Emerging Asian Regionalism: 
Ten Years after the Crisis 
(Financed by the Japan Special Fund)
ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>ADBI</td>
<td>Asian Development Bank Institute</td>
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<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<td>DMC</td>
<td>developing member country</td>
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<td>ERD</td>
<td>Economics and Research Department</td>
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<td>GDP</td>
<td>gross domestic product</td>
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<td>OREI</td>
<td>Office of Regional Economic Integration</td>
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<td>PRC</td>
<td>People’s Republic of China</td>
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<td>RETA</td>
<td>regional technical assistance</td>
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<td>RSDD</td>
<td>Regional and Sustainable Development Department</td>
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<td>TA</td>
<td>technical assistance</td>
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TECHNICAL ASSISTANCE CLASSIFICATION

<table>
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<tr>
<th>Targeting Classification</th>
<th>General intervention</th>
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<tr>
<td>Sector</td>
<td>Law, economic management, and public policy</td>
</tr>
<tr>
<td>Subsector</td>
<td>Economic management</td>
</tr>
<tr>
<td>Themes</td>
<td>Sustainable economic growth, regional cooperation</td>
</tr>
<tr>
<td>Subtheme</td>
<td>Promoting macroeconomic stability</td>
</tr>
</tbody>
</table>

NOTE

In this report, “$” refers to US dollars.

Head
M. Kawai, Head, Office of Regional Economic Integration (OREI)

Director
S. Madhur, OREI

Team leader
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I. INTRODUCTION

1. The 1997–1998 financial crisis was a major setback in the development of several emerging East Asian economies. In the aftermath, growth plummeted and poverty indicators drastically increased in the crisis-affected economies. The region, however, used the crisis as an opportunity to address deep-rooted economic problems. Emerging East Asian economies embarked on financial sector restructuring, instituted reforms in trade and the corporate sector, and strengthened their focus on governance issues and institutional reforms. Ten years after the crisis, economic dynamism has returned to East Asia, although pre-crisis levels have not been reached in several areas. For example, average growth in gross domestic product (GDP), while generally robust, still has not risen to the peaks of the mid-1990s. In addition, investment remains weak throughout most of the region, although the People’s Republic of China (PRC), Viet Nam, and some other economies are notable exceptions. Nevertheless, the region continues to be viewed as a successful development model that inspires several of the Asian Development Bank’s (ADB) developing member countries (DMC).

2. East Asia is back on track, though with some new dimensions. While Japan recovered from a decade of stagnant growth, and PRC emerged as a major economic power, unprecedented interest in economic regionalism ensued as crisis-affected economies sought to build appropriate responses to new challenges. Despite the diversity across the region in terms of economic structures, income levels, and resource endowment, East Asian economies realized that strengthening ties with each other and exploring regional initiatives provide a new platform for the overall development process—one that helps build and reinforce economic resilience and sustainability, and works toward the ultimate goal of poverty reduction. The benefits of economic regionalism are being appreciated not only in terms of reducing costs and improving quality through larger markets and economies of scale, but also with a growing understanding that this dimension offers a unique opportunity for creating new regional public goods. Prompted by the crisis, Asian regionalism is emerging through government-led initiatives and market-driven developments, offering new perspectives on the development process. An in-depth analysis of the evolution of East Asian economies 10 years after the crisis—applying a forward-looking approach focused on the emergence of regionalism—will increase understanding of the evolutionary nature of regional growth and development patterns, and offer relevant lessons to a wide range of DMCs.

3. This regional technical assistance (RETA), to be managed by the Office of Regional Economic Integration (OREI), is a joint effort of ADB’s knowledge departments [Asian Development Bank Institute (ADBI), Economic Research Department (ERD), OREI, and Regional Sustainable Development Department (RSDD)], in close collaboration with regional departments as well as other departments. The RETA will analyze the progress made in the past 10 years by East Asian economies, focusing on the emerging regionalism, with the aim of providing relevant lessons to other DMCs. The study will adopt a forward-looking assessment of regional development prospects in the context of a new environment characterized by several emerging initiatives for enhancing regional economic policy discussions. The technical assistance (TA) framework is in Appendix 1.

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1 Emerging East Asian economies refer to Brunei Darussalam; Cambodia; PRC; Hong Kong, China; Indonesia; Republic of Korea; Lao People’s Democratic Republic; Malaysia; Myanmar; Philippines; Taipei, China; Thailand; Singapore; and Viet Nam.
2 Economic regionalism refers to market-driven dynamism and government-led initiatives focused on economic issues related to the region.
3 The TA concept paper was cleared on 6 November 2006. The TA first appeared in ADB Business Opportunities on 7 December 2006.
II. ISSUES

4. The causes of the 1997–1998 Asian financial crisis have been widely studied within and outside ADB. A decade after the crisis erupted, however, a synthesis of the lessons learned, stressing how affected countries turned crisis into opportunity, might be appropriate. In particular, the crisis triggered the emergence of economic regionalism through market-driven developments and government-led initiatives. Because it offers a new platform to sustain economic growth and poverty reduction, the emerging economic regionalism deserves full attention, especially from the perspective of a wide range of DMCs that are liberalizing their social and economic systems, and increasing their involvement in the global economy. An analysis of the major dimensions that have emerged since the 1997–1998 crisis, focused on economic regionalism, also will underline possible future directions for the region. In this context, key issues to analyze the emergence of economic regionalism include macroeconomic management, developments in the financial and real sectors, and social inclusiveness of growth.

5. The crisis began with the sudden depreciation of the Thai baht in early July 1997, and spread to neighboring economies where currencies were devalued considerably alongside significant increases in interest rates. The financial sector was identified as the immediate cause of the crisis. The double mismatch problem—due to short-term foreign currency borrowings and long-term local currency lending—the presence of real estate bubbles, and the one-way flexibility of exchange rate regimes in affected economies have been cited as major causes of the crisis. However, some studies have pointed out that declining productivity and competitiveness in the real sector was also an important factor behind the crisis. More efficient manufacturing operations would have greatly increased resilience to the crisis and limited its contagion effect within and across affected economies. Real sector weaknesses, reflected by financial sector vulnerabilities, exacerbated the extent and significance of the crisis. In addition, the lack of sufficient social safety nets and other mechanisms to protect those most exposed to the effects of the crisis contributed to a rapid increase in poverty, and amplified the negative impact on income distribution. These are significant issues to address to improve understanding of the crisis, as well as to provide relevant lessons to a broad spectrum of DMCs.

6. With East Asian economies becoming increasingly interdependent, the regional dimension of macroeconomic management takes on greater significance. How to manage monetary and fiscal policies, debt and international reserves, liberalization of the capital account in the balance of payments, and the choice of exchange rate regimes, along with how to address global payments imbalances, are important issues for building economic resilience. As the crisis highlighted financial sector weaknesses throughout the region, an analysis of how to strengthen domestic financial systems and mobilize regional savings for regional investments through new regional initiatives has merit. Major topics include (i) financial sector regulation; (ii) surveillance and supervision; (iii) continued banking sector reforms; (iv) capital market development, especially bond markets; and (v) corporate governance.

7. Identifying ways to increase firms’ productivity and competitiveness is important when assessing the real sector vulnerabilities that partially led to the 1997–1998 crisis. As firms face the challenges of competing in the global economy, they need to embrace innovation, invest in human capital, improve energy efficiency, and introduce environment-friendly production technologies. Enhancing infrastructure and connectivity is essential to build on the trade-investment nexus that has strengthened across East Asia during the past decade. In addition to the physical infrastructure, related services that facilitate trade and drive investment also matter. Regional production networks now exist where locations are selected based on the availability, cost, and quality of production inputs, as well as on the efficiency of economic infrastructure, the
extent to which an economic environment is market-friendly, and the legal framework. The rapid increase in intraregional trade in recent years reflects the movement of intermediate goods within these regional production networks. Thus, maintaining high levels of productivity and competitiveness is extremely important for sustaining regional development.

8. Governance reforms are needed to ensure that economic growth does not exclude the most vulnerable sectors of society from social development, particularly in terms of income distribution. Poverty reduction requires an analysis of income disparities, the demographic challenges of aging societies, and ways of strengthening protection through social safety nets. These issues are becoming more relevant as economic regionalism grows, and they are increasingly discussed in regional policy dialogue forums.

9. East Asia’s recovery from the crisis and the new dimensions that have emerged across the region in the past decade—particularly increased economic regionalism—pose several policy challenges. One is how to manage globalization as the region’s emerging economies rapidly integrate into the global economy. A second is how to strengthen governance and the institutional framework. Rethinking the role of the state, and introducing appropriate public sector reforms, can improve real and financial sector efficiency, and enhance social sector protection. A third policy challenge is how to shape a new regional economic architecture, and ultimately move toward the creation of an Asian economic community—as recently envisaged by Association of South East Asian Nations (ASEAN) and ASEAN+3 leaders.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

10. This RETA aims to study the way emerging East Asian economies responded to the 1997–1998 financial crisis by broadening and deepening regional cooperation and integration, and by building a new platform to help achieve sustained economic growth and poverty reduction.

11. The objective of the study is to enhance understanding of emerging Asian regionalism 10 years after the financial crisis, while providing policy lessons relevant to a wide range of DMCs, especially those liberalizing their economic and financial systems to meet the challenges of globalization. By increasing the capacity to analyze the nature of the recovery from the crisis and the new economic regionalism dimension, the RETA will contribute to stronger policy making at the national and regional levels.

12. A major outcome of the RETA will be the publication of a two-volume book comprising a synthesis of several analytical and policy studies (volume I) and background economic papers (volume II). Another major output will be one or more international conference(s) to promote discussion of the issues in paras. 4 – 9 to a wide range of stakeholders and media.

B. Methodology and Key Activities

13. Adopting a forward-looking approach, the study conducted under this RETA will discuss issues related to the post-crisis East Asian economic development model. Each section will highlight the emergence of economic regionalism and the relevance of policy lessons for DMCs. The content of the study will be related to, but not limited to, the following topics:

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4 Brunei Darussalam, Cambodia, Indonesia, Japan, Lao People’s Democratic Republic, Malaysia, Myanmar, People’s Republic of China, Philippines, Republic of Korea, Singapore, Thailand, and Viet Nam.

5 Given the scope of the analysis, the study conducted under this RETA will be an appropriate follow-up to ADB. 1997. Emerging Asia: Changes and Challenges. Manila.
the 1997–1998 crisis and after, with lessons from turning crisis into opportunities, the post-crisis restructuring and reform processes, and new dimensions of East Asian economic development with a focus on the emergence of regionalism;

(ii) macroeconomic management in an interdependent region, including formulation of macroeconomic policies and the management of exchange rates, international reserves, capital account liberalization, and global payments imbalances;

(iii) financial sector issues, including mobilization of regional savings for regional investment, enhancement of regulations and supervisory functions, banking sector reforms, capital markets development, and corporate governance issues;

(iv) real sector issues with a focus on productivity and competitiveness, including an analysis of the knowledge economy, innovation systems, development of human capital and education, energy efficiency, environmental improvement, the trade-investment nexus, and strengthening regional infrastructure and connectivity;

(v) social development, addressing poverty, income disparities, governance reforms, demographic challenges of aging, and creation of social safety nets; and

(vi) policy challenges, including ways to (a) manage globalization from national and regional perspectives; (b) strengthen governance and institutions by rethinking the role of the state, improving real and financial sector efficiency, and enhancing social sector protection; and (c) shaping a new regional economic architecture for an Asian economic community, given the increasing economic regionalism.

14. The final report of the study will be published as a two-volume book, ideally before the end of 2007. The book, which will be written by a study team comprising ADB staff and consultants, will synthesize analytical and policy studies (volume I) and background economic papers (volume II). To facilitate the preparation of the report, one international conference and two workshops (inception and report finalization) will be organized in 2007. The inception workshop, organized in March 2007, will serve to set up the study team, define the scope of work, and assign responsibilities. The international conference, organized in early July 2007, will provide an opportunity to make the study known to the public, receive feedback from a wide range of individuals and institutions, and mark the 10-year anniversary of the crisis. The report finalization workshop, organized in September 2007, will serve to complete the work and ensure consistency of the analytical approach and policy suggestions. In addition, one or more international conference(s) addressing specific issues discussed in the report may be organized jointly with national and international agencies to diffuse the study outcome further and receive feedback from distinguished audiences. A book launch event will be organized to diffuse the study outcome properly.

C. Cost and Financing

15. The RETA will cost an estimated $980,000. The Japan Special Fund, funded by the Government of Japan, will provide a grant to finance the RETA. Details of the cost estimates and financing plan are in Appendix 2.

D. Implementation Arrangements

16. ADB will be the Implementing Agency and Executing Agency for the RETA, while OREI will manage the RETA in collaboration with several ADB departments, especially ERD, RSDD, ADBI, and regional departments. The RETA is expected to be carried out over 18 months from January 2007 to June 2008. OREI will finalize the study outcome, structure, and implementation following the advice of a steering committee and a working group composed of representatives from involved ADB departments. The steering committee will function as an advisory and quality control body. The working group will act on more operational matters, such as specifying detailed terms of reference for consultants and reviewing the draft papers prepared by the study
team. Further, the working group will (i) ensure that the study is relevant to a wide range of DMCs; (ii) define a detailed time line for implementing the RETA; (iii) ensure that deadlines are followed; and (iv) promote participation of ADB staff in the study, especially in the preparation of background economic papers. The steering committee will supervise the finalization of these papers, as well as the synthesis of analytical and policy studies to be delivered by international consultants. The final report outline is in Appendix 3.

17. The RETA will require 30 person-months of international consulting services and 15 person-months of national consulting services, as well as 1 person-month of resource persons' services. The consultants will be selected and engaged individually in accordance with ADB’s Guidelines on the Use of Consultants (April 2006, as amended from time to time). Participation in all RETA activities will be voluntary. The terms of reference for consultants and resource persons are in Appendix 4.

18. Seven international consultants, who will be engaged for approximately 15 person-months total, will write the main chapters included in volume I of the final report. A principal consultant will write the introduction and conclusion chapters, and will assist OREI staff in consolidating the papers produced by other consultants for the final report. A financial and economic development specialist will write an overview of the 1997–1998 financial crisis and after, focusing on the lessons from the crisis and the emergence of economic regionalism. A macro-financial expert will write a chapter on macroeconomic management in an interdependent region. A financial economist will write a chapter on the financial sector, focusing on the initiatives and developments geared to mobilize regional savings. A productivity and competitiveness expert will write a chapter on the real sector, stressing the importance of the trade-investment nexus and maintaining high levels of productivity and competitiveness in the region. A social economics expert will write a chapter on the social inclusion of growth with a focus on the importance of governance reforms. Finally, an international economist will write a chapter on policy challenges, covering issues such as managing globalization, strengthening governance and institutions, and shaping a new regional economic architecture. Other international consultants and resource persons will write several background economic papers to be included in volume II of the report, together with other background economic papers written by several ADB staff. These 10 international consultants will be engaged for a total of 10 person-months. Finally, to ensure high quality of the report and the publications that will be produced from it, an economics editor will be engaged for approximately 5 person-months.

19. One national consultant, who will be engaged for approximately 12 person-months, will serve as the project coordinator for overall administration of the RETA. This consultant will (i) maintain communication with the international consultants and resource persons, (ii) ensure the timely delivery of papers, (iii) review the papers prepared for the study, and (iv) guarantee smooth completion of the report and publication of the book. Another national consultant will be engaged for approximately 3 person-months, intermittently, as event coordinator to manage logistics, organize workshops and conferences, and establish and maintain media contacts. In addition, approximately 10 resource persons also will be engaged for a total of 1 person-month to participate in the workshops and conferences as discussants, and to prepare short issue briefs whenever needed.

IV. THE PRESIDENT'S DECISION

20. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of $980,000 on a grant basis for Emerging Asian Regionalism: Ten Years after the Crisis, and hereby reports this action to the Board.
## DESIGN AND MONITORING FRAMEWORK

<table>
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<tr>
<th><strong>Design Summary</strong></th>
<th><strong>Performance Targets/Indicators</strong></th>
<th><strong>Data Sources/Reporting Mechanisms</strong></th>
<th><strong>Assumptions and Risks</strong></th>
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<td><strong>Impact</strong></td>
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</table>
| A new platform to help achieve sustained economic growth and the long-term goal of poverty reduction in Asia and the Pacific, learning from a decade-long development path of economies hit by the 1997–1998 financial crisis, especially as regional cooperation and integration has broadened and deepened. | • Economic growth and stability.  
• Improved poverty indicators in Asia.  
• Greater volume of intraregional trade and investment.  
• Development and deepening of financial markets in Asia. | • Economic and financial indicators.  
• Millennium Development Goals.  
• National poverty indicators.  
• Intraregional trade and investment indicators.  
• Intraregional convergence of macroeconomic indicators.  
• Degree of intraregional business cycles’ synchronization. | **Assumption**  
• Continued increase in government-led initiatives and market-driven developments supporting regional integration and cooperation.  
• Internal and external crises (political, economic, social).  
• Regional economic shocks. |
| **Outcome** | | | |
| Enhanced understanding of emerging Asian regionalism 10 years after the financial crisis, while providing policy lessons relevant to a wide range of developing member countries (DMC) of the Asian Development Bank (ADB). | • Strengthened pattern of economic development.  
• Increased convergence of macroeconomic indicators among Asian economies.  
• Effective regional economic surveillance.  
• Improved formulation of economic policies in Asia. | • Performance of individual Asian economies.  
• Formulation and adoption of national and regional economic policies in Asia.  
• Feedback from various regional conferences, workshops, meetings, and other forums. | **Assumptions**  
• The performance of Asian economies is generally improving.  
• Political commitments to stability and structural reforms.  
• Internal and external crises (political, economic, and social).  
• Regional economic shocks. |
| **Outputs** | | | |
| 1. Several analytical and policy studies.  
2. Several background economic papers. | 1. Analytical and policy studies completed, disseminated, and used as inputs for the final report.  
2. Background papers completed, disseminated, and used as inputs for the final report. | • Increased number and quality of ADB publications.  
• Generation of technical and analytical debate among scholars.  
• Number and quality of academic papers generated in reaction to the study.  
• Number and quality of press reviews. | **Assumptions**  
• Availability and interest of scholars and relevant ADB management and staff.  
• Consultants and resource persons are recruited in a timely manner.  
• Effective coordination with possible co-organizers of conference(s). |
Design Summary

<table>
<thead>
<tr>
<th>Performance Targets/Indicators</th>
<th>Data Sources/Reporting Mechanisms</th>
<th>Assumptions and Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Books published and disseminated to a wide audience.</td>
<td>Number of hits on the ADB and Asia Regional Integration Center Websites.</td>
<td><strong>Risks</strong></td>
</tr>
<tr>
<td>4. Workshops organized and participated in by the team of international consultants, and other scholars and interested parties.</td>
<td>Number of participants and quality of discussion in the two workshops.</td>
<td></td>
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<tr>
<td>5. Conference(s) organized and attended by distinguished participants, the media, and a wide range of ADB stakeholders.</td>
<td>Number of participants and quality of discussion in the international conference(s).</td>
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<tr>
<td>5. Organization of one or more international conference(s).</td>
<td>International and national economic statistics and reports.</td>
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Activities with Milestones

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<th>Inputs</th>
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<tr>
<td>30 person-months of international consulting services, including per diems: $458,000.</td>
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<tr>
<td>15 person-months of national consulting services: $48,000.</td>
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<tr>
<td>1 person-month of resource persons’ services: $15,000.</td>
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<tr>
<td>International and local travel: $294,000.</td>
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<tr>
<td>Venue and logistics: $25,000.</td>
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<tr>
<td>Reports and communication: $35,000.</td>
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<tr>
<td>Miscellaneous administration and support costs: $20,000.</td>
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<tr>
<td>Contingencies: $85,000.</td>
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<tr>
<td>Total Cost: $980,000.</td>
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**Inputs**

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<td>Total Cost: $980,000.</td>
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ADB = Asian Development Bank, DMCs = developing member countries.
## COST ESTIMATES AND FINANCING PLAN

($'000)

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<th>Item</th>
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<tr>
<td><strong>Asian Development Bank Financing</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
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<tr>
<td>1. Consultants</td>
<td>815.0</td>
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<tr>
<td>a. International Consultants</td>
<td>458.0</td>
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<tr>
<td>b. National Consultants</td>
<td>48.0</td>
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<tr>
<td>c. Resource Persons</td>
<td>15.0</td>
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<tr>
<td>d. International and Domestic Travel</td>
<td>294.0</td>
</tr>
<tr>
<td>2. Workshops and Conferences</td>
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<tr>
<td>a. Venues and Logistics</td>
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<tr>
<td>b. Miscellaneous Administration and Support Cost</td>
<td>15.0</td>
</tr>
<tr>
<td>3. Publications</td>
<td>40.0</td>
</tr>
<tr>
<td>a. Reports and Communications</td>
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<td>b. Miscellaneous Administration and Support Cost</td>
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<tr>
<td>4. Contingency</td>
<td>85.0</td>
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<tr>
<td><strong>Total</strong></td>
<td>980.0</td>
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<sup>a</sup> Financed by the Japan Special Fund, funded by the Government of Japan.

Source: Asian Development Bank estimates.
EMERGING ASIAN REGIONALISM: TEN YEARS AFTER THE CRISIS

Final Report Outline

I. INTRODUCTION: MIRACLE, CRISIS, AND EMERGING REGIONALISM

II. CRISIS AND AFTER

A. Learning from the Crisis
   1. Causes of the Crisis
   2. Lessons from the Crisis
   3. Turning the Crisis Into Opportunities

B. Post-Crisis Restructuring and Reforms
   1. Financial Sector Restructuring and Reforms
   2. Real Sector Reforms (Trade, Corporate Sector)
   3. Governance and Institutional Reforms

C. New Dimensions
   1. Rise in Regional Cooperation (Finance, Trade and Investment, Environment and Health)
   2. Recovery of Japan
   3. Rise of the People’s Republic of China and India

III. KEY ISSUES

A. Macroeconomic Management in an Interdependent Region
   1. Macroeconomic Policy (Monetary, Fiscal, Debt Management)
   2. Managing Exchange Rates and Reserves
   3. Capital Account Liberalization
   4. Global Payments Imbalances

B. Financial Sector: Mobilizing Savings for a Productive Future
   1. Savings and Investment in Asia
   2. Financial Sector Regulation and Supervision
   3. Banking Sector Reforms
   4. Capital Market Development
   5. Corporate Governance
C. Real Sector: Productivity and Competitiveness
   1. Knowledge Economy, Innovation, Education, and Human Capital Development
   2. Infrastructure and Connectivity
   3. Trade and Investment
   4. Energy Efficiency and Environmental Improvement

D. Social Inclusion of Growth: Governance Reforms for Inclusive Economic Growth
   1. Addressing Poverty and Income Disparities
   2. Demographic Challenges of Aging
   3. Strengthening Social Sector Protection

IV. POLICY CHALLENGES

A. Managing Globalization
   1. Integration with the Global Economy
   2. Embracing the Rise of the People’s Republic of China and India
   3. National and Regional Economic Management

B. Strengthening Governance and Institutions
   1. Rethinking the Role of State
   2. Financial Sector, Social Sector
   3. Public Sector Reforms

C. Shaping a New Regional Economic Architecture
   1. Regional Financial Cooperation
   2. Trade, Investment, and Infrastructure Cooperation
   3. Toward an Asian Economic Community

V. CONCLUSION: GOING BEYOND EAST ASIA
OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The regional technical assistance (RETA) will provide services from international consultants, national consultants, and resource persons. International consultants will assist in preparing the analytical and policy studies and some of the economic background papers that will be part of the report. The analytical and policy studies will be a synthesis of the existing literature on the respective topics, including proper consideration of related economic background papers prepared under this RETA. These studies also will develop and posit new ideas and paradigms based on the notion of emerging economic regionalism in East Asia in response to the 1997–1998 financial crisis, and the provision of relevant policy lessons for developing member countries (DMC) of the Asian Development Bank (ADB). The background economic papers, which will be prepared by international consultants as well as several ADB staff (especially from knowledge and regional departments), will provide in-depth analysis of specific economic issues discussed in the study. National consultants will facilitate the overall administration of the RETA, including logistics and communication. They also will assist in the preparation of papers and their technical review, guaranteeing a smooth delivery of the final report and publication of the papers in a two-volume book. Resource persons will be engaged to serve as discussants in international workshops and conferences, and in preparing short issue briefs whenever needed.

A. International Consultants

1. Principal Consultant (approximately 3 person-months, intermittent)

2. The consultant will be a well-known international economist with a good reputation and experience in similar assignments of writing and coordinating the preparation of reports for international financial institutions on issues related to regional economic development. The consultant will write the introduction and conclusion chapters of the final report, and help Office of Regional Economic Integration (OREI) staff consolidate the papers produced by all other international consultants. The tentative titles of the two chapters to be written by the consultant are (i) Miracle, Crisis, and Emerging Regionalism; and (ii) Going Beyond East Asia. Each chapter will be approximately 20 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. The first draft of the two chapters will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the two chapters will be ready by the end of July 2007. The consultant also will assist in preparing specific terms of reference for the various parts and chapters of the final report and the two-volume book, and for selecting the topics for the preparation of background papers. The consultant will coordinate with the economic editor to ensure overall high quality of the publications and analytical consistency. The consultant also will attend the two workshops, and one or more international conference(s) as needed.

2. Financial and Economic Development Specialist (approximately 2 person-months, intermittent)

3. The consultant will have a strong international reputation in macroeconomics and finance, particularly regarding the analysis of the 1997–1998 Asian financial crisis, of which the consultant will have extensive knowledge. The consultant will write a consolidated chapter as an overview of the 1997–1998 financial crisis and looking at the later developments, focusing on the lessons from the crisis and the emergence of regionalism. The tentative title of the chapter is crisis and after, covering topics such as (i) learning from the crisis (causes of the crisis, lessons from the crisis, turning the crisis into opportunities); (ii) post-crisis restructuring and reforms
(financial sector restructuring and reforms, reforms in the corporate sector, governance, and institutional reforms); and (iii) new dimensions (recovery of the Japanese economy; rise of the People’s Republic of China [PRC] and India economies; and emergence of economic regionalism, particularly regional cooperation and integration in finance, trade and investment, and environment and health). The chapter will be approximately 30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

3. Macro-Financial Expert (approximately 2 person-months, intermittent)

4. The consultant will have solid experience and reputation as a macroeconomist. The consultant will write a chapter on macroeconomic management in an interdependent region, covering issues such as macroeconomic policies (monetary, fiscal, debt management), management of exchange rates and international reserves, liberalization of the capital account, and global payments imbalances. The chapter will be approximately 30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

4. Financial Economist (approximately 2 person-months, intermittent)

5. The consultant will have solid experience and good international reputation in financial economics and developments of financial markets. The consultant will write a chapter on the evolution of financial sector in East Asian economies. It will focus on the initiatives and developments geared to strengthening domestic financial systems and mobilizing regional savings for regional investments to ensure a more productive, less vulnerable future for the region. The chapter will discuss issues such as (i) savings and investments in Asia, (ii) financial sector regulation and supervision, (iii) banking sector reforms, (iv) capital market development, and (v) corporate governance. The chapter will be approximately 30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

5. Productivity and Competitiveness Expert (approximately 2 person-months)

6. The consultant will be a well-known real sector economist with solid experience in the analysis of issues related to firms’ productivity and competitiveness. The consultant will write one chapter on the real sector’s productivity and competitiveness, covering issues related to the challenges that manufacturing firms are facing with the emergence of the knowledge economy, innovations, and the need to invest in education and human capital development. In the chapter, the consultant also will analyze how productivity and competitiveness gains are realized with the
introduction of environment-friendly production technologies and improvements in energy efficiency. A discussion on the trade-investment nexus that has been formed in the region, and the need to enhance infrastructure and connectivity in the region, also will be part of the chapter. The chapter will be approximately 30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

6. **Social Economics Expert** (approximately 2 person-months, intermittent)

7. The consultant will have solid experience and good international reputation in social economics. The consultant will write a chapter on the social inclusion of growth with a focus on the importance of governance reforms. The chapter will include discussions on addressing poverty and income disparities, the demographic challenges of aging societies, strengthening of social sector protection, and creation of social safety nets. The chapter will be approximately 30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

7. **International Economist** (approximately 2 person-months, intermittent)

8. The consultant will have solid experience and good reputation in analytical and policy issues of international economics. The consultant will write a consolidated chapter on policy challenges for the region, including issues such as managing globalization, strengthening governance and institutions, and shaping a new regional economic architecture. The chapter will discuss several topics, such as (i) the integration of Asian economies with the global economy; (ii) embracing the rise of the PRC and India; (iii) national and regional economic management; (iv) rethinking the role of the state; (v) reforms of the public sector; (vi) improving efficiency of the real and financial sectors; (vii) enhancing social sector protection; (viii) shaping a new regional economic architecture towards the creation of an Asian economic community; (ix) regional cooperation in trade, investment, and infrastructure; and (x) regional financial cooperation. The chapter will be approximately 40 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready by early February 2007, and will be discussed during the inception workshop in February or March. The first draft of the chapter will be ready by the end of June 2007 for presentation in the international conference in July. The final draft of the chapter will be ready by the end of July 2007. The consultant will be required to participate in the two workshops, and one or more international conference(s) as needed.

8. **Economists for Background Papers** (approximately 10 consultants, 10 person-months total)

9. Approximately 10 well-known economists with good international reputations will be engaged to write background papers to support the analytical and policy studies written by the group of international consultants described in paras. 2 – 9. The field of expertise and scope of
engagement for each consultant will be decided on a case-by-case in coordination with the principal consultant. The papers will be approximately 25–30 single-spaced pages, in Times New Roman 11 point, excluding charts and tables. A five-page chapter outline will be ready one month after the engagement, and may be discussed in appropriate forums, such as one of the workshops or conferences as needed. The final draft of the papers will be ready by the end of July 2007. The consultants may be required to participate in the two workshops, and one or more international conference(s) as needed.

9. **Economics Editor** (approximately 5 person-months, intermittent)

10. The consultant will be engaged to ensure the high quality of the report and the publications that will be produced from it. The consultant will edit the papers prepared by international consultants and ADB staff, which will be part of the two-volume book. The consultant must be familiar with Asian economic and development issues, have well-known international reputation as an economics editor, and possess strong communication skills. Under the supervision of ADB staff and the principal economist, the consultant will ensure that edited materials adhere to ADB style and usage and conform to high publication standards. The consultant will ensure that final papers presented at the second workshop in August–September 2007 are edited properly and ready for publication in time to diffuse the book before the end of 2007.

B. **National Consultants**

   1. **Project Coordinator and International Economist** (approximately 12 person-months)

11. The consultant, who will be engaged for approximately 12 person-months, will serve as the project coordinator for overall administration of the RETA. The consultant will have a PhD in economics, strong analytical and communication skills, and relevant experience in similar assignments involving the preparation and coordination of reports for international financial institutions on regional economic development issues. Under the supervision of ADB staff, the tasks of the consultant will include, but not be limited to, (i) maintaining communication with the international consultants and resource persons, (ii) ensuring the timely delivery of papers, (iii) reviewing the papers prepared for the study, and (iv) guaranteeing smooth completion of the report and publication of the book.

   2. **Event Coordinator** (approximately 3 person-months, intermittent)

12. The consultant will have solid experience and good reputation in coordinating events, especially in organizing high-profile workshops and conferences. Under the supervision of ADB staff, the consultant will manage logistics, organize workshops and conferences, and establish and maintain media contacts.

C. **Resource Persons**

   1. **Economists** (approximately 10 consultants, 1 person-month total)

13. Approximately 10 economists will be engaged as resource persons to participate as discussants in workshops and conferences. These consultants will work closely with ADB staff in preparing specific material, including short issue briefs whenever needed.