🎧 University of Ljubljana (www.uni-lj.si)
- 🎧 Prospex (www.prospex.com)
- 🎧 Europe-Asia Policy Forum (www.euforasia.eu)

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Synopsis

The global financial and economic crisis represents an unprecedented challenge to the Asia-Europe Meeting (ASEM) community. Confidence in the architecture of the global economy and its institutions has been shaken resulting in a climate of global uncertainty and vulnerability. More cooperation between Asia and Europe is required in order to build a stronger international monetary and financial system and facilitate global financial integration.

The ASEM community now boasts twelve members in the G20 and represents over 60% of global population and over 55% of global GDP. This ensures that the decisions made within and between Asia and Europe have major effects on the global economy, impacting global economic stability and potential growth. The declaration by heads of state at the 8th ASEM Summit in Brussels called for a push “towards more effective global economic governance”. It is evident that major opportunities exist in the current climate to create greater economic and financial co-operation, while improving existing coping mechanisms. This push towards greater co-operation was reiterated by the G20 leaders at the Seoul Summit, with heated debates on mechanisms such as Quantitative Easing and Global Monetary Imbalances, they warned that “uncoordinated policy actions will only lead to worse outcomes for all”.

Asia and Europe have much to share. The EU provides the benchmark for deepened regional economic and financial integration and the challenges and vulnerabilities that come with that. Asia, though not as deeply integrated, has experienced growth in spite of two major financial crises in just over a decade, thus illustrating a certain level of resilience of Asian economies and their important role in supporting global recovery. According to Asian Development Bank President, Haruhiko Kuroda, “the region [Asia] will make increasingly valuable contributions to global stability and global prosperity.” Europe also faces common challenges that call for greater and more structured collaboration. At the same time, a common understanding of opportunities, risk potentials and promising projects for building more resilience and prosperity in Asia and Europe seems to be lacking.

As part of a response to these calls for effective global economic and financial governance ASEF, the Asian Development Bank Institute (ADBI), the University of Ljubljana (UL), the Europe-Asia Policy Forum (EUforAsia) and Prospex will jointly organize a workshop in the city of Ljubljana from the 14th to the 16th of September 2011. Involving high level experts from both regions, the workshop aims at generating innovative ideas and informed recommendations on how to prepare for future crises, identifying vulnerabilities and activities for more extensive cooperation. It will also share Asian and European experience in regional financial cooperation with the objective to foster global integration.

The workshop will specifically discuss issues related to future monetary regimes, regional financial integration mechanisms, regulatory frameworks, fiscal policy implications, as well as capacity-building activities.

Aim

The project as such aims to:

- Identify key dynamics shaping Asia and Europe and the global financial system
- Provide policy recommendations and options to ASEM governments, specifically the finance ministries and other relevant processes
- Map and identify areas for future research collaboration amongst Asian and European institutions and experts.

A workshop involving key experts could result in:

- Identification of the financial vulnerabilities and risks for Asia and Europe, and of possible approaches for regional cooperation initiatives, actions and policy-options to deal with the upcoming challenges
- Working out, specifying and analysing the outcomes of the workshop
- Policy briefing on the key outcomes of the workshop and generating policy options for Asian and European stakeholders, the ASEM process in particular.

Forward-looking approach

One of the key features of this workshop is the use of foresight strategies to analyse policy options for mitigating future economic and financial crises in Asia and Europe. The workshop will look in greater detail at the next two decades of economic development. The significance of the 2030 timescale is that it offers a reasonable timeframe to apply the methodology for strategic foresight, as it allows for structural change to occur through policy reforms. Participants will discuss the pros and cons of long-term economic analysis and propose innovative ideas for both Asia and Europe to face the emerging challenges and risks moving forward.

Participants

The workshop will bring together high level participants from Asia and Europe professionally engaged in a variety of sectors to ensure representation of key stakeholder views. In keeping with ASEF's mandate participation in the workshop will be concentrated on a balanced regional representation of ASEM members. Participants will be drawn from; the academia, the finance sector, government bodies (national and regional), the media, NGOs, and trade unions.

Report

The outcome of the workshop will be compiled into an overall report which will aim to work out, underpin and specify the resulting policy options and recommendations suggested by the workshop participants. The report will be channelled to ASEM governments, particularly the finance ministries, and will be disseminated to a wider audience in Asia and Europe.

Programme

Wednesday, 14 September

Arrival of delegates

Registration

5pm to 7pm **Public Event: Asia, Europe, and Global Financial Integration**

Venue: University of Ljubljana, Slovenia

Welcome remarks: Ms. Sol Iglesias
Director for Intellectual Exchange, Asia-Europe Foundation

Keynote address: H.E Samuel Zbogar, Minister for Foreign Affairs, Slovenia

Presentation: **The global financial crisis and regional integration**
Noritaka Akamatsu, Deputy-Head, Office of Regional Economic
Integration, Asian Development Bank, Manila

Panel Discussion

Moderator: Prof. Marjan Svetličič
Head, Centre of International Relations, University of Ljubljana

Speakers: Dr. Chalongphob Sussangkarn (Former Thai Finance Minister)
Distinguished Fellow, Thailand Development Research Institute, Bangkok

Prof. Yu Yongding, Director, Institute of World Economics and Politics
Chinese Academy of Social Sciences, Beijing

Prof. Žiga Turk, Secretary General, Reflection Group on the Future of the
EU 2030, &, University of Ljubljana

Q&A Session

7.30pm – 9.30pm *Reception at City House hosted by Mr. Zoran Jankovic, Mayor of Ljubljana*

Thursday, 15 September

Session I (9.00am – 12.30pm)

The first session will provide perspectives on developments in the financial-economic systems in Asia and Europe, particularly after the global financial and economic crisis of 2008/09. It will help share views on mechanisms introduced in the two regions to face the challenges emerged with the crisis and generate discussions on the effectiveness of policy solutions adopted in the two regions. Participants will identify dynamics in the economic system in the two regions, based on foresight methodologies.

- 🎤 Presentation on foresight methodology
Dr. Steven Libbrecht & Martin Watson, Prospex facilitator
- 🎤 Introduction to the workshop and participants
- 🎤 Coffee/Tea
- 🎤 **Regional responses to the global crisis and emerging challenges**
 - Europe - Prof. Alfred Steinherr, Bolzano University
 - Asia - Prof. Akira Kohsaka, Kwansai Gakuin University
- 🎤 Group work on identifying dynamics

Lunch Break (12:30pm – 2pm)

Session II (2pm – 5pm)

The second session will concentrate on summarizing the trends and challenges identified in the morning session and focus on selecting a number of key dynamics for further attention during the workshop. Participants will analyse key dynamics in view of underlying factors, the challenges they represent, and specific vulnerabilities in both Asia and Europe. This deepened understanding of the key dynamics facing the financial systems in the two regions will serve as background to day two of the workshop, which aims at suggesting policy options.

- 🎤 Plenary presentation summarising group work on trends and challenges facing Asia and Europe
- 🎤 Group work on the identification of key financial development dynamics
- 🎤 Analysis of key dynamics: factors and relations

Session III (9.00am – 12.30pm)

During the third session, participants will continue to analyse the key dynamics in order to identify vulnerabilities and leverage points. Both are important indicators towards policy options as responses to the challenges and vulnerabilities.

- 🎧 Analysis of key dynamics: reinforcing and balancing loops, vulnerabilities, leverage points
- 🎧 Assessment of regional and global implications
- 🎧 **Policy options to strengthen regional and global financial integration**
 - Asia - Dr. Jea Ha Park, Vice President, Korea Institute of Finance, Seoul
 - Europe - European speaker

Lunch Break (12:30pm – 2pm)

Session IV (2pm – 4:30pm)

During the fourth session participants will specify policy options as responses to the challenges and vulnerabilities identified earlier on. Possible options to be assessed may include measures for strengthening the regional and global regulatory frameworks, reciprocal lessons in monetary cooperation schemes and introduction of social safety nets; initiatives for financial inclusion, management of sovereign debt and fiscal policy cooperation. Furthermore, the participants will assess their pros and cons and the likely impact. They will also discuss the possibility to conduct joint-research stemming from the workshop's findings and resolutions. Before the evaluation and closure of the workshop, the organisers will elaborate on possible future steps, establishing and reconfirming agreement on the treatment of the workshop outcomes, and identifying areas for designing specific training programs.

- 🎧 Presentation and assessment of key policy options
- 🎧 Workshop evaluation

Closing Session (4:30pm – 5pm)

- 🎧 Next steps: identifying possible themes for joint-research on ASEM-related issues
- 🎧 Closure by the organisers

Partners

Asia-Europe Foundation

www.asef.org

ASEF promotes greater mutual understanding between Asia and Europe through intellectual, cultural, and people-to-people exchanges. Through ASEF, civil society concerns are included as a vital component of deliberations of the Asia-Europe Meeting (ASEM). ASEF was established in 1997 by the participating governments of ASEM. ASEF has since implemented over 450 projects, engaging over 15,000 direct participants and reaching out to a much wider audience in Asia and Europe. ASEM now brings together 46 member states, the European Commission and the ASEAN Secretariat.

Asian Development Bank Institute (ADBI)

<http://www.adbi.org>

The Asian Development Bank Institute (ADBI), located in Tokyo, is a subsidiary of the Asian Development Bank (ADB). It was established in December 1997 to respond to two needs of developing member countries: identification of effective development strategies and improvement of the capacity for sound development management of agencies and organizations. As a provider of knowledge for development and a training center, ADBI serves a region stretching from the Central Asian republics to the Pacific islands.

University of Ljubljana – Faculty of Social Science

<http://www.uni-lj.si/en>

Established in 1961, the Faculty of Social Sciences is one of the largest members of the University of Ljubljana. It has over 5,100 students in 30 undergraduate and graduate study programs. The Institute of Social Sciences, with its 18 research centers, forms part of the Faculty of Social Sciences. The Faculty of Social Sciences is housed in a modern facility with state-of-the-art lecture rooms and provides a distinguished and creative academic setting with ample opportunities for prospective students to choose from a variety of specialized programs under expert faculty guidance.

Prospex

<http://www.prospex.com>

Prospex is practice leader and innovator in cooperation excellence, offering services for foresight, process facilitation, negotiation, research and supporting services. Prospex often applies focussed stakeholder engagement to develop multidisciplinary perspectives, applied creativity and systemic insight. Prospex experts deliver in many languages and thrive on cultural diversity. Prospex is based near Brussels in Belgium and provides its services globally in cooperation with a network of partners around the world. Clients include many International Organisations (EU, UNEP, IEA, EEA,, etc.) and companies (Novartis, Toyota, BASF, GDF Suez, etc.).

Europe-Asia Policy Forum (EUforAsia)

www.euforasia.eu

The **Europe-Asia Policy Forum (EUforAsia)** is designed to target relevant stakeholders in Asia-Europe affairs and policy-making with information on contemporary issues regarding EU-Asia. The briefing series is part of the EU-Asia Policy Forum that aims to enhance EU-Asia cooperation and awareness on issues of mutual interest such as sustainable development, regional integration, governance and other hot topics. Main partners are the International Institute of Asian Studies (IIAS), the Asia-Europe Foundation (ASEF), the Singapore Institute for International Affairs (SIIA) and the European Policy Center (EPC). The Europe-Asia Policy Forum is supported by the European Union.

