

Toward East Asian Community Building

New Challenges of Regional Cooperation and Partnership



Japan Center for International Exchange
Tokyo • New York

Copyright © 2005 Japan Center for International Exchange
All rights reserved.

The surnames of the authors and other persons mentioned in this book are
positioned according to country practice.

Copyediting by Pamela J. Noda.
Cover design, typographic design, and typesetting by Patrick Ishiyama.
Printed in Japan.
ISBN4-88907-120-2

Japan Center for International Exchange
9-7 Minami Azabu 4-chome, Minato-ku, Tokyo 106-0047 Japan
www.jcie.or.jp

Japan Center for International Exchange, Inc. (JCIE/USA)
274 Madison Avenue, Suite 1102, New York, N.Y. 10016 U.S.A.
www.jcie.org

Contents

Foreword YAMAMOTO TADASHI	7
Session I: Challenges to East Asian Community Building	9
Session II: Cooperation toward Regional Economic Order	23
Session III: Strengthening the Intellectual Underpinnings of East Asian Community Building	38
Session IV: Regional Collaboration for Peace Building	54
Agenda	65
Participants	67

Foreword

This booklet contains the summary of presentations and subsequent discussions at the 9th annual forum of the Asia Pacific Agenda Project (APAP), which was convened in Tokyo on March 19–21, 2004. The APAP, an evolving consortium of policy research institutions in Asia Pacific, was first launched in 1996 with major funding from Japan's Ministry of Foreign Affairs and other sources for the purpose of building a network of policy research institutions, intellectual leaders, and policy thinkers in Asia Pacific in order to strengthen the network and working relationships.

This year the APAP selected the issue of regional community building in East Asia as the theme of the conference. The idea of an East Asia community has begun to attract official as well as intellectual attention as a possible third arm in today's international relations. We are particularly interested in the intellectual underpinnings that should assist and facilitate this community building, in the form of the network of intellectual leaders who share the same aspirations, sense of values, and sense of common challenges. We were fortunate to be able to organize two multilateral study teams composed of top minds in the region, and these teams approached this issue of East Asian community building from different angles prior to the Tokyo Forum.

One approach was a joint research and dialogue project under the theme of the ASEAN-Japan relationship and its implications for East Asian community building, conducted by senior intellectual leaders in the region. The final phase of this project coincided with the period leading up to the Bali Summit of the ASEAN leaders in September 2003 and the special ASEAN-Japan Summit Meeting in December 2003. We were able to present to these occasions the essence of this project's findings as well as recommendations in the form of a book titled *ASEAN-Japan Cooperation: A Foundation for East Asian Community*.

Prior to this ASEAN-Japan project, another project under the title of "Rise of China—Its Implications for East Asia Community Building" was

launched by APAP under the guidance of Professors Kokubun Ryosei and Wang Jisi. This joint intellectual inquiry into one of the most critical issues presently facing the region was conducted by some 15 East Asian scholars, including four emerging intellectuals from China. Results of this study were compiled in *The Rise of China and a Changing East Asian Order* that was published just prior to the Tokyo Forum.

These two books provided a background for this year's conference. Additionally, the APAP secretariat prepared the *Dialogue and Research Monitor: Towards Community Building in East Asia*, a compilation of data on policy research and dialogue projects related to both traditional and non-traditional security and community building undertaken in East Asia during 2003. It is hoped this publication will help to identify major actors in developing the intellectual underpinnings for community building.

Participants of the Tokyo Forum also benefited from a very comprehensive overview presentation by Tanaka Hitoshi, Deputy Minister for Foreign Affairs, Japan, at the outset of the Forum. His emphasis on the importance of functional approaches to community building became an undercurrent throughout the forum. Mr. Tanaka also encouraged forum participants to present a vision for East Asian community building, a role expected of intellectual leaders and policy analysts in this region. Forum participants responded to this challenge by publishing, at the end of the conference, the *APAP Tokyo Forum Statement: Towards East Asian Community Building*.

Thanks to these substantive inputs as well as very active participation by all the attendees, the Tokyo Forum became a stage for vigorous exchanges of views representing diverse perspectives. It is our strong hope that this booklet can convey even a fraction of the intellectual stimulation enjoyed by the participants. On behalf of the APAP Steering Committee, I wish to take this opportunity to express our deepest gratitude to all the presenters and participants as well as for the generous funding provided by the Japanese government, without which the conference could not have been convened.

Yamamoto Tadashi
Secretariat,
Asia Pacific Agenda Project
President,
Japan Center for International Exchange
September 2004

Session I

Challenges to East Asian Community Building

SUMMARY OF PRESENTATIONS

TANAKA HITOSHI, Deputy Minister for Foreign Affairs, Japan

When we talk about community building, very basic questions are whether we share common values, common threat perceptions, and/or similar governance. East Asians do not seem to share values, threat perceptions, or governance among themselves, and yet there cannot be any disagreement about the desirability of community building in this region. Clearly, it is well understood and agreed that the establishment of a common community in East Asia could benefit the region in terms of lasting peace and further economic prosperity. This issue should be approached from two angles—the vision of a future East Asian community and how this vision can be accomplished in the most effective and quickest way.

There are six baskets of issues that seem to be important for community building in East Asia. First is the question of threat, i.e., how to reduce tensions and convert hostile relationships in the region into friendly ones. Clearly, the Korean peninsula is where there is a potential threat to the region. Without addressing this issue, there could not be a community in East Asia. In this context, the Six-Party Talks formulation is a very important scheme, because it involves almost all parties having direct interest in the security of the Korean peninsula, without which anything lasting is inconceivable. This issue involves the questions of nuclear weapons, the existing nuclear program, missiles, and the abductions of Japanese nationals. Anything less than a total transformation of North Korean policies will not settle any of these issues. This, however, does not necessarily propose a change of the regime in the North. It might call for the collective security assurance and the support of North Korean energy development under

strict conditions. And, waiting at the end of the road, it is to be hoped, is normalization of relationships between North Korea and the United States and North Korea and Japan. Only then can we see a positive future for the region. Conversion of hostile relations into friendly ones and normalization of the relationships will provide immense security and political and economic opportunity in the region.

The China-Taiwan relationship is also an issue that needs to be attended to. In order for China to proceed to dialogue and Taiwan to restrain itself, discreet encouragement should be provided by Japan and the community as a whole. As for the question of fostering stability, China has a very significant role to play. China represents a significant opportunity for everyone in the region. The expansion of the Chinese market in an orderly way and the extremely positive attitude China has shown toward regional cooperation in recent years clearly serve the consolidation of the community in the region.

The second basket of issues has to do with the question of disparities among the member countries of the Association of Southeast Asian Nations (ASEAN). There are numerous disparities in the region, such as those among the original five ASEAN members and the CLMV (Cambodia, Laos, Myanmar, and Vietnam) countries. Addressing the disparity in the stages of development among the ASEAN countries will be particularly important. Since absolute poverty can become a source of instability, matters such as Myanmar, for instance, should be addressed. But the Myanmar issue also has a symbolic meaning for community building. The democratization process in Myanmar, although movement is taking place, is much behind schedule, particularly in the eyes of people elsewhere. This is the type of question that needs to be addressed in order to protect the credibility of ASEAN and show the world that East Asia is working on values, democracy, and governance issues. Other questions, including Aceh, Mindanao, and East Timor issues, will also become sources of instability. To forestall this, Japan is proposing what is called a peace consolidation process. This is an initiative to enhance the peace process not through direct intervention into the process but by providing future economic prospects so that parties concerned will have a better future opportunity.

The third basket of issues is the need to intensify functional cooperation. Functional cooperation lets us choose specific areas and build up cooperation in these areas among the countries concerned. This functional approach must be the initial path to building the East Asian community. In the economic field, for instance, it is extremely important to create a

network of free trade agreements. First we build a network of bilateral free trade agreements and, subsequently, move to the second stage in which we talk about regional free trade agreements, covering all countries that are willing to participate based on bilateral free trade agreement networks. Nontraditional security issues such as counterpiracy and counterterrorism are also targets for functional cooperation. In functional cooperation, it is important not to limit the participants. The sequence, therefore, should be to first focus on specific functions and start with bilateral, then trilateral, then multilateral regional networks in order to eventually achieve regional integration.

The fourth basket is capacity building and human resource development. To share common values and governance—which is indispensable for regional community building—capacity building and human resources development as well as institution building are key issues. It was with this awareness that Japan pledged US\$1.5 billion for capacity building and human resources development at the time of the ASEAN-Japan Commemorative Summit in December 2003.

Fifth is the question of existing institutions such as ASEAN, ASEAN + 3 (China, Japan, and South Korea), the Asia-Pacific Economic Cooperation (APEC) forum, and the Asia-Europe Meeting (ASEM). The functions of these institutions need to be reviewed. While cooperation between Japan and ASEAN should be a core aspect of East Asian community building, ASEAN + 3 must be a core entity for community building. It is conceivable that ASEAN + 3 may be converted into a more formalized East Asian summit. In order to ensure more substantive and meaningful cooperation, East Asia needs to have a certain secretariat function, which may be filled by the ASEAN + 3. On the basis of ASEAN + 3 as a core member, organizational functions can be built up gradually. Of course this does not mean that other countries should be excluded from the community. In order to make the East Asian community inclusive, the best way would be to promote various functional cooperation projects and invite relevant countries to these projects. An accumulation of these projects can eventually lead to institutionalization.

Sixth is the important element of the United States. We cannot realistically discuss community building in East Asia without addressing the question of the role of the United States in the region. The United States is the only superpower and, for the past 50 years, peace has been kept in Asia Pacific thanks mainly to strong U.S. deterrence, U.S. forward deployment capability, and various bilateral security arrangements with the United

States in the region, including the Japan-U.S. and Korea-U.S. security alliances. Today, however, the United States is talking about a global transformation of its military posture in light of the observation that threats have become nontraditional in nature, encompassing international terrorism and the proliferation of weapons of mass destruction. Therefore, there will be a certain transformation of the U.S. force deployment in Asia as well. But the departure of the United States from this region is unthinkable. Instead, East Asia needs to create a greater partnership with the United States, including security, political, and economic ties.

JUSUF WANANDI, Founding Member, Centre for Strategic and International Studies, Indonesia

Admitting the usefulness of a series of functional cooperation efforts toward the ultimate goal of community building, the big question remains how to jump from the empirical types of cooperation already evident in East Asia into real community building. Doing so will require a jump rather than an automatic smooth transition. Another critical factor East Asia must face in the future will be how to create a constructive relationship with the United States and make the East Asian community acceptable to it. It seems that this cooperation attempt in East Asia is not yet on the radar screen of the United States since it has been preoccupied with other things.

Regionalism supposedly requires some principles on which every member can agree. Because, from the beginning, East Asian countries are diverse in principles, political systems, and, to a certain extent, even in economic policies, we would like to structure our regional cooperation a lot more loosely than the integration of the European Union.

The future course definitely will be based on the functional approach. East Asia should also have the flexibility to reach out to others outside the immediate region in building the East Asian community. An example of functional cooperation in the region has been seen in health problems, such as severe acute respiratory syndrome (SARS), dengue fever, and other infectious diseases. Functional cooperation is becoming a reality in East Asia, and this will certainly make it easier to accomplish community building.

East Asia cannot be free from the problems of principles, that is, absolute sovereignty vs. limited sovereignty. Whether East Asia can transform the Chiang Mai Initiative into full regional financial cooperation depends on whether regional countries are going to be a little more intrusive in each

others' macroeconomic policies. Otherwise, the scheme cannot grow further than a scale of US\$1.5–US\$2 billion, which will be totally inadequate compared with what funds would be needed in case of another crisis.

Second, flexibility of the system should be maintained to ensure maximum cooperation. Democracy cannot be attained by all the countries in a short period of time. If the system can be flexible vis-à-vis this issue of political system, it could facilitate some kind of cooperation in the future.

Differences in stages of development and economic systems will also play an important role in community building. East Asia will have to look into this issue since Laos, Cambodia, and Myanmar cannot participate in the community if other East Asian countries do not reach out and increase their institutional and human resources capabilities.

Another problem that East Asia should overcome is the issue of historical legacy. Because China and Japan are definitely going to be leaders in this community building, the historical issues between them must be settled. Of course, there are many other problems in the bilateral relationships between Japan and other East Asian countries, but none of them is as serious as the historical problems between Japan and China and between Japan and Korea.

There also is the problem of the United States. Once it acknowledges the movement toward an East Asian community, the region will face the serious problem of obtaining U.S. endorsement. Some U.S. neo-conservative leaders have been heard warning that the United States would not take East Asian community building lightly now that the United States already has one problem in the form of the European Union. The United States is unlikely to allow East Asia to do the same as Europe did, i.e., to gang up against the United States, because its ultimate concern is maintaining its supremacy. This U.S. reaction could become a real problem for successful community building, and, therefore, East Asia will need all the creativity the region can muster to solve this problem. Here, Japan will have a pivotal role to play. One thing we should all understand is the depth of the trauma of the September 11, 2001, terrorist attacks, and how vulnerable the U.S. public feels vis-à-vis new threats.

Realistically, we should be aware that there still remain a great many obstacles to be overcome in order to make possible the jump from the variety of small-scale functional cooperation activities currently going on in the region to the reality that is community building.

WANG GUNGWU, Director, East Asian Institute

With so much effort, so much dedication, and so much commitment, one finds it difficult to accept that East Asian community building could fail. But “disparities” seem to be one key word that can be used to predict the future of community building in this region. Broadening this a bit, three kinds of “differences” seem worthy of special attention.

The first one is the different rates of change. Over the last 30 or 40 years, the differences in the rates of change among East Asian countries have been remarkable. Instead of countries drawing closer in rates of change, the disparity in their rates has actually grown over this period. There has been an extraordinary rate of change in China during the last 15 years that is almost alarming to its neighbors. How long this rate of change may last is something that we need to observe very carefully.

More importantly, though, the different rates of change in Southeast Asia have actually created conditions that have damaged confidence among its elites. It is obvious that most of the countries in this region are not growing at anywhere near the speed that they had hoped for. And further slowing down and falling behind would cumulatively bring great difficulties to the area, threatening the whole notion of a Southeast Asian region.

The second difference concerns the question of bilateralism. It is admittedly realistic and practical to start down the path toward community building with bilateral cooperation, because not all of the multilateral frameworks are expected to work well. And yet, if we focus too much on bilateral arrangements, the discrepancies are going to have cumulative effects as different bilateral combinations may operate against the potential future of a multilateral integrative community. It seems that the more bilateral arrangements are made, the more people would expect discrepancies to grow wider. There will be more bilateral cooperation between people who have much in common. Therefore, it is much more likely that genuine bilateral arrangements will be made between those that are doing well with others that are also doing well. Nobody wishes to have a bilateral arrangement with those who are doing badly. If a network is formed among these bilateral arrangements, it will be very patchy. It may be said that the more bilateral arrangements we have, the less regionalism there will be, particularly of the kind that ASEAN has been trying to build over the last 30 years.

Third, to assume that all regionalism is more or less alike seems to be a false assumption; there can be different kinds of regionalisms with the

circumstances surrounding each kind being very different. You cannot reproduce circumstances that are proven to be conducive in other regions in East Asia. East Asia has its own unique problems, and, therefore, East Asians must be quite imaginative and creative to think of how they can make this community building work in the given circumstances. It has to evolve from within.

It looks like East Asia itself has at least two regionalisms. The regionalism that Southeast Asia has struggled to build up for the last 30 years is beginning to look something like a region, so much so, in fact, that we are falsely led to believe that we have already got a regionalism going. However, the fact of the matter is that it is still a very weak alliance that has not really consolidated all the advantages that it is supposed to have after 30 years of experience.

Turning to the Northeast Asian region, if it can be identified as a region at all, this is a regionalism that did not happen. It will probably take a long time for it to take place. Even if it happens, it will be a different kind of regionalism altogether from what ASEAN has been struggling with for the past 30 years. And whatever has been achieved by ASEAN, which is not very much, will be used to help the Northeast Asian countries to overcome their own problems by turning toward a kind of East Asian community as a product of ASEAN. This may be the only way toward regionalism for Northeast Asia, but it certainly makes life very complicated for ASEAN.

This implies that the smaller states of ASEAN have to try and find a way to help the Northeast Asian giants to think regionally. Japan has not paid too much attention to region in the past. In fact, Japan does not think regionally because it thinks globally. One may also wonder if China has ever thought regionally, either. It can be said that China is not really part of any one region. If China and Japan, thus, have never had to think regionally, can they do so now? It may be possible for Japan. But China could be seen as part of several regions, located as it is so centrally that it will have to be mindful of Central Asia, Russia, South Asia, all the Middle East, and the whole Muslim world on its other three sides. This makes it practically impossible or at least impractical for China to become part of an East Asian region alone. Thus China can only be partially involved in any kind of regionalism or East Asian community.

An exploration of the relative position of the concept of what is "regional" in East Asia would lead to the view that the people who are talking about regionalism today are in the elite groups. Such groups constitute, in the case of ASEAN countries, no more than 2 percent or 3 percent of their respective

populations. It can be said that these elites share some understanding of what common values might mean beyond their regional boundary with the rest of the world. But for the rest of their citizens, local and national problems remain uppermost and the word "regional" hardly ever appears in the consciousness of these people. Actually, the elites themselves are happier when they enjoy the global, international, and cosmopolitan values rather than worrying too much about the region. Thus, it can be concluded that "regional" is not real enough even for the elites and it hardly occurs in the thinking of ordinary people.

There are two recent dramatic changes that are global in their impact, although East Asia seems to be affected more than other regions. One is the rise of China, the impact of which is going to be immeasurable in the years to come. And if China is not going to be part of any single region, as suggested earlier, any regional community attempt that involves China can never really result in the kind of region that all of us are talking about.

The second dramatic change is the emergence of the war against terrorism. This is genuinely global in scope, but it defies any simple solution even by a great power like the United States. Superpowers do not have any great advantage in this war against terrorists. This means that, in addition to the coalition of the willing, even the unwilling will have to join in to fight this just for their own interest. All the elites of the world will have to unite on this one, because these cosmopolitan elites are the very targets of the new terrorism. In terms of the impact on regionalism, it is proven that region is meaningless where terror is concerned. This is a global phenomenon and its very global nature would make regionalism less and less meaningful in this very specific functional area, showing there are certain functional areas in which regionalism would be pointless. This and others appear to be new factors that are making the whole job of East Asian community building even more difficult.

SUMMARY OF DISCUSSION

Slackened Process toward Community Building

A veteran of ASEAN intellectual dialogue explained how actual community building is so slack that the region may have to go back to the drawing board in visualizing what kind of East Asian community we want to have and can have. In his review of documents to assess what has been achieved,

this participant was shocked to discover that the last ASEAN + 3 meeting in Bali in October 2003 suggested that there was nothing happening in the ASEAN + 3 process. Instead, real action is clearly centered on various ASEAN + 1s, demonstrating that the whole momentum toward regionalism for an East Asian community has been lost. This speaker offered three possible reasons for this phenomenon. One is the absence of a champion among the leaders in East Asia to push the process from the top. Second is that the movement toward the East Asian community seems to have lost vision. Governments in the region selected a few manageable programs from the East Asian Vision Group's recommendations, instead of looking at the most critical issues there and discussing the strategies. And third, while most of the activities are conducted at a non-official level, all of them are, nevertheless, too much government driven instead of regionally driven, and this discourages optimism.

Another veteran Asia Pacific observer expressed the opinion that ideas about regional cooperation, be it APEC, East Asian, or some other forum, have suffered because of almost too much optimism at the beginning and models that are not appropriate for the region. In order to get regional operations going, you have to promise that a lot of good things are going to happen. But once actual projects are launched, initial interest wanes and it is extremely difficult to sustain momentum. Thus it is crucial to start off with a realistic base. At the same time, however, this speaker believed that it is important to remember that community building is a long-term project. He pointed out that multilateralism in any form, whether globally or regionally, is a hard process through which to negotiate things, so much so that almost any negotiation will eventually become bilateral. This speaker did not think, therefore, that the bilateralism which seems to be prevailing in East Asia is necessarily a problem.

Concern over the predominantly governmental nature of the community-building process in East Asia was shared by several other participants. An ASEAN political scientist claimed that the East Asia Forum of December 2003 was heavily government driven, and that no participant said anything beyond what governments had authorized them to say. The inaugural meeting among think tanks in the region to establish a network among them was not at all a spontaneous gathering among like-minded institutions, because participants were picked by the respective governments.

Another ASEAN intellectual expressed his disappointment with the lesson that the region has failed to learn from the experiences of ASEAN. He expected that people by now would have learned that one cannot manage

regionalism through and by meetings of officials. Such meetings seem to be the predominant pattern so far in the case of East Asian regionalism.

Participants argued that East Asian community building at this stage seems to revolve around practical projects rather than the development of an overall vision. Some admitted that to ask a bureaucracy to come up with a vision is to ask that bureaucracy to contradict itself. According to one scholar, those who create a vision must be prepared to run the risk of becoming rather silly or even ridiculous because the process of arriving at a vision is not via calculation, which bureaucrats are good at, but through imagination.

Other participants, however, stressed the positive side of bureaucratic involvement in the process. One Japanese economist claimed that a bureaucracy might play an effective role when the market cannot achieve what it should achieve in terms of optimum resource allocation of the public goods.

Circumstances Facilitating Regional Community Building

A number of participants agreed with the panelists that East Asia is not endowed with too many favorable ingredients for effective community building. One participant admitted that "we do not have very much in common; when you want to have a community, you need to have certain things in common." In fact, this speaker commented further that "we have not thought regionally in the past and maybe this is going to be a hurdle." Another participant was more straightforward when he claimed that East Asia has an "anti-regional bias" to begin with.

Nevertheless, there was a consensus that there is now a heightened need for East Asian countries to integrate as a region. The same speaker who had earlier lamented the lack of regional orientation observed that there are many imperatives before East Asia that are pushing East Asians to think differently from how they thought in the past. One East Asian scholar claimed that some trends would eventually make it necessary for East Asians to think in terms of a regional community. He went on to enumerate those "ecological trends," including economic integration, which is moving toward mutual integration; information technology, which is breaking down the boundaries of territorial sovereignty; and a cultural mix, if not a fusion, to the extent that travelers from within East Asia can feel comfortable in any regional capital city without feeling any disadvantage owing to

cultural differences. He admitted that cultural differences do exist in the region, but he observed that these differences are being mixed with more integrated elements so that the “ecological environment” of regionalism is changing rapidly in East Asia.

Some of these elements seem to suggest that community building can be, to a certain extent, an autonomous movement regardless of policy actions or lack thereof. In fact, an ASEAN economist claimed that “regional solutions” to various challenges are already happening even without anybody doing anything intentional or special. Contrary to another panelist’s characterization of East Asian regionalism as a particularly elitist phenomenon, this economist felt that many common people recognize that regional solutions would be useful. He attributed this trend to several new factors, including (1) manufacturers’ need to cut production/distribution costs by establishing their own transborder production networks; (2) the need for regional financial cooperation to minimize the effects of the instability in today’s global finance; (3) the need to minimize the chances of transforming even local terrorism into international terrorism, a trend driven by the post-9-11 United States that makes it difficult for East Asian countries to deal with local terrorism locally; (4) renewed interest in political stability and in minimizing the risk of conflicts among East Asian countries that have been infected by territorial disputes as well as cross-border drug trafficking problems; and (5) the need for regional solutions to cross-border epidemics.

Role of ASEAN

The importance of ASEAN in the entire process of East Asian community building, including the ASEAN + 3 framework, was repeatedly stressed by participants. Some argued that ASEAN can serve the function of an honest broker to bring together Northeast Asian countries, among which reconciliation seems essential for East Asian community building. In the midst of these praises of ASEAN’s contributions, however, some participants from ASEAN countries pointed out that ASEAN is simply too overburdened with other, more immediate tasks, such as integration of ASEAN itself and countless ASEAN + 1 interactions, to continue molding the ASEAN + 3 into an East Asian community. One speaker suggested that ASEAN + 3 should be transformed into an East Asian movement so that it would no longer be driven by ASEAN alone. It would be important, according to this speaker,

that East Asian meetings thus transformed take place outside the ASEAN region, thus significantly lessening the burden on ASEAN.

Another participant suggested that Japan might be able to play a more constructive and responsible role in East Asia, including in community building, in cooperation with ASEAN, China, and South Korea, if the Self-Defense Forces dispatched to Iraq can prove to the world that they are categorically different from the Imperial Army of the 1930s and 1940s and that, thus, Japanese forces can now contribute to peace and security.

Need for Institutional Core

One theme that was repeatedly pointed out during the session was the need for an institutional core in order to successfully build a community, including an East Asian regional community. A representative view was shared by an ASEAN intellectual who is weary of “hundreds of initiatives and thousands of meetings” yielding no results. He claimed that if we are serious about East Asian community building, from the outset the region needs a minimum number of strategically targeted institutions to help drive the process. Therefore, he suggested that there should be a secretariat as an organizational core of community building. On top of that, this speaker suggested that there should be three new institutions that can function as a small-scale Organisation for Economic Cooperation and Development (OECD) for East Asia, including an East Asian Institute of Fiscal/Financial and Monetary Affairs, an East Asian Institute of Development and Technical Cooperation, and an East Asian Institute of Trade and Investment. Most intellectual interactions in East Asia are one-off events that lack substance and, thus, do not reach the ears of policy makers, this speaker noted. He even suggested that the first institute to be set up be in Japan, the second in China, and the third in South Korea, and that ASEAN would be happy to manage the secretariat within ASEAN.

Other themes introduced during the session included the “perceptible, perhaps strategic shift” of emphasis from Asia Pacific to East Asia, and the expected difficulty in persuading the United States of the virtue of the East Asian community even for the United States.

Three panelists were given the opportunity to respond to these comments and discussions. In the face of repeated arguments on the difficulty of community building in East Asia, a panelist reiterated his emphasis on the utility of the initial emphasis on more pragmatic, functional approaches.

Presumably in response to discussions on the vision versus specific projects, this panelist clarified that groundwork/condition preparation through functional approaches can actually go along with vision making. He reiterated his basic point, which is that in order for East Asia to achieve regional integration, it should start working with pragmatic issues where there is a clear need so that countries can find common interests that much more easily. He believes the accumulation of these common interests can point the way to regional integration.

The same panelist continued that he was, in short, proposing a two-track approach. Based on pragmatic programs whose course of action would be dictated by specific future requirements, he envisioned the need for political leadership to deal with the myriad of accumulated vested interests so as to enable the region to attain a new and more meaningful stage. In order, in turn, to have this political leadership, this panelist stressed the importance of intellectual support.

While many participants expressed their skepticism concerning China's interest in becoming a member of an East Asian community, panelists claimed that the outlook for China to join regional integration is not entirely pessimistic. A panelist reiterated his emphasis on the importance of Chinese participation in the regional community, pointing out that this is one of the most important strategic objectives in this part of the world. Without Chinese participation, he concluded, a giant and powerful China could be a major headache for all the countries in the region. Absorbing China into a regional community is vital also in order to persuade the United States that China is a status quo power and not its global rival, and that the East Asian community will not be inimical to its interests. This panelist believed that, for once, China might need the region's help to cope with its future modernization process.

In response to voices lamenting the lack of political leadership in the building of an East Asian community since the exit of South Korean President Kim Dae Jung, one panelist stated that most probably Japan would be expected to take on certain leadership roles. Japan needs to create a much more precise vision of the community in order to make it clear to the rest of the region that Japan could take political leadership.

Finally, a panelist addressed the issue of an apparent shift of emphasis from Asia Pacific to East Asia in recent years. He claimed that such a shift would not only be unnecessary but also undesirable. In fact, this panelist believed it very important for Asia Pacific and East Asian community building to occur simultaneously, because East Asia must keep itself open

TOWARD EAST ASIAN COMMUNITY BUILDING

to the Pacific coast of the Americas, including the United States, and must demonstrate the region's sincere desire for the continued presence of the United States in this part of the world.

Session II

Cooperation toward Regional Economic Order

SUMMARY OF PRESENTATIONS

NARONGCHAI AKRASANEE, Chairman, Seranee Holdings Co., Ltd., Thailand

First we should survey the problems with the current international economic order, because they are the reasons why we are talking about the regional economic order. If the international economic order were so good, there would be no need for a regional economic order.

Concerning trade in goods, we have a relatively free trade, particularly in terms of tariff barriers. But we have a number of non-tariff barriers. The issue of agricultural subsidy refuses to go away. And as the trade in goods becomes freer, we encounter anti-dumping (AD) and countervailing duty (CVD) problems. In the case of trade in services, liberalization has been much more limited than trade in goods. The agreement on trade in services really has not gotten very far at all. And this principle of the so-called positive list is making the liberalization of trade in services practically impossible.

In the case of finance, the international economic order is dominated by the U.S. dollar in all senses of the word, i.e., for transactions and speculation. With the U.S. economy in a stage of imbalance, global finance is in a state of turbulence and instability.

Because of these factors, developed and developing countries alike have problems with the current international economic order both in trade and in finance. At the same time, the two camps have different kinds of problems. Developing countries are interested in the problems of agricultural subsidies, of AD and CVD, and in special and differential treatment. They are unhappy with the situation known as "more for less"—i.e., the more

they sell, the less they get because of subsidies, ADs, CVDs, and so on. Developed countries are unhappy because they are more interested in the further liberalization of trade in services. It was because of these differences in interest that it took from 1996 until 2001 to agree on the agenda for the new Doha Round. While the resultant agenda, the so-called Doha Development Agenda or DDA, was quite comprehensive because it covered all the issues of interest to developed countries and developing countries, the Doha Round negotiation was troubled until September 2003 when it finally collapsed in Cancun on 14 September. Because of this experience, developing and developed countries have concluded that getting a solution from the World Trade Organization (WTO) is difficult. It is simply not quick enough for them.

The situation is more or less the same in the case of finance. After the Asian financial crisis of 1997, talk on the international stage focused on new financial architecture. But discussions have not proceeded very far, and the U.S. dollar continues to dominate, enduring the instability in the financial system.

Next, we need to examine what is actually happening with the new order. In terms of trade, we have regional agreements. The European Union is organizing its own order, and Europeans are saying that that is not against anyone. The North American Free Trade Agreement (NAFTA) is a regional agreement that plans to expand to include other countries in the Americas. ASEAN also has been working on a regional or sub-regional order through the ASEAN Free Trade Area (AFTA), and it is expanding AFTA to include services. ASEAN has been working hard to create an ASEAN community encompassing an economic community, a security community, and a social community.

Another device that they have been working on in terms of economic order is the so-called free trade agreement, or FTA. It should be noted that FTAs are no longer just about trade in goods. An FTA is now a comprehensive trade and investment agreement. It is as if this agreement, between the United States and Thailand for instance, would allow Thailand to be a part of the United States in terms of commercial practices.

In the case of finance, there have been several efforts at financial cooperation. In the East Asian region, cooperation has occurred in the area of reserve currency swap arrangements and there has even been talk about exchange rate cooperation. But actually capital market development by way of Asian bonds is the quickest moving area.

Behind this movement of Asian bonds is the belief that we can use Asian bonds to drive capital market development so that our capital market will be more efficient. This is an attempt to attain a new order in our region in

the case of finance. Many parties are involved in the creation of this new order, and all of them intend to minimize the inherent risk in the global financial system so that Asian countries will not be so subject to the volatility of exchange rate fluctuations caused by the movement of the U.S. dollar vis-à-vis the yen and the euro. In that case, they will not be as subject to the capital flow as influenced by hedge fund managers.

We need to be aware, however, that we may run into the danger of divergences if we continue to create new FTAs without really being aware of existing FTAs. We need to try very hard to make all FTAs converge. Thailand, for instance, is trying to relate most of its eight FTA talks to AFTA and the Common Effective Preferential Tariff (CEPT) so that the tariff regime will converge. It is hoped that, this way, we could have more or less a movement toward most-favored nation (MFN) treatment, at least on a regional basis. And the same thing applies to rules of origin. Different rules of origin for different FTAs means that they will diverge; it is important that we make every effort for rules of origin to converge. This process may take time, but we must cooperate with each other to move in this direction.

Also in the case of finance, we all agree that we need a better and more efficient capital market because this will definitely be welfare enhancing. In retrospect, we recognize that the financial crisis of 1997 occurred because we had a bad capital market and a bad money market. We must create a better capital market by developing the bond market as well. In fact, the process toward this goal is already underway. And Thailand has set up an Asian bond secretariat in that country, which is committed to work out a plan for development of the capital market.

These are some of the examples of activities that East Asian countries can do together in order to make the regional economic order as welfare-enhancing as possible and the least market-distorting as possible.

JESUS P. ESTANISLAO, President and CEO, Institute of Corporate Directors, Philippines

In community building, there is need for vision, dreams, a grand design or "architecture," and therefore for macro-level rhetoric. But all these need to be complemented on the ground, at the micro level, with concrete and specific actions of sharing best practices with each other.

The need for such complementarity is illustrated in the area of trade and investments. As trade barriers are being brought down, and as flows

of goods and funds are becoming freer, East Asians also need to work more closely together in strengthening the corporations and enterprises that forge the vital trade and investment links between economies in the region. In this regard, corporate governance practices need to converge and improve. While these need to take into account the business realities and cultural dimensions within East Asia, they also need to be consistent with fundamental—and necessarily global—corporate governance principles.

In East Asia, as countries share best practices in corporate governance, it has been observed that in most economies much greater emphasis should be placed on banks rather than on capital markets. This is because in much of East Asia, the dependence on banks for external finance is much greater than on stock and bond markets. Professionalization of directors' practices should also be stressed more, if we want directors to live up to their responsibilities to society and the economy more dutifully. This is because a single family or government agency may exercise predominance of control, and independence of directors is more likely through professionalization rather than through proliferation of regulations. Furthermore, more emphasis should be placed on corporate governance scorecards as monitoring tools for improvement in governance practices. This is because market pressure needs to be significantly complemented by reputational (loss of face) pressure in an environment that should become increasingly transparent. These are but a few examples of what can be done on the ground to pull our economies closer together through sharing of best practices in the corporate governance field.

In the area of monetary and financial flows, similar examples can be cited with a view to building an economic community in East Asia. Throughout the region, different economies face a similar challenge, although in varying degrees, of strengthening their banking system. Banks in East Asia do need to install modern risk management systems not only into their credit process but also into all other major facets of their operations. Global standards are in the process of being set for all these. In trying to meet those standards, banks in virtually all economies in East Asia need to put greater stress on capacity building, redesigning credit procedures, and tightening risk oversight checks and balances. In all these, special focus needs to be given to subjecting related party transactions to stress-tested procedures and practices. All this presents a very tall challenge, one that most economies in the region would be better placed to meet if they pull together and share best practices more openly with each other.

In the much broader challenge of speeding all up on the road toward comprehensive development, with people and their genuine welfare being put at the center of the process, there is much greater stress for public governance with more open participation from responsible citizens. Even the voices of the youth are increasingly being heard. Involvement of an emerging and more socially responsible civil society is given greater depth and wider scope. Outreach to the general public through the media, key sectors, and professions, imbued with ethics and social responsibility, has become much more of an imperative. Again, in responding to these emerging demands of a more open, more democratic governance, different societies in the region are taking different approaches appropriate to their internal circumstances. Precisely because the region is rich with different approaches in this regard, economies and societies in East Asia can compare notes, share best practices, and provide lessons that may be useful for others to learn from.

Therefore, even as many of us continue to work on a vision, on dreams, on grand designs and architecture for various important macroeconomic facets of a more integrated community of economies and societies in East Asia, we should also multiply work on microeconomic grounds. There are experiences in other economies we can draw from. There can be many opportunities for all our economies to reinforce each other, particularly in corporate governance, risk management systems of banks, and public governance. Tapping these opportunities in a systematic and more sustained manner would bring us much closer to giving flesh and substance to the East Asian community vision and dreams.

It is in this light of having to put in a systematic and sustained effort at exchanging notes, learning from each other, and sharing best practices that regional forums and mechanisms should work not as one-off initiatives but as continuing programs. East Asian community building is now way past the stage of merely talking. The region should move on to action with greater coordination, continuity, and commitment to getting things done on the ground, where a real difference must now be made.

*HIRONO RYOKICHI, Professor Emeritus, Seikei University
Japan*

Is an East Asian community a dream or a reality? What are the barriers to attaining an East Asian community? An East Asian community is not and

should not be a dream. It is something for which all East Asians could and should really work. Certainly it will not come so easily, but still East Asians should work hard toward this goal.

The European Union expanded its membership to 25 countries in May 2004 and it will possibly further expand to 29 members in 2007. In other words, the European Union is expanding to the East. In the Americas, people are talking about the possibility of having what they call a Free Trade Area of the Americas, initial preparations for which are already underway as of 2004. Thus, on two continents we are already witnessing some efforts to promote regional economic integration. Against this background, if East Asia is left without its own efforts for regional economic integration, it will end up as a place of harsh competition for free trade partnership between the Americas and Europe. Certainly East Asia will not become just a market for, and a target of economic colonization by, either one of them. Yet it is possible that the resultant closer linkage with the winner of this global competition between the Americas and Europe might go against the interests of the losing competitor.

But more importantly, there is the presence of internal pressure within the region. We all know that intra-regional trade has been expanding fast recently in East Asia, mainly because countries in the region come together to cooperate and find not only their markets, their suppliers, and their raw materials inside the region, but also the necessary human resources in the form of imported foreign workers. It has been repeatedly pointed out that the region is witnessing enhanced mutual cooperation and in particular a growing pace of intra-regional integration among its members in the areas of trade, investment, and finances. But even in the area of people movement, we have already begun to see a significant level of human resources movements in many parts of East Asia. This kind of foreign labor mobility will have an increasingly important impact on both importing as well as exporting countries.

Another very important area seems to be crisis management. As a result of the Asian financial crisis of 1997, East Asians have come to realize the importance of helping each other in the foreign exchange market, regional bond market, and many other areas, such as trade and investment, where further collaboration is called for. However, East Asia should also be prepared for other types of crises, such as, most typically, the crisis on the Korean peninsula. It is no longer possible for any single country in East Asia to deal with these issues single-handedly, and East Asian countries must act together. In order to effectively deal with these crisis issues and enhance

crisis/risk management capacity in the region, we must have rules of the game. These rules of the game have to be discussed among the concerned parties affected by the crisis. All East Asian countries should participate in this consultation process for rule setting as equal partners. This rule-making process will force East Asian countries to look at each other squarely and see what they can do collectively.

Third, the importance of the question of environment must be emphasized, including the tremendously adverse impact of all kinds of pollution in China and many other countries in East Asia. We really must go much further in preventing our people from suffering from increasing air, water, and soil pollution in this part of the world. Environmental pollution, particularly air pollution, is a trans-boundary problem that does not respect national limits, causing tremendous economic damage and, more importantly, human damage throughout the region. Therefore, the environment is an area in which East Asia will need to have its own regional regime of rules and an enforcement mechanism. And this environmental regime is essential to sustaining economic, social, and political cooperation among East Asian countries.

The East Asian community is not a dream. It is something we should together strive for. In order to proceed in an orderly fashion, we need to identify some of the priority areas and work in those priority areas one by one rather than wishing for a big bang.

SUMMARY OF DISCUSSIONS

Economics is where the clearest rationale exists for East Asian community building. Following the previous overview session, the majority of participants expressed their support of the proposed "functional approach" to community building in this region. But participants asked themselves what the next step would be after the functional approach, and they spent much of the time during the session discussing the need for institutions to facilitate community building.

Functional Approach

There was a clear consensus that the functional approach to community building would be effective in East Asia. An ASEAN senior economist

stated that while it is good to have an East Asian vision, we must look at the nitty-gritty of how we can move that vision forward. She believes that moving forward will have to be a slow and step-by-step process rather than a big bang. She therefore supports the idea of a more functional type of cooperation that would welcome whoever is ready to come on board.

Another economist followed with the claim that through this functional approach East Asians can work very well among themselves, bringing together all those countries interested in a particular area. He agreed that an East Asian community can be built by adopting a like-minded-country approach—i.e., countries that want to join can join on certain issues, while others can join later—fostering an open-ended, rather than closed, community. However, appreciating the utility of a functional approach, this economist cautioned that East Asians should always have a long-term vision so that whatever they are doing functionally will contribute eventually to East Asian integration. One of the specific areas in which this speaker believed that the functional approach would be effective is the environment.

SARS, avian flu, and other infectious diseases were another area for which participants found the functional approach to be viable. A third economist participant observed that there is no disagreement about the desirability of regional cooperation in some areas, particularly based on the functional approach, and he pointed out that FTAs are one typical example.

Japan-ASEAN FTAs

During the second session, discussions on FTAs predominantly centered around Japan-ASEAN FTAs, particularly on the prospect of Japan shifting from bilateral negotiations with individual ASEAN countries to a multilateral Japan-ASEAN FTA arrangement. Concern was expressed by a number of participants over what looks like Japan's heavy inclination toward bilateral negotiations with individual ASEAN countries.

A Japanese economist predicted that, following the recently concluded Japan-Mexico FTA, the Japanese government would further promote bilateral FTA negotiations between South Korea, Thailand, the Philippines, and Malaysia. He predicted that bilateral FTAs will increase trade and investment in the region, but that they may not encourage private companies to conduct the large-scale investments that would have a dynamic impact on regional integration. Instead, he suggested that the region should have

a greater FTA, i.e., an FTA between Japan and an integrated ASEAN that will provide private companies with a variety of opportunities for profit, eventually leading to greater regional integration.

An ASEAN economist focused on the potentially negative effect of bilateral FTAs. Concerned about the possible impact of the proliferation of bilateral and trade arrangements on the rules of origin, which are already divergent in this region, he predicted that these bilateral as well as regional trade arrangements may actually become stumbling blocks rather than building blocks toward the end-goal of a greater East Asian FTA.

A Japanese participant, while agreeing that Japan has so far promoted bilateral FTAs, explained that the Japanese government is reviewing its policy toward FTAs because (1) it has to deal with requirements not only from developed member countries of ASEAN but also from all the member countries, and (2) it has to pay due attention and due consideration to the need for unity in ASEAN. He stated that the Japanese government has found the multilateral approach in the field of FTAs to be quite useful for Japan, and, in fact, that it had already made a political commitment both in Bali and in Tokyo in 2003 that it would exert maximum effort to start multilateral FTA negotiations early in 2004.

Another Japanese participant, while agreeing with the effectiveness of Japan-ASEAN FTAs, cautioned that it is rather difficult to envision a multilateral Japan-ASEAN FTA. Japan being a developed country, any free trade agreement has to cover almost all trade items. When ASEAN is composed of very divergent countries, including Cambodia, Laos, and Myanmar, this rule makes it difficult for Japan to conclude a Japan-ASEAN FTA. He concluded that more effort is needed to enhance the cohesiveness of ASEAN countries.

Another ASEAN economist genuinely welcomed the Japanese government's decision to rethink the bilateral FTAs with individual ASEAN countries and to focus more on an FTA with ASEAN. He was concerned that bilateral deals would actually distract and weaken ASEAN. Moreover, he claimed that this would be one critical instance in which Japan can play an important role in lifting some of the malaise that ASEAN is suffering.

A Japanese participant agreed that, through FTA negotiations with a collective ASEAN, Japan may be able to secure the unity of ASEAN. Japan may be able to help the ASEAN countries harmonize their standards, increase their capacity for customs and immigration, and standardize their rules and procedures.

Next Steps to be Taken

While it was generally agreed that the functional approach would be an effective first step toward community building in East Asia, there seemed to be confusion about the next step(s) to be taken. A Japanese participant predicted that, if the functional approach continues in the region, the nature of the issues will tend toward the nuts-and-bolts. He wondered what the region would need next to further these kinds of efforts—perhaps a network of expert advice, a new civil society organization, or an umbrella of big ideas for the region.

There seemed to be a consensus on the need for political leadership, on one hand, and an institutional core, on the other. One participant pointed to the lack of clear political determination to move forward to create a community in this region, especially at the level of national leaders. A political scientist participant stated that, while there are clearly many factors that demand regional cooperation, a regional order is not achieved only by these “pull factors” (factors that pull the region together). He believed that it also requires leadership or “push factors.” Order, according to this speaker, does not come automatically and, as far as order building is concerned, there are roles to be played by nation-states, particularly the major powers, in making and enforcing the rules.

It has been generally recognized that ASEAN has always been a driving force in the movement toward regional integration in East Asia. An ASEAN economist confessed, however, that as leadership has been called for as a next step toward community building, she has become increasingly skeptical about the capacity of ASEAN to be in the driver’s seat of East Asian integration, because, she said, ASEAN cannot put its own house in order and therefore does not seem to have the capacity to promote wider integration, not only in economic terms but more importantly because of a lack of political will. She added that every time ASEAN comes up with a new program or new vision, it has always fallen down on the implementation side.

A Japanese participant emphasized that the East Asian regional community presupposes Japan, China, South Korea, and ASEAN as a unity. Unless ASEAN holds itself as a cohesive unit of 10 countries, he predicted, hopes for realizing the vision of an East Asian community were grim; he strongly hoped that efforts for further integration of ASEAN countries would continue.

From another ASEAN participant came a statement that ASEAN will not go away although it has its own current malaise. He hoped that friends of

ASEAN will not write off ASEAN as irrelevant and, therefore, something that cannot be counted upon. He urged Japan to treat ASEAN as a sub-regional association that needs to be built up.

Japan, however, may be able to exercise some leadership. A Japanese participant predicted that Japan, which has many stakes in East Asian community building, may be able to contribute substantially to moving the efforts forward. The minister of finance of Japan, for instance, is quite keen on contributing to an Asian bond market and the establishment of an Asian market. Other ministries are also very keen on FTAs. This participant claimed that there has been a shift in priorities within the Japanese government and that the government is now actually putting a lot more resources and energy into Asia than before.

An ASEAN economist summed up the discussion on the next step to be taken by stating that necessary steps really will not be implemented successfully unless the movement is endowed with some sort of effective enforcement mechanism. A lot of participants seemed to find the answer in building an institutional core in East Asia.

The Need for Institutions

A veteran of East Asian cooperation stressed the importance of new modalities in providing a structure for cooperation in various functional areas. History shows that official committee meetings alone are utterly inadequate no matter how many times they occur. He believed that the region needs to have a hard look at what kind of institutions should exist in order for these things to work because, otherwise, we are wasting a lot of energy and money.

Reviewing the same history, a Japanese participant stated that the region has no interest in repeating what was done in the past. Japan used to advocate institution building and actually it has contributed to some institution building attempts, a lot of which ended up defunct. Thus, he stressed that the region has to seriously think about how best it can establish new and functional institutions.

Before starting to discuss what kind of new institutions should be established, it seems only logical to review the problems that existing regional institutions exhibit and to explore whether they can be reformed. A senior Japanese economist found that there still remain a great many differences in rules, standards, and procedures among countries in East Asia, which

need to be identified and studied for effective harmonization. For this purpose, he proposed that we should take advantage of existing institutions, particularly APEC. APEC has been organizing more than 200 task forces, forums, and so forth on facilitation and economic technical cooperation, most of which are attended by nongovernmental organizations (NGOs), volunteers, and scholars, although APEC itself is an intergovernmental institution. APEC will also help keep the East Asian economic community open to the United States, Canada, and Australia.

A veteran ASEAN intellectual also agreed that, before we start promoting this East Asian cooperation into a more intense cooperation, we should look into the pitfalls, mistakes, concerns, and new challenges that the existing regional institutions have faced so far, and why there was, and is still, a malaise in these institutions. One of these institutions to be reviewed must be the Pacific Economic Cooperation Council (PECC)—the oldest of the Asia Pacific regional institutions. Experts inside PECC are themselves inclined to think that PECC has already fulfilled its historic role and, therefore, the region needs to look for a new type of cooperation. But PECC, with all of its past achievements and present networks, must be resurrected.

A somewhat cynical view was presented by an ASEAN economist who suggested the proposed regional institution should not be designed along the lines of the ASEAN Secretariat, which cannot satisfy all of the needs for a community partly because it is a foreign affairs ministry-based organization. He concluded that it would be more efficient to develop this new organization in terms of functions rather than organizational structure.

An East Asian OECD

In conjunction with the institutional needs of the region, quite a number of participants referred to the desirability of an East Asian version of the OECD. Again, the ASEAN veteran intellectual stated that East Asia probably should think about an OECD type of cooperation in this part of the world. OECD itself is an intergovernmental institution and, as such, it has been pointed out that it has its own inherent problems. Nevertheless, it is important, as a North American participant pointed out, that the community-building process is somehow connected to some clear-cut intergovernmental process and purpose.

Discussing exactly what they would expect most from the institution in the process of community building, a number of participants referred

to the function of intellectual leadership, which has been absent in the region. An ASEAN participant pointed out that the region needs to have an institution that can help implement initiatives and enforce rules, but, he continued, at this stage, the purpose is basically to give intellectual input so that the vision will not get lost.

Another ASEAN economist agreed that what is missing in the region is the intellectual leadership to go through and look at all of the issues and the challenges in an objective fashion that would be positive and beneficial for the region. He concluded that what is needed is an (East Asian) OECD that can help bring the different parties together to look at issues, not from the perspective of national interests but from the perspective of the community that is emerging in East Asia.

For this reason, another participant suggested that the region should look for the involvement of the state/government and the private sector, particularly think tanks. He believed that this type of an open OECD could be more useful and effective than a purely governmental institution, particularly from the viewpoint of avoiding the usual pitfalls for inter-governmental organizations. Another ASEAN participant agreed that an East Asian OECD should not be a purely governmental initiative. He believed that a purely governmental initiative would condemn the movement to severe ineffectiveness. Instead, the new institution should probably be closer to an expanded track two process that would be open, with official endorsement for funding, but with the involvement of as many responsible parties as possible. Yet another ASEAN expert stated that the region needs to make use of the networks of think tanks and intellectuals that already exist. Therefore in the design, from the beginning, nongovernment sectors must be an integral part of the institution rather than being brought in later simply as window-dressing.

Of course, there are many problems associated with an OECD-type of institution. For one thing, as a North American Asia Pacific expert pointed out, the OECD is a very large, expensive organization; more than US\$100 million is being spent on the OECD yearly. And a Japanese participant questioned who would bear the cost. He wondered if leaders can convince Japanese taxpayers that this is worthwhile. A senior ASEAN economist, while strongly supporting an OECD type of institutional arrangement in East Asia, cautioned that an OECD type of organization with a lot of the research and intellectual aspects presupposes the ready availability of data. And it is well known that in ASEAN as well as some parts of East Asia, data is very tightly controlled by governments and not readily available.

Important Actors

Aside from the institutional core, several elements were identified as important actors for the further promotion of regional community building in East Asia. There was no disagreement on the importance of nongovernmental initiatives and track two activities, particularly in light of the fact that government officials simply do not have time to work out long-term strategies. It would be also up to the track two experts to work out how to guide the various forms of regional integration toward one long-term target.

A former ASEAN finance minister stated that, instead of concentrating on governments alone, the existing networks and the networks of networks—track two, combined track two, mixed track two, and so on—could become much more effective. And what governments could do would be to endorse these track two initiatives and provide financial support from those economies that would be able to contribute.

Several participants underscored the need to get parliamentarians involved in the entire process but particularly in the vision making. In order to persuade taxpayers of the virtue of East Asian community building, for instance, policymakers can play an important role in convincing their taxpayers that this would in the long run be in the best interests of their communities. A Japanese veteran Asia Pacific observer also stressed that dialogues on the vision must involve parliamentarians because parliamentarians are in fact the policymakers. Parliamentarians are, according to this speaker, the people who listen to intellectuals and raise the questions in parliament which, eventually, lead to legislation.

Together with parliamentarians, the task of popularizing the concept of East Asian community so that it moves away from the business pages to the front pages of the region's papers can and should be shared by the media, especially the broadcast media, which has an extremely pervasive influence in all East Asian countries.

An ASEAN economist added to the list the importance of the private sector, particularly the chief executive officers (CEOs) of corporations. He believed that an opportunity must be provided, for instance, for Japanese CEOs to work together with CEOs from other economies so that they can be the driving force of East Asian community building.

At the end of the session, the moderator very effectively summarized the interactions that had taken place:

“In the creation of an East Asian community, we think it is useful to take this functional approach. But how do you organize yourselves so that the

ideas and initiatives that emanate through this functional approach will be implemented and rules and norms that also emerge from these interactions can be agreed upon and enforced? We do need to have organizations/institutions that can be effective, and I do like us all to remind ourselves of what we have experienced in ASEAN, the APEC process, and so on. That we do in fact want to institutionalize it, but the institutionalization, in the end, is manifested by what became regularized meetings. It is basically a process that has become regularized through a series of meetings. We are lucky if some of these get implemented. But if they do not, we will then come up with new initiatives in the next meeting. That is what has been going on. Therefore, part of the danger of this functional approach is that, if it does not accompany an effective organization, the vision gets lost in the process.

“Now, in terms of a modality of community building, there are initially three major typologies. One is the ASEAN Way. You have the EU model, which spends a lot of energy and time in building institutions and I do not think we can emulate a full-fledged organization like the EU in East Asia. And then there is NAFTA, which is all contracts. You have clear-cut contracts being enforced in NAFTA. In the end, I thought we will have a little bit of all of this in East Asia.”

Session III

Strengthening the Intellectual Underpinnings of East Asian Community Building

SUMMARY OF PRESENTATIONS

*AHN BYUNG-JOON, Visiting Professor, National Graduate
Institute for Policy Studies*

It seems that articulating common interest and identity is key to building an East Asian community or an East Asian order. In order to accomplish this, we should, in theory, strengthen regional cooperation, international cooperation, and multilateral cooperation rather than bilateral cooperation. In practice, however, there are two different imperatives working now in East Asia. By and large, economic imperatives are working toward interdependence and regionalism. But, on the other hand, political imperatives are working toward nationalism. It is naturally desirable that the economic imperative should prevail over the political imperative.

But in recent years, the region tends to see the clash of different nationalisms, for example, the clash between Chinese nationalism and Taiwanese nationalism observed in the recent Taiwan presidential election. It seems there also is a trend for a clash of two different versions of nationalism between China and Japan. In Japan there seems to be a rising tide of what can be termed “wounded nationalism” as a result of a great deal of frustration after experiencing 13 years of recession. The Japanese wish to restore some measure of self-confidence by restoring respect for the nation as a whole and for their tradition.

In China, there is a tide of “assertive nationalism.” Not only have the Chinese overcome a sense of humiliation, but also they are experiencing a great sense of confidence in having achieved an economic miracle. And it seems that there is a clash between the Japanese “wounded nationalism”

and the Chinese “assertive nationalism” today. It is desirable that Japan and China should make some kind of fundamental political reconciliation in order to build what is envisioned as an East Asian economic community. Without this Sino-Japanese reconciliation, building an East Asian economic community will not be possible for a long time.

How can this regional cooperation be promoted? There are basically three approaches. One is called realism, the second is called liberalism, and the third is called constructivism.

From the perspective of realism, cooperation results from a balance of power. Particularly in the field of security cooperation in East Asia, it seems that basically a balance of power is at work on such issues as the anti-terrorist campaign and counterproliferation of weapons of mass destruction (WMDs).

Liberalism is essentially rule-based cooperation, the idea that you can facilitate human liberty and cooperation through the rule of law or institution via regime building. If you accumulate these regimes, you can build up an institution. But it should be remembered that this regime institution is very weak in East Asia, particularly in economic cooperation involving APEC and ASEAN + 3.

Constructivism is the idea that you can create an imagined community by building and sharing a common society and common interpretation. Through the process of scholars meeting often and trying to share a common interpretation, you can build an epistemic community. Basically this is what they are trying to do at ASEAN by the so-called ASEAN Way or the ASEAN informal way. While trying to stay out of the big power rivalry, ASEAN has wished to enhance its own power by bringing together and facilitating meetings among big powers at its own ASEAN Regional Forum and ASEAN Post Ministerial Conference. This in itself is quite an achievement and yet this is far short of an epistemic society or community. Today, even ASEAN subscribes to the balance of power game by playing off Japan against China and China against Japan using FTAs.

How can East Asia overcome this nationalism problem? In Asia, the Westphalia system based upon the national sovereignty doctrine is on the rise quite contrary to the trends in Europe and North America. This is because the nation-state system has not yet been rooted deeply in Asia, particularly in China, Taiwan, and even in Japan. Thus, it is very important to overcome the spell of nationalism. One element is the rise of popular nationalism. As a countermeasure, East Asians should be able to share history. People do care about history in East Asia and it matters particularly in

China-Japan relations. Something should be done for East Asian countries to share common history.

What can facilitate functionalism or the functional approach to community building? It should be remembered that functionalism in itself does not lead to full-fledged cooperation. In order for functional cooperation to spill over into political cooperation, somebody has to take the lead and push. Without this push, economic cooperation on a functional basis itself leads nowhere. East Asia will have to address this issue of lack of common political identity and political leadership.

Lastly, it will be extremely difficult for us to build an East Asian community in the long run without sharing a certain measure of common values and common norms. In this conjunction, there may be three points that must be kept in mind. First, perhaps people should be much more honest by paying more attention to what is politically feasible rather than what should be done. Second, it is also important to put emphasis on the role of civil society in the ongoing dialogues. It may take a long time, but in this age of globalization, exchange of people at all levels should be promoted. Third, education is crucial. There should be more exchange of education, particularly on the level of higher education, student exchange, and perhaps exchange between think tanks and even private institutions throughout the region.

PAUL EVANS, Director, Program on Canada-Asian Policy Studies, University of British Columbia, Canada

Three models of regional community building include the North American integration process that does not have the kinds of underpinnings that have been discussed as a condition for Asia Pacific or East Asian community. This leads to the observation that you can have a very high level of economic integration without political convergence or convergence of values. And the irony of North America in the year 2004 is, as the Canadian economy is reaching the high point of economic integration in most sectors with the United States, political values, worldviews, and basic social values between Canada and the United States are moving further apart, producing enormous complexities in the management of the Canada-U.S. relationship from the Canadian side. The North American case seems to show that convergence may not go through economics, social values, and to politics.

Regionalism has three eyes. The first eye is material interactions. The material foundation of East Asian regionalism is trade, investment, and production. But the pattern of interactions in East Asia has changed dramatically, with the volume of interactions increasing greatly. Interactions have also expanded to include other areas, such as people movements and various forms of migration within the region. Cultural interactions in East Asia also have increased.

The second eye of regionalism is the concept of identity. That there is something in common or that is being created in common pulls countries in the region together. And the final, third eye is institution building.

As far as the interactions and the question of culture are concerned, East Asia in the last decade experienced a jump in the level of interactions involving artists, particularly pop music, fashion, and the interconnections of these, and there has been an enormous amount of intercultural interactions on an Asian basis. One may wonder if there are not some keys here to understanding how culture can unlock a step toward a common identity. While culture has been as much a force of division in the last 100 years along a path toward something in common, the recent situation might be quite different from before and enhanced cultural interactions might actually hold some possibilities for common identity.

In the context of Japan's relations with South Korea, the opening of cultural exchange over the last two to three years has contributed greatly. Looking at culture in more positive ways, thus, also allows one to start addressing the history questions. East Asian regionalism is not going to get beyond square one no matter how much functional cooperation there is unless there can be a reconciliation on some of the deeper matters of history.

Next is the question of the language of East Asian community building. One may wonder if there is a way to move from the domination of English into the realm of vernacular languages in the context of East Asian regionalism. And this can be partly a process of popularization of East Asian regionalism.

When people talk of the malaise of existing institutions, what should be expected from the third eye, i.e., institutions, at this period? What kind of organizational structures are now appropriate to move East Asian regionalism to a next step? This is an exceptionally difficult political problem for reasons of sovereignty and for reasons of government anxieties over possible sovereignty loss. It is also intellectually difficult to explore what kind of institutions should be designed. One can already detect a certain

dissatisfaction with the ASEAN way, which is politically useful but very difficult to utilize as an instrument to engender the kind of cooperation that is wanted.

One intriguing question is how to connect governmental agencies on one hand and institution-based processes with networks on the other in a sophisticated way. It will be a really interesting set of puzzles how those networks can be integrated, not just as window dressing but as integral parts of the process, bridging a great divide to connect policy networks and governments in new ways.

*TANAKA AKIHIKO, Director, Institute of Oriental Culture,
University of Tokyo*

Intellectual underpinnings perhaps mean activities and other efforts promoting, or at least consistent with, the creation of community building. There seem to be three areas of activities that may be regarded as intellectual underpinnings of creating and promoting an East Asian community.

One is the activities that are explicitly promoting the policies relevant to creating a community, including those activities that various think tanks and government agencies are conducting to create policies which are necessary for East Asian community building, to explore a better multilateral security policy agenda or ponder on the right approaches to promote FTAs. This Asia Pacific Agenda Project meeting is one example of those. The think tank networks that China is proposing in the context of ASEAN + 3 is another example of an attempt to strengthen the intellectual underpinning in the sense of promoting or creating policies for the purpose of community building.

The second area is the broad range of activities that may be regarded as promoting, or at least consistent with, creation of the community in this area. This category includes those activities that are not necessarily targeted at creating regional community but are nevertheless quite helpful and in many ways necessary to attain the goal. If one broadens the meaning of intellectual activities to include manga and other forms of pop culture, those may be regarded as activities that are consistent with the creation of a community.

Within this category a second set of activities that deserves attention is what scientists and engineers are doing with each other in the region. Of the 4,000 faculty members at the University of Tokyo, for instance, some

500 to 700 are conducting research in Asia. And the majority of those are scientists and engineers. A similar situation is observed in other universities, and an increasing number of scientists in engineering in this country are conducting their research in Asia. In terms of numbers, scientists and engineers collaborating with Asia far outnumber social scientists. Thus, those who are interested in creating a community should pay attention to these activities and try to connect these activities with our efforts of creating and building a community in East Asia. It might be of some use to measure and tabulate those activities that are being undertaken by scientists and engineers in Asia.

The third category of intellectual underpinnings is what may be called the intellectual basis that is fundamentally in support of the identity of a community. This is concerning the importance of promoting Asian studies in Asia, while the empirical fact is that Asian studies has been predominantly promoted and led by North American and European scholars. And again the universal language of Asian studies is English. What is conspicuous is the lack of Asian content in Asian studies, and this lack of research activities on our neighbors should be rectified. Unless this is rectified, there will be no intellectual underpinnings fundamentally in support of community building.

One focus of these research activities on Asian studies should be history. Unless we conduct research in history together, we will not be able to understand and promote understanding of the commonalities as well as differences, which are the basis of nationalism. Another focus can be basic research on contemporary East Asian societies. When social science research is conducted in Asian societies, scholars are faced with very little consistent systematic data, which should be remedied by such activities as an "Asia-barometer" modeled after the Euro-barometer.

WANG JISI, Director, Institute of American Studies, Chinese Academy of Social Sciences

There is something quite significant in China today in political as well as scholarly discussions. This is what it is called the "Scientific Approach to Development," or the "new development outlook." While the previous development strategy pursued rapid economic growth under the slogan of "efficiency as the priority and taking social justice into consideration," since Hu Jintao and Wen Jiabao took power in the spring of 2003, and especially

since the SARS crisis, there has been a new emphasis on a more balanced development strategy. The new political slogan is to “put the people first” instead of “GDP first.” Along with the new slogan there is a heightened consciousness of civil rights and accountability of government. This new concept was triggered first by some government officials’ mismanagement of SARS at the critical initial stage.

Against this backdrop, the pro-GDP group in China is fighting back, arguing that the lack of economic momentum and measures to treat overheating taken by the new leadership are causing, rather than eliminating, problems, and that only very high GDP growth can generate more jobs and enhance people’s welfare. To some extent this controversy is somewhat akin to the familiar arguments often heard in the West (for instance, between the Democrats and the Republicans in the United States). However, there are some very important differences.

First, the disagreement is pertinent to government policies rather than the role of government or the Communist Party in society. People on both sides of the argument are talking about the readjustment of government policies in favor of the GDP or the disadvantaged people, depending on where one stands, but not about the role of the government in society. Thus, few people will promote the idea of establishing more NGOs, the role of which is limited in Chinese society today. Civil society is still an alien concept in China, along with good governance and other values.

In the mindset of most Chinese, government or government policies are still the key to all solutions. In other words, people in China are still dreaming of a good emperor. It is important to notice that there is widely shared disillusionment or cynicism about democracy and pluralism, after witnessing what democracy has done in Taiwan; South Korea, where a president who garnered the popular vote is to be impeached; Indonesia; the Philippines; and Russia. Simply put, democracy is not a popular idea in China today.

Another theme of domestic debate in China is the “peaceful rise of China,” which is a popular subject among China’s intellectuals today. This is a concept that was initially promoted by some political figures in China about a year ago. And the theme is further reinforced by the realization that globalization is not going to be reversed. There is also awareness that China should draw lessons from the downfall of the Soviet Union, which spent a lot of national resources on the arms race that retarded economic growth.

Surprisingly enough, people who are promoting this idea have more problems at home than abroad. There is remarkable cynicism and

skepticism at home about this concept of the peaceful rise of China. Some scholars argue that no great power has ever risen along a peaceful road, and China cannot be an exception. People on the moderate wing, on the other hand, claim that talk about the rise of China from the outside world has gone far enough, because it has created the perception of the China threat. What is the point of boasting about the rise of China ourselves, they argue. Assertiveness in China's nationalism is very much in evidence in Chinese society today. Other issues of frequent domestic debates in China include energy, reflecting the fact that energy consumption has risen remarkably over the past one or two years, and Taiwan.

What do these domestic debates in China mean to the East Asian community? China is certainly moving closer to other parts of Asia, but it is still moving slower than expected. It is an Asian community, instead of an Asia Pacific or East Asian community, that has more significance for China. This is related to China's worldview, which divides the world into three levels. One is the developing world, another is the developed world, and the third is countries surrounding China, which include Russia, Pakistan, India, and the Central Asian states, apart from the East Asian states. Thus, the Asian community to China is different from the East Asian or Asian Pacific communities. There is a rising consciousness in China that it does not necessarily welcome non-Asians in Asia, referring, of course, to the United States, Australia, New Zealand, and even Canada.

China is not yet clear about what kind of community it aspires to establish in Asia. But the current Sino-Japanese relationship is worrisome. Feelings in China toward Japan are definitely not good and they are at an extremely low ebb compared with the past.

As far as Asian studies are concerned, they are not very well developed in China for various reasons. Asian studies in China are predominantly focused on the study of governments in Asia, and not on societies in Asian countries. This is not a welcome development. Instead, China should learn more about its neighbors by studying their histories.

SUMMARY OF DISCUSSIONS

In this session, the "soft" side of community building, both positive ingredients and potential obstacles, was discussed. Interventions mentioned are outlined below.

Ingredients for East Asian Community Building

Several factors were discussed in the context of elements promoting or at least consistent with community building in East Asia, including Asian values, improved bilateral relations in the region, and shared common goals.

One would expect that Asian values, which had been promoted loudly and aggressively a few years ago, could provide a psychological and intellectual foundation for an East Asian community. Several participants indeed referred to this, but none suggested that Asian values could be utilized to promote community building. A senior Japanese scholar introduced two cases of grand intellectual inquiries into the identity of "Asian values" that produced only many books with no better understanding of its substance. A North American participant, looking from outside the region, suspected these attempts will never succeed and, indeed, believed it could even be dangerous to dream about this. He held that a good region with a high level of regional integration could be built without a common set of specific values. A senior ASEAN historian finished the debate by stating that Asian values came onto the scene temporarily under the special circumstances of post-cold war Western euphoria and that the concept does not matter much any longer. Indeed, the concept had already disappeared, he felt.

Throughout the conference, the schism among three countries in Northeast Asia had been pointed out as a huge obstacle that needed to be overcome in order for an East Asian community to be created successfully. During this session, a number of participants referred to improved bilateral relations between China, Japan, and South Korea in recent years.

An ASEAN senior political scientist observed that there seemed to be some consensus among participants that the Sino-Japanese relationship or, more clearly, reconciliation within that relationship, is a necessary ingredient to East Asian community building. A Japanese East Asian expert agreed that Sino-Japanese relations are extremely important for community building.

One panelist pointed out that the general image of Japan has been on the decline among the Chinese public, to which a Japanese East Asian specialist responded that the image of Japan in China is worsening because so many things happened in 2003, including the controversial visit by Prime Minister Koizumi Jun'ichiro to Yasukuni Shrine. A group of Chinese scholars who advocated a "new thinking on Japan policy," which was highly welcome in Japan, was in the end severely criticized by other Chinese scholars and

citizens through the Internet, tabloids, and newspapers, reflecting a rather negative climate vis-à-vis Japan in China. This speaker believed that one way to address this problem is to promote more sound Japanese studies, which are still weak in China.

The same speaker, on the other hand, observed that in Japan “it is a little bit quiet,” because, he believes, the Japanese economy has finally regained its growth partly thanks to progressing economic interdependence between the two countries. A senior ASEAN economist was impressed by a study by the Ministry of Economy, Trade and Industry (METI) that shows there has been quite a significant change in Japanese perceptions of and reactions to China. Instead of looking at China as a threat, Japanese now see China as more of an opportunity because it is the fastest growing market for Japanese products. This speaker reminded participants that when people talk about a bilateral relationship there is no forgetting the importance of economics.

A senior Japanese intellectual felt that feelings toward China among the Japanese have improved compared with two years ago, and he attributed this change to three factors: (1) the proactive approach that the Chinese government has taken in solving the North Korean nuclear issue; (2) Japanese business, which is actually benefiting more from China’s growth than losing; and (3) the emergence of a new leadership in China. This speaker concluded that Japan-China relations are in good shape and that the Japanese nationalism, which it had been feared at one time would flare up against China, is no longer so prevalent.

Another Japanese political scientist added that he thinks the Japanese view on China now is not so bad—not so terrific perhaps, but nevertheless not so bad. The reasons he cited for this were (1) increasing interdependence in the economic sphere and (2) the growing number of Japanese students and businesspeople who are studying the Chinese language.

Improvement of bilateral relations is not confined to China-Japan relations. A Japanese participant felt that, despite some unfortunate incidents, the Japan-South Korea relationship has matured in recent years to the extent that some people involved in Sino-Japan relations suggest that Japan-South Korea relations should be a model for the future. A senior Japanese intellectual observed that in Japan the popular attitude toward South Korea has improved tremendously, referring to South Korean movies and TV programs that the Japanese public has found fascinating. This kind of exposure has brought South Korea closer to Japanese youth and the Japanese public in general.

A senior South Korean scholar confirmed from the South Korean side this trend in the improvement in the relations between South Koreans and Japanese. He attributed the improvement on the South Korean side to the emergence of a new generation, which has affected everything in South Korea, including national politics. He observed that South Korean youths are apparently accepting Japanese people and culture much more innocently than older generations, a trait that, he suspected, is shared by Japanese youth. Between the new generation in the two countries there is much more affinity in terms of lifestyle, he noted.

China-South Korea relations—the third leg of Northeast Asian bilateral relations—have experienced a bumpy period due to the historical authenticity/lineage issue. Chinese participants and South Korean participants seemed to show slightly different assessments about these bilateral relations. While pointing out how sensitive the United States is to the improvement of Sino-South Korean relations, a Chinese participant disclosed that the public image of South Korea in China is very good partly because some South Koreans are constantly reminding the Japanese of Japan's wrongdoings during World War II, an attitude that some Chinese insist their government should emulate.

A senior South Korean scholar who said that while he had been under the impression that South Koreans for a long time regarded China as benign, explained that recent unfortunate events have led South Koreans to feel that China can be nasty toward them. Here he saw a great deal of concern on the part of the South Koreans about the Chinese attitude toward South Korea. He feared that the negative attitude toward Chinese goes deeper than recent events, having something to do with China's size.

Reference to the current status of democracy in Chinese minds by one of the panelists invited a number of comments from participants in support of democratic developments in China. A Japanese scholar who was a member of the East Asian Vision Group stressed the necessity of keeping a goal in mind when creating a community and reported that the consensus his group had reached was the creation of "a community of peace, prosperity, and progress." The intention behind such an ambiguous, contentious, and, to some, even annoying term as "progress" was, according to this speaker, the inclusion of good governance and eventual democratization. He dared to say that unless the idea of progress is included, many community building efforts will be directionless.

Another Japanese senior intellectual found the panelist's assessment disturbing. According to his analysis, the root cause of Japanese affinity to

South Korea and Taiwan lies in the fact that these are democratic countries. Solidification of Sino-Japanese relations, he felt, required a sign that China, too, is moving toward democracy or, at least, toward pluralism. An ASEAN intellectual agreed with this speaker, declaring that we cannot build a regional community only on the basis of open markets because we cannot attain open economies without working toward becoming, eventually, open societies. Thus, we will have to think in terms of open societies, instead of open markets, when we build a regional community.

A Japanese East Asia specialist agreed with the original assessment on Chinese cynicism toward democracy. Since he believed that the common values and senses on which an East Asian community will be founded must be related to democracy and open society, he declared that political reform is truly vital for China's future development. In order to move forward toward an East Asian community, China will also need to share certain common values, including open society, he stated.

Another senior Japanese economist testified that there has been tremendous growth of NGOs, genuine NGOs and nongovernmental NGOs, in China in recent years, particularly in the fields of environment and community building. This can be interpreted as a positive sign of pluralization in China, the speaker suggested.

Responding to these comments, the original panelist clarified that he did not say that democracy has been removed from China's political agenda. Instead, he reiterated, the Chinese people, particularly intellectuals, have been disillusioned by democracy, partly due to the result of the alliance between the rising middle class and the government which has often resulted in self-serving corruption, e.g., corrupt officials supported by entrepreneurs, instead of the more democratic mechanisms that textbook democracy preaches.

Potential Obstacles to Community Building

The Nationalism Issue

Several participants responded to a panelist assessment on what appears to be a resurgence of nationalism in some countries in East Asia. A Japanese participant recognized the existence of the view that in Japan the younger generation is more nationalistic than older generations; however, he very much doubted the validity of this view, particularly vis-à-vis South Korea.

He hoped that the presence of this younger generation that is not particularly nationalistic will encourage the betterment of relations with Asian countries, including China.

Another Japanese scholar saw the influence of the mass media behind the recent attention to nationalism. Referring to the stir triggered by Prime Minister Koizumi's visit to Yasukuni Shrine, this speaker informed participants that the Chinese government itself had been trying to keep the incident as low-key as possible but that the Chinese mass media had blown it up. From this experience, this speaker was convinced that there should be a more active exchange of journalists between China and Japan.

An ASEAN observer noted that, in terms of nationalism, China has behaved much more maturely, as a big country should behave, in the past two to three years, and particularly since the change of leadership.

Approaching the issue differently, a South Korean participant thought that Asian regionalism in itself may be an attempt to absorb Asia's nationalism. In other words, he saw the desire for regional community as an expression of what he called pan-Asian nationalism in response to U.S. power and American dominance. A good deal of anti-U.S. sentiment exists in Asia, he noted, and he stressed that it will be important for East Asians to be much more honest by recognizing realities, constraints, and historical legacies when building the intellectual underpinning for the regional community.

The History Issue

History could be a major stumbling block on the path toward an East Asian community. Referring to a recent incident involving ancient history which has become an issue of contention between China and South Korea, a Japanese political scientist stated that history is constantly being rediscovered, including even ancient history, and some discoveries become hot issues in relations between and among countries in East Asia. A Korean participant endorsed this view, confessing that even now he thinks Chinese have a condescending attitude toward Korea and Koreans. If the issue of ancient history becomes politicized, he continued, the only solution would be to concentrate more time and energy on the part of scholars in conducting further research on the particular issues, and to do so with a more detached sense of history that is not dominated by a nationalistic mode of thinking. He concluded that joint study of ancient history in East Asia could become a building block for creating a new community, instead of an obstacle.

A senior Korean scholar agreed that contention triggered by ancient history is nothing new in East Asia, including between China and South Korea. He recognized behind these incidents the intentions of some politicians who wish to politicize these issues. He endorsed the previous Japanese speaker's proposal for a joint study in ancient history between countries concerned. Referring to another history-related issue—i.e., Prime Minister Koizumi's visit to Yasukuni Shrine, which has been a thorny issue between Japan and its neighboring countries—this Korean scholar disclosed his impression that Japanese public opinion seems to be divided on this issue, with a slightly larger portion favoring the continuation of visits over the establishment of an alternative site. Politicians, being what they are, will naturally play up public sentiment to gain more votes, he concluded.

A senior ASEAN scholar stressed that Asia must begin to write its own history, not from different national perspectives but from the standpoint of the inter-Asian region. History is important because it is the base for the future and, in his judgment, two things must go together when building a community, i.e., history or a common appreciation of where we come from, on the one hand, and an appreciation of where we are going, on the other hand.

A profound and useful viewpoint was provided by a prominent historian participant. He pointed out that one of the interesting things about Asia is the differences in things like religion and conceptions of the past, i.e., certain countries and cultures in Asia place a lot of emphasis on political history, while in some other countries political history is not at all important. China, South Korea, and Japan have all developed a sense of political history and, in fact, legitimacy of any regime in these countries is based on a historical record. For countries like India and Southeast Asian countries, the past is not seen in terms of political history, but more in terms of literature, gods, and events, which have moral tales. Thus, there seems to be a vast difference in the sense of history between Northeast Asia and South and Southeast Asia, which could contribute to a lot of misunderstanding about how to deal with the past. This speaker warned that when one culture emphasizes political history and another culture does not, there is no dialogue.

China Factor

As the preceding debate on democracy implies, China itself can pose an obstacle to East Asian community building. Whether China sees itself as an East Asian country and how China sees East Asia was discussed in conjunction with this. A senior ASEAN promoter of Asia Pacific cooperation,

while understanding that China, being a large landmass, has to pay equal attention to many surrounding countries/regions, questioned whether East Asia is not the most important region to which China should give priority, especially when East Asia is where economic expansion and integration is happening, and when a strong East Asia will be of benefit to China in its relations with the United States.

Another ASEAN political scientist wondered where Japan fits in the Chinese typologies of its surrounding world, the answer to which will determine what China wishes to do with its relations with Japan.

To these questions and comments, the original Chinese panelist responded by partially agreeing that East Asia is the most important region in China's strategic thinking as well as in practical Chinese considerations. But he claimed that the unique presence of Japan (i.e., as part of the developed world, a U.S. ally, and as one of the surrounding countries in Asia, according to Chinese typology) complicates the situation. China's view of East Asia as a strategically important region has been crowded by its dissatisfactory relationship with Japan, which plays a very important role in the region, while Japan's strategic alliance with the United States further complicates the situation. As a result, this speaker stated that it is not easy for China to see East Asia as the most important, vital region for China's strategic considerations. Therefore, he believed that unless China becomes more accommodating to the existing security relationship in East Asia, it will not be easy for China to embrace this concept of East Asian community.

Underpinnings for the Future

Next a senior ASEAN intellectual shared his impression that there is definitely not enough intellectual underpinning for East Asian community building and that the region needs to pay attention to strengthening this weak underpinning. Playing the devil's advocate, he declared that if at the moment the region has only enough intellectual underpinning in terms of economic growth and prosperity, we should stop talking about the community and instead talk about regional cooperation or association. He believed that the region should take this task of community building step by step and try to strengthen the political side, beginning with regional economic cooperation or association.

Several other participants commented on steps to be taken to further strengthen intellectual underpinnings. An ASEAN legislature participant

stressed the need for a paradigm shift with respect to leaders' and people's view of East Asia and East Asian community, the lack of which has been a major stumbling block in community-building endeavors. This shift calls for the articulation—a task for intellectuals—of a new paradigm, and this should be followed by the popularization of the paradigm, in which he hoped the media can and should play a major role.

Some participants pointed to the importance of educational/research exchange in the region. A Japanese university professor believed one area of activity that will be important for East Asian community building in the long run is international education, especially on the university and post-graduate levels. More specifically, he wished to see Japanese institutions accepting more foreign students and sending more students overseas, particularly in collaboration with Northeast and Southeast Asian counterparts. Another senior Japanese scholar thought it important for Japanese scientists/engineers working with Asian counterparts to be assisted by social scientists in order to deepen the social context of their joint endeavors.

The importance of the track two contribution was pointed out repeatedly throughout the session. One of the keys seems to lie in more effective and sophisticated connection between track two networks and governments. One senior ASEAN track two promoter stated that the issue of strengthening the intellectual underpinning for East Asian community building is in fact directly related to the role of the second track and how to effectively organize the second track. The most important task for track two is, according to this speaker, related to the institution that East Asia should establish to facilitate community building. While some argue that the region should be content with an institution that is currently politically feasible, this speaker believed it is the role of the second track to identify what needs to be pushed beyond what is politically feasible and how far. Track two can and should present a vision of the institution to come, in other words.

Session IV

Regional Collaboration for Peace Building

SUMMARY OF PRESENTATIONS

KIM KYUNG-WON, President, Seoul Forum for International Affairs

Looking for an example of successful regional collaboration for peace throughout history yields two examples. One is what happened in Europe, and the other is what happened in the Western hemisphere. The rest of the world still regards regional cooperation or collaboration for peace building a dream. It seems wise to look hard at these two examples to see what factors were responsible for their success and, therefore, can be applied to East Asia.

In Europe, the following factors seem to be pertinent. First, shared perception of a common external threat is what brought European nations together to form a security structure.

Second, ideological homogeneity exists among the states of the region. In the post-World War II period, when the European experiment began, homogeneity among states existed in the sense that ideologically the principal of legitimacy did not differ from one state to another, i.e., they were all democratic republics.

Third, it must be pointed out that without Franco-German reconciliation, there would not have been a European structure for peace. European success in realizing the reconciliation between the two old enemies was made possible, ironically, by the cruelty and enormity of the evil they had experienced.

Fourth, the role the United States played in Europe promoted European integration. Of course, the United States has a traditional strategy of divide and rule, and it intervened in European affairs to make sure that Europe did not achieve political union. But in the 1940s-1950s, Europeans were so

poor and helpless that it did not occur to Washington that Europe could become a competitor. Therefore, the United States persuaded Europeans to get together under the Marshall Plan and, later, the NATO (North Atlantic Treaty Organization) strategy, instead of applying the historical strategy of divide and rule.

In the Western hemisphere, the key to success seems to be simple. The hegemonic position of the United States ensured that this hemisphere would have a regional approach to peace building and security issues in general. It is the hegemonic status of the United States that ensures success of the regionalism in the Western hemisphere.

If these conditions are keys to success, one finds that none of them applies in Eastern Asia. There is no extra threat to the region that all the states of East Asia agree is a threat. The region of East Asia today at least nominally has no ideological homogeneity. And the role of the United States is also quite different. It is neither the role that one sees south of the U.S. border, nor is it the role that one sees in Europe. In East Asia, the United States continues to apply the historical strategy, which is to make sure that there is no political unity in East Asia. The geopolitical imperative for the United States in this region is to make sure that there is a degree of tension between Beijing and Tokyo.

Additionally, two other factors are relevant in the case of East Asia. One is the centrality of China. The question we face with regard to China is whether it is possible at all for East Asia to acquire a stable equilibrium, given the size of China, without involvement of an external power, i.e., the United States.

Second, nations in Northeast Asia uniquely lack multilateral experience. Throughout their history they never had multilateral experience and these three countries—China, Japan, and Korea—lived more isolated than any other nation. This is why even today it is difficult to convince them that matters of real importance can be dealt with productively through multilateral processes. For them, serious business is reserved for bilateral or unilateral actions.

Nevertheless, it would be premature to conclude from the above observations that regional cooperation for peace and security is impossible in East Asia. There are objective trends that tend to open up the possibility of regional integration, including economic interdependence, cultural interactions, and attention to Asian values. What is most striking, however, is the fact that all of the Asian states, despite their ideological heterogeneity, are committed to pursuing the same goals, which can be described as identity

of state aims. Despite the negative list above, history seems to be on the side of those who are looking at East Asia as an open book. And we should find a way to build a community out of the possibilities that are arising from the changes that are taking place.

*KOKUBUN RYOSEI, Director, Institute of East Asian Studies,
Keio University, Tokyo*

The presidential election in Taiwan reelected Chen Shui-bian, but more important than this is the result of the referendum. The rejection by voters means that the Taiwan people prefer the status quo. While it is true that the so-called Taiwanese identity is gaining ground in Taiwan, it was proven that the status quo is more important for the Taiwanese. This result is apparently a mixed blessing for China.

Regarding China, Japan appreciates China's rational reaction to Japan's decision to send members of the Self Defense Forces (SDF) to Iraq; this decision split in half the national opinion in Japan itself. Had there been some noise from China, it would surely have triggered anti-China sentiment among the Japanese. The revision of the Japanese constitution is, in a way, a part of Japan's normalization attempt. And China must be watching carefully to see what the normalized Japan is going to look like.

The Japanese economy is recovering mostly thanks to China. But we are also worried about China's bubble economy infested by non-performing loans and some other problems. While Japanese exports to and investments in China have been increasing, Japanese corporations are becoming cautious about the future of the Chinese economy in the next one or two years.

Concerning the membership issue of the East Asian community, while the core of the community should be Ten + 3 (ASEAN-10 plus China, Japan, and South Korea), the community should maintain its commitment to open regionalism. There seems to be a consensus within Japan that the core of the future East Asian community would be ASEAN + 3. One of the reasons behind steady advancement of the concept of East Asia seems to be the absence of strong leadership, which contributes to emergence of a kind of balance of power or a stage for collective leadership in the region. The other element of the membership issue is Taiwan's status. While the East Asian community is basically considered to be a group of nation-states in the region, it needs to be open to the idea of being a society- and people-based community.

ZHANG YUNLING, *Director, Institute of Asia-Pacific Studies,
Chinese Academy of Social Sciences*

When we talk about East Asian community building, we must come out of the European shadow, because East Asia is different from Europe. East Asia has different history, and its current situations are quite different from Europe. East Asia also has different interests.

The most fundamental foundation of East Asia seems to be the increasing interdependence in the region. Once this process started, it became like a moving train. The economic development of each country and regional stability are now common interests in the region, the protection of which provides an incentive to bind the region together.

The second factor is China's rise. This is generally a positive factor in bringing the region together. Most of all, China's rise probably provides a new foundation for regional economic growth for the future. Past economic developments in the region—Japan, the “four dragons,” and ASEAN—have not provided markets for East Asian products. China's rise, on the other hand, will eventually provide a market at least parallel to that of the United States. If China successfully readjusts its policy to mobilize more domestic demand and base its growth more on domestic strength, it will prepare a regional foundation for long-term economic growth. Seen in this light, the proposed China-ASEAN FTA probably is a rational choice, benefiting both China and ASEAN, and, possibly, the entire region.

The third factor that provides foundation to the East Asian community is the regionalism in the rest of the world. Regionalization in other parts of the world, for example, Europe and North America, is putting a lot of pressure on East Asia to come together and promote its interest in world affairs as a region.

Aside from these factors, a change of great significance to the region is the end of the cold war. Although the North Korean issue still exists, there is no longer an issue that divides the region into two camps. Even the North Korean issue can be regarded and treated as a regional affair. In other words, there still remain some specific issues but none of them is fundamental enough to divide the region, which is a very positive factor toward regional community building.

The issue at hand is how to proceed. First, we need to enhance the existing interdependent relations and common interest through various devices including, for instance, FTA arrangements. It would be ideal to find a way to coordinate all of these multi-layered arrangements in the region eventually

into one—an East Asian FTA. FTA seems to present a new path to open regionalism, which is different from APEC. APEC is open regionalism based on unilateral liberalization. FTA is different from a common market, and it is also different from a custom union. The key factor here is whether China and Japan will compete or cooperate in this process.

Second, we should strengthen regional cooperation in this institutional building process. The East Asian community must be based on regional institutions. Therefore, it will be very important to move the current Ten + 3 process into the East Asia summit, bring all of these separated and multi-layered FTAs into one East Asian FTA, and further promote the Chiang Mai Initiative into a common regional financial architecture. Also it would be important to establish some kind of security forum or institution.

One complicating issue is how to find a way to accommodate the United States in the East Asian regional community, perhaps not as a member but as an important partner. The ASEAN Regional Forum (ARF) is a possible conduit, but ARF seems to be too broad. It would be ideal if we could gradually move to a more stable and more balanced Pacific relationship between East Asia and the United States. It seems that the United States has gradually accepted that a regional integration in East Asia will not hurt its interests. Besides, it should be easier to convince the United States of the importance of an East Asian community because of China's rise. Handling China would be a difficult task if individual East Asian countries have to address it separately, but it would probably be easier if tackled as a region.

A lot seems to depend on China's behavior in the future. Its economic future remains worrisome, but it seems most people are still optimistic. Economists seem to believe that high growth is possible for the next decade or two, because of China's unique potential and many favorable factors surrounding China. Another issue is the so-called new face of China's foreign policy. This new face is based on two basic factors: domestic-centered thinking, or preoccupation with the domestic situation, on the part of Chinese leaders, and the stability of the outside environment, which is helpful for China to realize its transition and modernization.

SUMMARY OF DISCUSSIONS

Feasibility of East Asian Community

Before pondering the role of the East Asian community, participants spent some time wondering about the imperatives for this proposed community and if this community would be feasible. A Japanese political scientist suggested three strategic imperatives as unstated goals of East Asian community building: (1) a hedge against the possibility of China emerging as a regional hegemon, (2) a hedge against possible future Sino-Japanese rivalry, and (3) a hedge against the possible end of the U.S. hegemony. Since East Asian community building is a long-term project, this speaker believed that planners should be prepared for the situation in which there is no superpower in the world.

An ASEAN economist identified the security imperative for East Asia as stemming from two factors. One is preemption of certain likely internal conflicts without resorting to outsiders. The other is the enhanced capacity for regional solutions to the kind of conflicts that the region has seen so far, such as North Korea or Myanmar. These security imperatives take precedence, according to this speaker, over economic imperatives.

A Japanese political scientist participant followed by stating that, when it comes to economic imperatives for East Asian community building, there is a meeting of minds, but when it comes to security imperatives, views seem to be somewhat divergent. Given the situation, this speaker suggested that the concept of human security might be a glue or a source of convergence for the security imperative of East Asian community building.

While one panelist expressed his skepticism regarding East Asian community building on the grounds of the lack of a multilateral tradition in the region, several participants spoke up to defend the movement. A Japanese economist participant disagreed that there has been no multilateral arrangement in Northeast Asia, citing the example of a few ongoing arrangements among China, Japan, and South Korea in the area of environment. Also from Japan, a political scientist observed that in the past two or three years the region has seen both that various sorts of multilateralism are emerging and that multilateralism can make things happen. This speaker cited the example of the ARF's attempt to facilitate preventive diplomacy as well as the Shangri La Dialogue process to bring regional defense ministers together for policy dialogue. He concluded that the image of multilateralism in the region is not based solely on the wider range of cooperative security

arrangements but it is more like a myriad of various functional approaches based on the issue area to which countries and communities having the will and capacity will join.

In response, the original presenter clarified that he had tried to explain how multilateralism is viewed in the region, but also shared with other participants his long-time frustration and disappointments in dealing with the United Nations.

Another possible obstacle to community building in the region seems to be the presence of a great schism within Northeast Asia. An ASEAN international relations veteran referred to, for instance, "the historical enmities" within Northeast Asia that may be a hindrance. Some participants thought that ASEAN may be able to play a constructive role in this problem. A senior ASEAN intellectual claimed that ASEAN, by itself a collection of small states, can play a moderating and mediating role to connect the three major powers in Northeast Asia. Moreover, he believed that, if ASEAN thus can feel that it has this mission sacrée, it would also help ASEAN and, therefore, the region. From a somewhat similar angle, a Japanese expert of East Asian politics observed that some gaps exist not only between ASEAN and the three major powers but also among the three themselves; this speaker suggested that ASEAN might be able to bridge those gaps. For future stability and peace in the region, ASEAN countries should consider what they can do for the three, while the three should consider what they can do for ASEAN.

One ASEAN participant posed a more fundamental question on the philosophy of East Asian community. He wondered if the region is attempting to build simply a community of states or a community of societies. He himself wished to think that the entire region is in agreement that community building is actually an effort toward building a community of societies in East Asia, because the resultant community will have to deal with the reality of non-state actors that can also have an impact in building peace in the region. To him the most fundamental question should be what the end goal of community building is, and if it would make governments in the region more responsive and, therefore, enhance good governance. He stressed the critical importance of expanding the number of believers in an East Asian community, particularly among the younger generation, noting the important role educational institutions can play in community building through social capital investment and value formation. He also observed that the region can use the U.S. Peace Corps Volunteer model in promoting community building. Enhancing community building in

the region, according to this speaker, will depend on tangible evidence of people-to-people interaction, which is important in terms of image building as well as peace building.

Taming China

By far the largest element in the formation and management of the East Asian regional community seems to be China. Referring to the possibility of China growing into a superpower to the annoyance of the United States, an ASEAN senior intellectual held that the attitude of new leaders in China, who value a peaceful environment for development and recognize the important role that the United States will play in East Asia, is very encouraging. This speaker underscored the value of including China in the structure of an East Asian community with the rest of the region, provided China will not try to be a regional hegemon in the future. An institution that is capable of integrating China in this way, he predicted, will be able to cope with the United States in a positive way as well.

An East Asian scholar admitted that China presents a challenge to community building. What China is capable of doing and what China comes to signify is, according to this speaker, a matter for the attention of the entire region because the implications affect all the countries. A Japanese scholar participant agreed that the region had welcomed China's stable development in recent years as well as the stable leadership of the Chinese Communist Party because China's rise will be important to the region. He cautioned, however, that it will take a long time before China rises to its full potential, given the still fluctuating domestic situation.

Engaging China positively in an East Asian community would itself be a major stabilizing factor for the region. But another good effect of China's positive engagement is the tranquility it brings to the United States. An ASEAN intellectual referred to the comment made earlier by a Chinese participant who claimed that the United States might be more willing to accept the East Asian community concept if it believes that China, in the context of the East Asian community, would be more accepting of a U.S.-China reconciliation.

In relation to China, some comments were made by participants who were agitated by recent developments in Taiwan. A Chinese scholar participant claimed that Taiwanese leaders must be helped to understand what Taiwan needs, what the region needs from Taiwan, and how to participate in the regional process. Referring to the recent presidential election and

national referendum in Taiwan, this participant expressed the opinion that Taiwanese leaders are not yet sophisticated enough to discover how to live in an international community in ways acceptable for China as well as Taiwan. This speaker suggested that Taiwan should be invited to participate in the community building, including, most importantly, activities among civil societies in the region for educational purposes.

Agreeing that Taiwan is not good at handling international relations, a Japanese participant said that he believes that Taiwan must behave itself internationally. Taiwan can be a member of the East Asian community in terms of economic and even cultural contexts, but in terms of politics and security, the region may have to be cautious, he warned.

The Role of a Normalized Japan

As a South Korean participant pointed out, "Japan is another country whose role or non-role is a matter of great interest to us." He stated that Japan's "normalization" in particular is a concept that poses very difficult questions for all East Asian countries.

Analyzing the situation from a more traditional framework, an ASEAN senior intellectual posited that the critical role for Japan would be to, essentially, persuade the United States, as its ally in the region, of the virtue of an East Asian community, particularly from the viewpoint of positively engaging China in regional affairs. This speaker admitted what a difficult game this is for Japan, which has always been rather timid in showing diplomatic initiatives, but he saw a great opportunity for China to receive peaceful assistance, cooperation, and interdependence with the United States.

A Japanese participant expresses his hope that the 60 years of unarmed development and peaceful international contributions might make Japan's active role in international affairs, including East Asian affairs, a little more acceptable. He believes that the Japanese public is accepting of the SDF having been sent to Iraq, and he hopes that those SDF soldiers prove themselves different from the former Imperial Army of Japan, which would make them acceptable internationally but particularly by East Asian countries.

Another Japanese participant, in the belief that behind the U.S. opposition to an East Asian community has been the suspicion of Japan taking some leadership in the region, expressed the opinion that this suspicion is gone now and that the United States can accommodate Japan's taking a greater leadership in East Asia.

Playing a greater international role, including in security affairs, is an essence of the “normalization of Japan” argument, leading to discussion on the desirability of the Constitution, particularly Article 9. A Japanese participant favored revision of Article 9 on the grounds that the widening gap between reality, including the dispatch of the SDF to Iraq, and what Article 9 stipulates is becoming uncomfortable. However, this speaker also stressed the importance for the Japanese to debate why they wish to modify Article 9 and to explain to the whole world what this normal Japan will mean to the international community.

It is noteworthy that, in response to this comment on the normalcy argument in Japan, there came a sobering comment from a Chinese participant, who summarized Chinese public opinion on the motivations for Japanese “normalization” as (1) pressure from the United States, (2) desire to have a bigger piece of the cake, and (3) desire to normalize the Japanese military role.

Managing Difficult Relations with the U.S.

By far the greatest number of references were made during the session to the management of good relations with the United States, which could be a problem for an East Asian community. One of the panelists, in retrospect, observed that what is emerging from the current session is the realization that the United States poses the greatest challenge for East Asia to deal with in designing for the future of the region.

An ASEAN intellectual agreed that the most important challenge to East Asian community building can be summarized as what to do with the United States. Historically, U.S. policy in East Asia has been geared to maintaining U.S. supremacy, and this speaker predicted that this will not change for a long time. Therefore, the problem that is emerging is how to mix and complement this strategic fact, i.e., 50 years of U.S. supremacy, with the budding effort to build an East Asian community. In the end, said this speaker, East Asia will need to exercise its creativity and its best performance in finding ways to convince the United States of this new situation.

A Japanese participant agreed that how to convince the United States that East Asian community building is not inimical to U.S. interests is a crucial factor. The reconciliation of China-Japan relations as well as a commitment by these two countries to be more responsible for the international public good will be key.

A Japanese political scientist participant, recognizing the importance of U.S. engagement in the region, emphasized that the context of this engagement is considerably different from that before September 11, 2001, and, therefore, East Asia has to adjust to this new image of U.S. engagement, which is based on U.S. recognition of its own vulnerability and the weakness of its homeland security. For example, the Korean peninsula issue is not an issue only of Northeast Asia because it is also a homeland security issue of the United States, and this means that East Asian countries are now managing bilateral alliances with the United States not only for their own sake but also for the sake of the homeland security of the United States. This is security interdependence between East Asia and the United States, which might provide the former with an opportunity to help the latter in the matter of security for the first time.

A North American participant responded to these comments from East Asians by asking whether the East Asian community would be conceived of as a threat on the part of the United States. He acknowledged that there are some impulses in that direction because, as the United States looks out at the world 30 or 50 years in the future, the only country it can see possibly rivaling the United States or overshadowing it is China. He reassured the group, however, that in the final analysis an East Asian community would not pose a threat because (1) terrorism is the number one threat today and an East Asian community is potentially a positive deterrent toward terrorism, and (2) an East Asian community as it stands is a very long-term project whose character will be closer to a forum than a community based on similar political systems and common values.

Moreover, this speaker saw a global and historic role that an East Asian community can play. While the United States so far overshadows any other single entity in terms of power in the military and economic senses, politically the world is dealing with architecture that has not changed for years and is based on a former equality of states. The question is how the world can reconcile the political structure and the power structure, and this speaker believed that an East Asian community would play a major role in finding an answer to this question.

Perhaps reflecting newly gained self-confidence on the part of East Asia, an ASEAN senior intellectual suggested that, if East Asia considers the United States to be so critical for the regional community even though it will not be a member, the United States should be invited to all the East Asian intellectual dialogues. He concluded that it is good to know that East Asians might now influence the United States.