

**PUBLIC SYMPOSIUM**  
**“BUILDING AN EAST ASIAN COMMUNITY”**

Hosted by the Japan Institute of International Affairs (JIIA)

With the support of the Ministry of Foreign Affairs, Japan

17<sup>th</sup> March 2010

“Goshiki-no-Ma”, 2F, Convention Center Goshiki, Grand Prince Hotel Akasaka

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**10:00-12:45**

**Opening remarks: Yoshiji NOGAMI, President, JIIA**

**Remarks by Prime Minister Yukio HATOYAMA**

**<FIRST SESSION>**

**“Perceptions: current status and challenges of an East Asian community”**

Moderator: Ms. Aiko DODEN

Senior News Commentator, NHK (Japan Broadcasting Corporation)

Panelists: Professor Takashi SHIRAISHI

Executive Member, Council for Science and Technology Policy, Cabinet Office

President, Institute of Development Economics - JETRO

H. E. Mr. Ro-myung GONG

Chairman, The Sejong Foundation/Institute

Former Minister of Foreign Affairs of the Republic of Korea

Professor T. J. PEMPEL

Professor, University of California, Berkley

Professor Yizhou WANG

Associate Dean, School of International Studies, Peking University

**14:15-16:45**

**<SECOND SESSION>**

**“Prospects: steps toward the realization of an East Asian community”**

Moderator: Ambassador Yoshiji NOGAMI

President, The Japan Institute of International Affairs

Panelists: Professor Tommy KOH

Ambassador-at-Large, Ministry of Foreign Affairs, Singapore

Professor, National University of Singapore

Ambassador Rajiv SIKRI

Former Secretary, Indian Ministry of External Affairs

Professor Peter DRYSDALE

Emeritus Professor of Economics, The Australian National University

Professor Ezra F. VOGEL

Henry Ford II Professor of the Social Sciences Emeritus, Harvard University

Dr. Yoichi FUNABASHI

Editor-in-Chief, The Asahi Shimbun

**16:45-17:00 Concluding remarks Yoshiji NOGAMI, President, JIIA**

The Japan Institute of International Affairs, with support from the Ministry of Foreign Affairs, held a public symposium on March 17, 2010 entitled "Building an East Asian community"

The purposes of this symposium were to deepen mutual understanding on the present status of and issues confronting the East Asian Community concept and other approaches to regional cooperation, now that the debate on the East Asian Community underway since the 1997 Asian currency crisis has heated up, to make the community concept more widely known among the general public and to encourage further discussions on concrete measures that can and should be taken to realize an East Asian Community.

In his opening remarks at the start of the symposium, Prime Minister Yukio Hatoyama offered a vision meriting attention as well as many proposals on the East Asian community concept to which Japan should aspire. Invited as panelists were nine renowned experts from around the world, who presented thought-provoking views from their respective standpoints. Inspired by Prime Minister Hatoyama's proposals and questions from the audience, a passionate and extremely meaningful exchange of views took place during the discussions among the panelists.

More specifically, the symposium comprised two sessions that focused overall on three topics: the present status of the community concept and regional cooperation, issues facing the realization of the community, and specific measures necessary to bring about the community. The discussions in the first session centered on the present status of the community concept and issues to be addressed while those in the second session looked principally at the specific measures necessary to realize the community. Questions such as the following that arose during consideration of the East Asian community primed the pump for vigorous discussions:

- How do you perceive the current status of East Asia? How can the present status of regional cooperation and regional architecture be gauged?
- How would you assess the efforts made thus far to strengthen regional cooperation and the recommendations offered on building a community? What roles should the various actors in the Asia-Pacific region play?
- What is necessary and what is lacking to strengthen regional cooperation in various areas toward building a Community in East Asia?
- What challenges and difficulties will be encountered when building an East Asian community? Can East Asia learn from the experiences of other regions?
- What will be the purpose of the East Asian community? How will the East Asian Community be defined? What will be its membership?

- What kind of community is needed in East Asia? If an East Asian community is built, what benefits can be expected and what significance will it have for people in the region and around the world?
- What will serve as the foundations for building an East Asian community? What actors could provide the driving force?
- What kind of road map should be considered for building an East Asian community? What specific measures should be taken at each stage of the road map?
- In the short to medium term, what forms of regional cooperation should be cumulatively implemented to effectively promote the community?

Below follows the prime minister's remarks and summaries of the presentations and discussions from the symposium sessions.

### **【Remarks by Prime Minister HATOYAMA】**

First, Japan needs to present visions acceptable worldwide, as concrete policies without visions would only lead Japan into crisis. One of these visions is the East Asian community initiative, and Japan must urgently open up further to Asia and the rest of the world utilizing this concept.

The first presumption of an East Asian Community would be the Japan-US alliance, and importance must continue to be placed on cooperative relations via the alliance. Flexibility, transparency and openness are also significant, and Community membership should not be thought of as a fixed notion. It is imperative that efforts be coordinated with ASEAN, APEC and other existing organizations, and that flexible approaches allow participating countries to differ by topic. Valuing the "lives" of the peoples of Asia must be the starting point for the community.

One specific topic essential to the Community concept is that of bolstering economic cooperation. Contrary to practice thus far, FTAs and EPAs should be strategically concluded. Next, there are environmental issues. To raise COP16 to the status of a legal document, countries in the region must set aside their self-interests and pursue cooperation. To value "life," I have advocated a "sea of fraternity." Just as the EU was able to emerge when France and Germany envisaged a Coal and Steel Community and transcended their rivalry, the East China Sea should, for example, be designated a sea of cooperation. One concrete proposal to that end is the "Yu-ai (fraternity) Boat," in which the government, the private sector, NPOs, the Self-Defense Forces and other parties would cooperate in contingency planning and disaster relief to fulfill an international role. Educational

issues are another specific topic. Increasing the international transferability of university credits is one requirement, for example, to allow students from Japan, China and South Korea to share historical perspectives while studying the same subject matter.

While continuing to pursue these cooperative efforts, Japan's East Asian community concept needs to take a form that can be extended to the Asia-Pacific region centered on Japan, China and South Korea. Japan must keep in mind "enlightened national interests" to realize this concept, and each and every person in Japan must be prepared to boldly open up the country to the world. This will be the starting point.

### **【First Session "Perceptions: Current Status and Challenges of an East Asian community" – Presentations】**

**SHIRAISHI** I would like to talk about three matters, and to conclude by offering my own idea.

I will begin by discussing the start of the East Asian community building idea. There are three impetuses. First, this concept was proposed by the East Asia Vision Group following the Asian currency crisis, but it is important to note that at the time East Asia had already moved well along the way toward economic integration, becoming a region with a certain degree of de facto unity. What the Asian currency crisis proved are that the market is imperfect and that institutions were needed to support the regional economy which is increasingly integrated. Next, currencies are crucial to the economic development of all countries, requiring that a currency stability zone be established in future. The third is that the triangular trade system was restructured in the mid-2000s in keeping with the rise of China. Prior to that, Japan had exported capital goods and intermediate goods to ASEAN, which then exported finished goods to the US. Now, however, Japan and ASEAN export capital goods and intermediate goods to China, which then exports finished goods to the US. Given these current conditions, the East Asian Community building idea continues to gain acceptance as an attractive image of the future.

Next, I will ask what has happened since the community idea was proposed. We have seen heretofore the conclusion of many ASEAN+1 agreements, primarily trade agreements, with the multilateral accord known as the Chiang Mai Initiative arising from this accumulation of bilateral agreements and multilateral currency liquidity expanding. While the ASEAN+1 framework has been notably productive, multilateral frameworks such as ASEAN+6 remain a kind of talk shop that has yet to produce many concrete achievements. It is important to give concrete form to a variety of initiatives within these multilateral frameworks.

Thirdly, I will speak on two major challenges facing the building of a community. One is the importance of shifting the economic growth model in Asian countries from export-led to demand-led, i.e., regional domestic demand-led. A look at trade statistics reveals reverse trends such as a decline in China's imports from Asian countries, but China must switch from domestic demand to intra-regional demand and expand this intra-regional demand. The other is how to concretize the community. Talks have long been underway within multilateral frameworks, and there are many areas in which cooperation has been pursued. Efforts should be undertaken to tackle common non-traditional security issues, e.g., the avian flu epidemic and disaster relief efforts, science and technology and educational exchanges, at the regional level or beyond.

Finally, it must be remembered that the East Asian community, unlike the EU, would likely feature a shallow and not very intrusive integration; the process itself is more important than the community's final shape, which engages all the region's countries to create rules and a sense of solidarity; multilateral architecture can likely be formed as networks throughout the process. These networks would consist of differing members by functional area, and the community's membership must be flexible, ex. the US would be a part. The key is addressing common issues together.

**GONG** Attention should be first given to the fact that East Asia's rapid economic growth and progressing economic integration has not be translated into momentum for promoting cohesive regional integration. In a sense, regional cooperation is only being pursued in a loose form, and East Asia's regional integration is still in its infancy.

Integration in East Asia has not made rapid progress because East Asia is more diverse than Europe, and the US' Cold War "hub and spoke" alliance policy has hindered the formation of a multilateral cooperative mechanism in Asia. Nevertheless, a slow advance can be seen. The ASEAN+3 process was begun in 1997, and a Track 1 East Asia Study Group was created in 2000 to reflect on the East Asia Summit Meeting. What is missing in the course of ASEAN+3 progress is security cooperation. The differing security environments of Northeast Asia and Southeast Asia and the lack of confidence among the countries of the region have become obstacles. Regardless of the kind of security framework ultimately created, however, it would be unrealistic to exclude the US. One proposal thus might be to transform Six-party Talks into a sub-regional framework in the future.

South Korea has offered several proposals for strengthening security cooperation, but no noticeable outcomes have been yielded. The present administration has vowed to pursue global Asia and new Asian diplomatic initiatives in the hopes of making maximum use of multilateral frameworks. To that end,

South Korea is paying close attention to its neighbors' policies aimed at regional multilateralism, in particular Japan's East Asian community proposal.

What is needed and what is missing for regional cooperation in East Asia? East Asia has heretofore sought harmony among diversity rather than integration in search of "soft" regionalism. There is a lack of leadership, but the greatest obstacle is the lack of a common vision or an "Asian identity" to serve as the basis of a community. Arriving at a common vision requires that the countries of Asia share the view that multilateral cooperation is a public good for all members and that they put in place permanent institutions to address common interests. The greater Tumen Initiative is one good example of multilateral cooperation.

Finally, there are challenges that must be confronted in building an East Asian community. First and foremost, the lack of mutual interest and trust must be overcome. Historical distrust exists in East Asia, and there has been a disturbing rise in nationalism of late. Given this lack of trust, middle powers such as South Korea have an extraordinarily important role to play. The emergence of an advanced regional framework will not likely make smooth progress as long as the political security situation in East Asia remains unstable, but political leadership, the role of middle powers, and outside shocks will likely accelerate the integration process as the region is carried along by its economic dynamism. Building an East Asian community will undoubtedly be a long way, but we can start now. Spreading the idea of multilateral institutions based on an "Asian identity" will be key.

**PEMPEL** I would like to briefly address four topics.

First, I see three purposes in building an East Asian community. One is reducing mutual mistrust, a matter of urgency. East Asia's diversity frequently becomes a cause for conflict and, with no common enemy present, the conditions are such that countries point their weapons at one another. The second purpose is to provide collective solutions with which to understand the significance of cooperation in dealing with transnational issues such as pandemic diseases, piracy, and terrorism. Finally, there are forging common interests among countries and an enhanced sense of community sufficiently far to make conflicts unimaginable.

The second topic is that of the architecture developed thus far for this purpose. I have termed this a "complex ecosystem of diverse regional bodies," as East Asia features a diversity of regimes whose memberships frequently overlap. Besides ASEAN, there are the important Pacific Rim regimes of APEC and ARF. Networks of think tanks exist alongside multilateral institutions such as the Shanghai Cooperation Organization that comprise a small number of countries. The Six-party Talks are also important, and they have the potential to really spur regional cooperation. In addition, there are such track two processes as the Council for Security Cooperation in the Asia-Pacific. The central point here is that

East Asia already has a sufficient number of multilateral institutions that are contributing substantially to fostering a sense of community.

The next topic is that of what is needed to advance the process of community building. There are four principles that should be kept in mind. The first is that action is more important than architecture. The process is of decisive significance. Efforts to boost mutual trust should concentrate more on producing results than on holding meetings. The second principle is that cooperation will precede comity. A sense of community is not necessarily a prerequisite for cooperation. International cooperation has produced results in such areas as the environment even without a sense of community, and those results should be important building blocks for the community. The third principle is that the community building process should not be halted even if the blueprints and ideals of core members and other countries differ. The East Asian community would likely be formed not around any single one of the existing regional bodies but eventually from a combination of them. The final principle is that the East Asian community must not be a closed and isolated entity but must be a global community as well.

East Asia's current institutional architecture is intensely complicated. Far from hindering progress in community building, however, more institutions are better for the moment. Building on cases of ad hoc functional cooperation will help advance the process of forming a Community.

The fourth topic is that of Japan's role in the process of community building. Community members bring their respective strengths to collective success. Japan has impressive technological, financial and organizational skills, and it should demonstrate leadership in such areas as the environment and natural disasters. Japan's post-war achievements have boosted its appeal, but the country still labors under a negative image in some neighboring countries; Japan must face up to its own actions before and during the war to dispel distrust. On the other hand, Japan also has its skepticism about China and, while it might be difficult for the two countries to cooperate in building a community, developing cooperative relations with other countries in the region will likely be premised on Japan's ability to restore their confidence.

In conclusion, all of the countries of Asia must see the East Asian community as nested in the broader global community. Japan must mesh its regional interests with its global interests and responsibilities, and should not abandon its ties with the US. Japan must maintain a balance so that it can gain the trust of both Asia and the West.

**Wang:** I am the youngest of the panelists here, so I would like to speak briefly and philosophically on two points.

First, let me say something with regard to Prime Minister Hatoyama's speech. The East Asian community is a great concept historically, and exhibits a new and uniquely Asian way of thinking. East Asia has had several "Asian ways" such as the tribute system over its history, but these are not suited to our new century. It can be said that we have now come to have a vision for the new century. With this vision East Asia can face up to all the ideas of people in our globalizing world and in this region under new standards. What I found deeply moving about Prime Minister Hatoyama's speech were his views regarding China and Japan. We are confronted with tough obstacles such as the East Sea (East China Sea) disputes, but we can learn from France and Germany. It is great for political leaders to have long-term visions that are beneficial both for the general public and for the region as a whole. We should consider why the political leaders of this region have begun to speak about the East Asian Community for the first time in a clear-cut and systematic fashion. The idea of the East Asian community has not yet matured, but it is a great idea and one that will be important for decades to come.

The second point about which I would like to talk is the special philosophical dilemma that emerges when thinking about an East Asian community. This is a puzzling dilemma for us, but I hope that talking about it will deepen our mutual understanding.

The East Asian Community concept is fundamentally a sign of progress, but the diversity of East Asia must be respected. This region is extremely diverse, and there are deeply-rooted misunderstandings. I would like you to recall the situation after the UN Convention on the Law of the Sea went into effect in 1994. East Asia reportedly became the region presenting the most difficulties. China has territorial disputes over sea boundaries with ten countries. It goes without saying that there are extremely large disparities in economic development in the region, which also has a great diversity in social mores, legal systems, cultures, and laws. How can a community be built that harmonizes such diversity? This is our dilemma. There are many people in favor of advancing regional integration who at the same time insist on respecting sovereignty. While each country firmly maintains its own sovereignty, territorial disputes must be peacefully resolved through a variety of methods. This will become an extraordinarily long process mandating multidimensional approaches, but one we can start now. There still exist such obstacles as ethnic issues, but I think the future is promising. The younger generations can and must improve the situation of East Asia.



## **【First Session “Perceptions: Current Status and Challenges of an East Asian Community” – Discussions】**

The discussions in the first session on the current status and challenges of the East Asian community covered a wide range of topics – the expansion of economic integration in East Asia, the rise of China, US-China relations, US involvement, security frameworks, etc. – and many suggestions were offered regarding the direction of the community concept. Although this symposium does not necessarily seek for a consensus, in general terms, the perceptions below were delivered, concerning on the above topics.

**Expansion of economic integration:** Asia’s notably expanding economic cooperation and economic growth is forecast to change the distribution of wealth and power such that Japan will become a middle power. In that context, the remaining path open to Japan is to continue being a member of an expanding Asian economy and help build an East Asian community to that end. There are obstacles to Japan-South Korea FTA negotiations, and a great deal of study is still needed before the start of negotiations on a Japan-China-South Korea FTA, but hope for progress in negotiations can be seen in the policy of opening up Japanese society and strategically pursuing economic cooperation, as mentioned in the Prime Minister’s speech. ASEAN, too, is active in the evolution of economic integration, and in fact it has concluded or is in negotiations on FTAs with all of the countries in the region. ASEAN is interested in Asian integration but it also believes that FTA talks with the US would be desirable.

**China’s rise:** China has put into effect an FTA with ASEAN and is seeking FTAs with other countries, and for the most part an East Asian trade system without China is unthinkable. Adeptly managing tense relations with a rising China will be an important issue for all countries. One approach would be to further deepen multifaceted interdependence and economic integration. Creative consideration should be given also to a Japan-China-South Korea FTA. China would like to establish friendly relations with neighboring countries, and it must contribute peacefully to global development and governance to persuade neighboring countries that it is a responsible country. At the same time, China could remain introverted for a long time to come as it confronts numerous domestic problems that could culminate in crises.

**US-China relations:** China’s rise is a fact, and the US is grappling with the question of how to engage a rising China. The difficulty lies in that the US welcomes China’s rise in the sphere of economics but its security experts are concerned that China could become a challenger to the US’ military superiority. Cooperation on an ad

hoc basis is being pursued, though, and the two countries understand that there are areas in which they can actively cooperate. It would perhaps be beneficial for them to create some type of conflict resolution mechanism. Good relations should be developed not only on a bilateral basis but also in consideration of China's position within the region and the international community as a whole.

**US involvement:** One of the most complicated issues needing to be addressed is that of whether the US can properly adapt to the reality that Asia's economic growth and China's rise will alter the distribution of wealth and power. Americans just cannot seem to accept that Asia's economic rise signals a decline in US superiority. In view of the modifications to the regional and global order prompted by the changing distribution of wealth and power, however, it is important that the US continue to be engaged in Asia and to be lured to engage with Asia. APEC should be revitalized as one means to that end. Indeed, the US is endeavoring to improve its relations with Asia that retrogressed during the Bush administration. It has, for instance, appointed the first ambassador to ASEAN and signed TAC which has set the stage for participating in the East Asia Summit Meeting. The Obama administration may not be actively interested in building a regional institution, but it would like to participate in Asia's regional cooperation.

**Security frameworks:** The security situation in East Asia is extremely complex. Although conflict in the region has been constrained, mutual distrust is strong and the possibility of dispute and conflict is ever present. It is important first of all, then, to alleviate this distrust, and realistic means of doing so might be to increase mutual exchange and cooperation and to find areas in which common accord can be reached. Japan and South Korea, for instance, could provide China with technology in joint efforts to help the country deal with its environmental problems. Endeavors must then be made to turn such cooperation into the foundations for security cooperation. To take a classical example, an approach similar to the US-Russia hotline could be applied to trade and piracy issues in pursuing cooperation.

On the other hand, the extant frameworks are beneficial and should be put to effective use. For example, the Japan-US alliance and the US' hub-and-spoke system are major premises in the region's security policy and are essential to maintaining US involvement. Once the North Korean issue is resolved, the framework of the Six-party Talks could be converted into a foundation for security in Northeast Asia.

China, too, is seeking to establish security arrangements with ASEAN, and it might even participate in track two dialogues with Japan and US. It is also giving consideration to the regular publication of a defense white paper to publicly disclose its military expenditures and increase transparency. ASEAN sees bringing

the region's countries together through a process of dialogue and confidence building as one of its missions, and it has an interest also in maintaining peace in the Pacific region. APEC is important both economically and strategically, and it ties together both sides of the Pacific Rim.

**Future direction of the East Asian community initiative:** First, advancing cooperation via concrete action, i.e., pursuing the process itself, is more important than spending time discussing the community's architecture (membership, etc.). This process must be based on common interests and must be multifaceted and open. Membership could vary depending on the area of cooperation, and it is important to accumulate cooperative achievements through such a process. While developing a sense of community and identity are naturally important in building a community, a solid record of successful cooperation will foster them as a consequence.

Attention should also be paid to East Asian integration already occurring on the ground. Cooperative efforts are being made in piracy countermeasures and coastal security, for instance, while the integration process is moving ahead without any explicit governmental involvement in such fields as educational exchange and human security. Accordingly, existing regimes must be matched to the cooperation being carried out on the ground and effectively utilized.

Many countries are enthusiastic about promoting the East Asian community initiative but there remains a lack of trust between them, and ASEAN will need to continue serving as a facilitator in building the community. ASEAN will also need to encourage Japan, China and South Korea to strengthen their cooperative ties.

The building process for the East Asian community has already begun, and the time has come for its realization with the right leadership and ideas. Given the diversity of East Asia, this regional integration will likely be founded on fundamentally different concepts from those underlying the EU and NAFTA. It is critical, therefore, to understand what must be done to that end to ensure that East Asia's diversity can be accepted comprehensively.

## **【Second Session “Prospects: Steps toward the Realization of an East Asian Community” – Presentations】**

**KOH** I would like to refer to Prime Minister Hatoyama’s speech. The Prime Minister’s vision of East Asian community is inspired by “Yu-ai (fraternity)” and Europe’s post-World War II experiences, and he hopes that historical reconciliation will be reached with all neighboring countries. I share this vision. If Japan and its neighbors, as well as China and India, can achieve reconciliation, the prospects grow of peace in Asia for the next 100 years.

I want to make six points. The first is that it is more important to utilize existing institutions than create new ones when building an East Asian community. This region already has enough regimes, and ASEAN+3 and ASEAN+6 in particular should both be developed organically and put to use in building a community.

The second point is that Japan should continue to work closely with ASEAN and to support ASEAN’s central role in this region.

The third point is that we should firmly commit to the principles of transparency, inclusiveness and equality. These are the basis of the region’s institutions. ASEAN is not exclusive, and does not exclude parties having legitimate interests. In view of the principle of sovereign equality, creating a tiered structure would be unacceptable.

The fourth point is that Prime Minister Hatoyama’s proposal for building a multilayered network comprising multiple functional communities should be supported. For example, an ASEAN+3 FTA and an ASEAN+6 comprehensive economic partnership agreement should be proposed. In the cultural realm, Nalanda University’s revival project is worthy of note. There is also the ASEAN Connectivity initiative, an initiative aimed at improving links between roadways, sea routes, airports, computer networks, etc., within ASEAN. As the project also has its sights set on links with the countries of Northeast and South Asia, it should prove useful in building an East Asian community.

The fifth point is that three areas of cooperation should be established per Prime Minister Hatoyama’s proposal. The first is the environment: working in cooperation to address climate change and achieve a “green Asia.” Japan’s leadership in the environmental arena is welcomed. Next is cooperation in maritime peace, as maintaining the rule of law at sea is vital. The third is people-to-people exchange. The vision of an East Asian community cannot be realized without people’s support. Exchange among the younger generations is especially important, and the prime minister’s proposal advocates the promotion of youth exchange and the improvement of university credit transferability.

The sixth point is that the East Asian Community should strive for inclusiveness. The existing linkages across East Asia and the Pacific should be reflected without drawing racial or geographical lines. ASEAN would also likely

support an ASEAN+8 framework inclusive of the US and Russia. It is crucial that the US continue to be involved in APEC and other regional institutions.

In conclusion, I support Prime Minister Hatoyama's vision and pragmatic approach of adopting gradual and practical means to build an East Asian community, that is, of developing multilayered networks and tying together multiple functional communities and projects.

**SIKRI** The discussions on building an East Asian community have been continued during this strategically uncertain period of transition, and they should be welcomed in order to address issues such as Asia's position within the international community, measures to counter non-traditional security threats, economic integration and the stability of the security environment. These discussions also constitute efforts to see out an Asian identity and a mechanism for harmonizing competing interests.

'East Asia' is not a geographical definition but rather a concept developed in terms of political strategy. Accordingly, the criteria for participation in the East Asian community should be the economic interests in the region and the willingness to contribute to the region's security and prosperity. East Asia already has what might be considered too many institutions for regional cooperation. We have no need to create a new organization, as it would be more practical and effective to use existing frameworks. If a consensus can be reached on the criteria for regimes to be utilized in building the community, the means to promoting the community will become clearer and simpler. Therefore, I would venture to suggest some guiding principles for consideration.

First, the community should be a reasonably compact rather than a sprawling body. Second, all members should be equal without any concentric circles. Third, it should be an open and inclusive body that does not exclude any power with legitimate interests in the region. Fourth, it should be an ASEAN-centric body that will bring in countries that are Summit level dialogue partners of ASEAN, whether on an annual or periodic basis.

This last point may require some elaboration. India, for instance, is not a member of ASEAN but it does have close ties to ASEAN. ASEAN serves to bring together as one not just its members but all the countries in the area. Furthermore, ASEAN has a sufficient but not excessive weight, and it has become a balanced platform for neighboring countries.

The East Asia Summit is perhaps the most suitable of the existing bodies for promoting an East Asian community, not only because it satisfies the guidelines I have mentioned but also because it incorporates from the outset the building of a community as its long-term vision. The East Asia Summit has declared its objective to be the handling of a broad range of strategic, political and economic

issues relevant to common interests in order to promote the peace, stability and prosperity of East Asia, and building a community is an integral part of that. This corresponds on the whole to the objectives given by Prime Minister Hatoyama.

However, not all of the countries legitimately qualified to participate belong to the East Asia Summit. First among these is the US. As a member of the Asia-Pacific region, the US expects to be involved in discussions on shaping the future of this region, while at the same time the countries of East Asia are undeniably dependent to a great extent on US markets. The US has concluded many bilateral security arrangements, and contradictions could arise between the community and the US' bilateral agreement commitments once community building efforts gain momentum. Russia, too, is qualified to participate in the East Asian community but there is some caution about expanding the membership of the East Asia Summit; one approach might be to consider provisionally offering countries quasi-membership.

What about the possible roadmap for building the community? In the short term, more structured and regular ministerial meetings should be arranged within the East Asia Summit; these should also lead to security cooperation. Rapid progress cannot be realistically expected, given East Asia's complexity. Adopting a step-by-step building block approach would be significantly preferable to attempting to draft an unrealistic and ambitious grand architecture.

**DRYSDALE** I would like to speak about four topics.

The first is the driving force behind the East Asian Community. The idea that East Asia needs a community was driven by a commitment to economic development. A community requires opening up to global integration, and a security framework is also necessary. Alliance relations with the US have thus far provided this security framework. At the same time, a variety of overlapping regimes continue to emerge as political interrelations in East Asia draw closer and as relations are expanded with China and India. Fundamental to this is that the outcomes of East Asia's economic growth/integration create for Asia a new role in global affairs. This is the driving force behind the East Asian community concept.

The second is the question of what we have. First, we have a wealth of diversity, meaning that the East Asian community concept must develop along lines completely different from Europe. We also have historical burdens. These, as Prime Minister Hatoyama also stated, are no longer relevant. This is an age in which we should move forward without being bound to the past. Next is the issue of leadership. ASEAN's role in this regard is an greatly important one. Finally, there is the insufficient institutionalization of East Asia. Bilateral FTAs have been concluded, but no comprehensive arrangement has yet emerged. The institutional infrastructure for community building is clearly inadequate, as is particularly

obvious in the area of political security.

Bound by such constraints, what will serve to drive community building? There are five key elements. First there is the rise of China and India, which has had an impact on the region and the international community as a whole and is the starting point for constructing a community. Next, there is the fact that East Asia is now in a position to play a global role. Third is the security framework; a sense of safety in political front is essential to maintaining a commitment to the global economy. Fourth, there is the need to address tensions arising during the transition to a new regional power structure; the objectives of fraternal relations must be understood in this context. Finally, East Asia's architecture for addressing these issues is incomplete. East Asia needs to be connected with global arrangements in a manner allowing it to be effectively involved.

The third topic is the way forward in creating a community. The logical approach would be to start with and develop the various ASEAN+ processes, with the challenge being to combine these processes in ways that make up for the gaps in existing arrangements, the inadequacy of regimes, and the lack of a political security framework. There is also the issue of membership; with the countries involved in the ASEAN+ process at the core, ASEAN+6 would likely be a logical starting point. It is not necessary that the US also become a member, but it would be a good idea for the US to be involved from a variety of directions via diplomatic and other efforts in all future regional arrangements. Problems will inevitably arise if East Asia does not have a mechanism for effectively dealing the relations with the US. The institutionalization of East Asia is at all times premised on the status of the Asia-Pacific.

Fourth and finally, a variety of conversations ranging from conversations like this one today to summit-level dialogues is essential. The efforts being made by East Asia through a range of processes can be changed through the dialogue process into a format capable of being defined as a community. The key principles in doing so are pluralism, equality, and step-by-step evolution. The time has indeed come to move forward with this process, working together with the transpacific process and cooperating effectively with the US. This can also be linked up with the Asia-Pacific Community concept being proposed by Australia.

**VOGEL** Starting out in a slightly different way from the other panelists, I would like to look at the strengths of each country to consider how individual countries can contribute to the community building process. In fact, some of these processes can go beyond formal agreements as they move ahead.

Firstly, Japan which has one of the best educated and healthiest populations in the world. It has assumed a leadership position in nuclear non-proliferation, and it has the technology and organizational capability to

become a leader on environmental issues. It has assisted people worldwide through natural disaster relief efforts, and contributes enormously to international institutions. For its part, China has achieved rapid economic growth and is energizing the region's economy. It is actively engaged in research and education to foster many in the younger generations. Its centralized government has eased its populist pressures, enabling the country to pursue its long-range national and global interests. The US is the world's leader in higher education and research and it has attracted talented people from around the world, enabling understanding of international affairs. It also has the capability to move quickly in the event of an environmental or security emergency. The US has noted that it presently has more significant interests in the Pacific region than in the Atlantic. The US remains a leader in addressing nuclear weapons control and other international issues but, in trying to adapt to the rise of East Asian countries, it is seeking to enhance by peaceful way its cooperation with growing countries such as China. The Southeast Asian countries have played an indispensable role in promoting regional cooperation and bringing major countries together within a cooperative framework. The ASEAN way – soft regionalism – became a model for APEC, and flexibility in forming partnerships became a basis for meetings and cooperation in the region. South Korea is, along with Singapore, one of the most cosmopolitan countries in East Asia. It has long cooperated with other countries and has become a bridge between them. It actively participates in international organizations, assigns talented personnel to these organizations, and has played a major role in the development of these organizations. Australia, too, has taken on a special role as a country in Asia. As a major supplier of raw materials, it has expanded its relations with China and become essential to the region's security.

There is no need for new organizations in East Asia, where there already exists a broad and diverse range of frameworks whose flexibility provides opportunities for pursuing cooperation and enables creative leaders to take the initiative in collaborating with other countries. The environment is one appropriate area for cooperation. Japan has offered technical assistance to encourage environmental protection. A method needs to be developed to evaluate corporate efforts toward environmental conservation.

Three difficulties must be addressed in establishing closer cooperative relationships in East Asia. We are not addressing these directly, but they are progressing in one direction or other on a day by day basis and should be taken up as a region. We must devise measures to resolve them based on our experiences thus far.

The first is the history issue, which is still in danger of erupting, and it is in Japan's national interest to confront this issue head-on. At the same time, countries invaded by Japan have a responsibility to make it known to their citizenry that Japan has changed greatly in the post-WWII era and has contributed to peace.



Next is the problem of the security balance in Asia. The stability of the Asian region has relied on the US' military strength. China is presently seeking to build up its military capabilities even as the US is being compelled for budget reasons to restrain its military expenditures, opening up the possibility of a destabilization of the military balance. This is a problem for all of us. The US and China must deepen their mutual understanding if we are to maintain peace and stability in the Asia-Pacific region. We must also recognize that mutual understanding between these two countries is in the interest of all the countries of the region. As you know, the issue of Taiwan poses the greatest danger to relations between the US and China, and the most promising development would be for mainland China and Taiwan to enhance their economic and social linkages. Finally, there is the problem of nuclear proliferation. It must be acknowledged on this matter that phased enhancement of stability is not feasible. As the number of nuclear powers has increased, the danger of accidents or the use of nuclear weapons has grown. The US has sought to control nuclear proliferation but this must be regarded as an issue involving many non-Americans and future generations as well.

Everyone here realizes the importance of regional cooperation. I am confident that we can work together in urging national leaders to pursue it.

**FUNABASHI** I would like to talk about the concept of an East Asian community and political dynamics from a Japanese perspective.

Post-war Japan has been deeply committed to regional cooperation in the Asia-Pacific, but this is the first time that the government has officially proposed a community concept specific to "East Asia." While the concept itself remains vague, the Hatoyama administration is clarifying its meaning. The new administration is seeking reconciliation with neighboring countries. Next, the Community is being pursued as part of Japan's strategy for economic growth. Third, it would seem that the concept reflects unease among the people of Japan and Asia about the rise of China, despite the absence of any official statement to that effect by the new administration. The desire to prevent China from taking a dominant position in the region and to create more equal relations among the countries of Asia by developing a new *modus vivendi* can be seen in this community concept.

These principles correspond to the needs of the Pacific region, especially the US. Reconciliation is also required between Japan and the Pacific countries. An economic growth strategy driven by Asia could be expected to bolster the US' economic growth. If discreet efforts are made to balance with China, no variance will arise with the various China policies of the US and other countries. Meticulous care must be taken in using the word "balance" as it could be used as a pretext for seeing China as a threat. It is not unreasonable, however, for its Asian neighbors to cooperate in order to balance China. Although the role of the US is

essential, it would be no longer impossible for the US alone to maintain the stability of this region. Efforts must be made to link the US-based bilateral alliance system to the emerging multilateral architecture in the Asia-Pacific.

How should this policy be pursued? First, the East Asian community is still only a vision that must be transformed into policy. Japan should take a functional approach, fostering a vision not of the community's structure but of the process. The East Asian community should be pursued simultaneously with the Asia-Pacific community. This is a network strategy, so it is important that networks among multifaceted forums be deepened and that many countries be involved. These steps will help avoid arguments over participation.

The principle of this approach is open regionalism. Economic integration through FTAs will be crucial as the foundation for cooperation and reconciliation, a lesson learned from Europe. Japan still has few FTAs and so must make greater efforts. The most crucial thing for Japan at the moment is the conclusion of a Japan-South Korea FTA. The first step is overcoming the obstacles within Japan-South Korean relations, fraught with the greatest difficulties but offering the greatest possibilities. As the second step Japan and South Korea, both trusted allies of the US, should strengthen their cooperation and pursue reconciliation to the considerable benefit of the US and the Asia-Pacific region as well. The next important step is the conclusion of a Japan-China-South Korea FTA. Japan, China, and South Korea should surmount the obstacles between them and play greater roles in ensuring the peace and stability of East Asia. It goes without saying that ASEAN+3 and ASEAN have important roles and that the building of an East Asian community must be grounded on the stability and integration of Northeast Asia.

Next comes security. It is simply a fact that no NATO equivalent exists in Asia, and commitment to bilateral alliances with the US thus takes on special importance. Utilizing these alliance relations to adapt to the international environment and actively establishing ties between the Japan-US alliance and multilateral frameworks are important for stability in East Asia. How should we improve cooperation with Asia-Pacific countries in addressing non-traditional security issues? There are many promising areas of cooperation, among them anti-piracy operations and ODA to Africa. Prime Minister Hatoyama's "Yu-ai (fraternity) Boat" initiative is useful. Efforts are also needed to develop a new maritime regime. Tensions over the South China Sea and East China Sea are the most vulnerable issues we confront. Coordination in anti-piracy efforts will perhaps be the first step in developing a stable mechanism governing the seas. The US has begun discussions with ASEAN and US allies on the South China Sea, and China and India should be invited to participate.

Prime Minister Hatoyama made an important point in redefining the objective of Japan's foreign policy as the advance of "enlightened national interests", and we would like to see Japan pursue policy in this direction.

## **【Second Session “Prospects: Steps toward the Realization of an East Asian Community” – Discussions】**

Second Session saw lively discussions on FTAs, the roles of India and ASEAN, human rights, domestic issues and other matters, and many meaningful opinions were expressed that merit consideration in working toward an East Asian Community. In general terms, the perceptions below were delivered, concerning on the above topics.

**Conclusion of FTAs:** The first step that Japan should take is to conclude a Japan-South Korea FTA. A Japan-China-South Korea FTA should also be pursued. There are other good opportunities for large-scale collaboration available at present: South Korea and Japan might consider, for example, joining the Trans Pacific Partnership Initiative. This would help open up Japan. ASEAN would welcome the conclusion of an FTA and closer partnership among Japan, China and South Korea.

**India’s role:** There is no question that India should be included when considering the expansion of economic integration in East Asia. Domestic demand within the region needs to be generated and India’s dependence on trade is still low, so India’s potential can likely be expanded considerably by concluding economic partnership agreements in future. Herein partly lies the reasoning behind the agreement on allowing India, Australia and New Zealand to participate in the East Asia Summit, and the development of East Asia will likely follow along in that direction.

**ASEAN’s role:** Japan has long regarded ASEAN as having a core role in building regional architecture. ASEAN is seen as having assumed such a role in the absence of any other party capable of doing so, but ASEAN will need to actively earn for itself a reputation for leadership in building a future East Asian community. To that end, ASEAN members must seek closer cooperation within the organization and maintain the organization’s credibility in the eyes of the rest of the world.

Nonetheless, the processes that ASEAN has achieved should be given due recognition. ASEAN has taken swift action and produced results by, for example, holding unofficial emergency meetings among national leaders in emergencies such as tsunamis and cyclones. Advocating respect for the rights of citizens, the ASEAN Charter now in effect is binding on all member states and incorporates conflict resolution procedures as well.

**Human rights/domestic issues:** The key point demonstrated by the ASEAN Charter process is that, though discussing domestic issues has not been customary among East Asian countries, this is beginning to change. The building of a

community will have close ties with the livelihood of community residents, i.e., to internal affairs, necessitating discussions on domestic issues. The time for this has come.

Human rights and the rule of law must be firmly integrated into the East Asian community. A process of dialogue should be started for that purpose and issues pertaining to human rights and political systems within individual countries should be confronted. This process must not entail unilateral admonishments, however, and it must not be rushed. India, for instance, has taken a somewhat different approach toward human rights, but this is to ensure stability and harmony in Indian society and in no way connotes a disregard for human rights. There is at present serious issue, that is “populism”, but China is in a certain sense managing to address the issue successfully. In other words, it is important to recognize that there are various ways to resolve issues and that we must therefore maintain an open mind at all times.

**Asia’s voice:** In addition to undertaking dialogue on internal affairs, the countries of East Asia must recognize Asia’s global interests and responsibilities. Asia has already become a global player, and it should speak with a unified voice on global issues. Regional regimes should be used to that end to clarify Asia’s stance, corresponding roughly to the idea behind the East Asia Summit. Expressions of shared ideas by Asia-Pacific countries at G20 meetings would be a useful initiative. It must be acknowledged, though, that it is not yet clear what constitutes the interests of Asia as a region and that solid ties between forums have not been formed. In addition, the idea of a common Asian voice must not make Asia’s stance vis-à-vis G20 discussions so rigid that it is not amenable to change.

This process will at the same time be one of seeking out an Asian identity. If a European identity can be said to exist, then it may be possible for Asia, too, to discover common elements and develop these into an Asian identity. The Nalanda University project deserves attention in this regard. It is important that we give thought to how Asia can proceed along a common path in future.

**Specific steps for building an East Asian community:** First, it is important to develop gradual dialogue processes. This process could comprise two stages. The first stage would involve concentrating on things that bind East Asia together rather than divide it; the interests of East Asia could be first converged and harmonized on practical and functional matters. In the second stage, a consensus would be pursued on values and principles.

Washington’s views must be taken into account when discussing the building of an East Asian community. The danger of US protectionism is still present, and there are certain issues deemed politically sensitive. It would be preferable to discuss ways in which the US could continue to participate in a

constructive fashion.

A real-life example of Asia disseminating its views to the rest of the world is offered by the Asian Society of International Law. Once consensus within Asia as a whole was reached over a two-year period, the Asian Society of International Law was founded in 2008 to enable Asian scholars to contribute to the development of international law. This Society fosters young researchers and publishes a Society journal that affords contributors the opportunity to disseminate Asia's viewpoints to the rest of the world.

Finally, Japan must face up to the history problem in a slightly more direct, comprehensive and balanced way for the sake of its own long-term interests. Historians and the mass media have a major role to play in this. As "news-breaking historians," journalists can play an essential role in rectifying historical perspectives.

### **【Concluding Remarks by Yoshiji NOGAMI, President of JIIA】**

The process of building an East Asian community is an evolutionary one. It must be pragmatic but at the same time it must be driven by high aspirations. These high aspirations entail pursuing a comprehensive agenda covering not only trade and economics but also politics, security, and non-traditional security. As Prime Minister Hatoyama stated, Japan must open up during this process and pursue "enlightened national interests." If Japan can maintain this stance, it will be able to play an extraordinarily important role in the long process of building an East Asian community.