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The East Asian Community--Time for Exhaustive Debate

By HATAKEYAMA Noboru

The establishment of the East Asian Community, or the EAC, has recently become a much discussed topic. The term EAC usually refers to a community composed of the ten countries of the Association of Southeast Asian Nations, or ASEAN, including Thailand and Indonesia, plus Japan, China, South Korea, Taiwan and Hong Kong. The EAC purports to address not just the question of free trade but also that of security, political, social, and cultural issues.

The EAC concept was first mentioned in a report submitted to the ASEAN plus 3 summit (ASEAN plus Japan, China and South Korea) in October 2001 by the East Asia Vision Group, established according to a proposal made by the then South Korean President Kim Dae-jung. To fully discuss this framework in Japan, the East Asian Community Council was then established in May 2004 with the former Japanese Prime Minister Yasuhiro Nakasone as President and Kenichi Ito, professor of Aoyama Gakuin University, as Chairman, and with the full support of the Japanese financial circles. It was decided at the ASEAN plus 3 summit held in Laos in November 2004 to hold the East Asian summit at the end of 2005, so the EAC debate is expected to heat up this year.

At the same time, the debate tends to be superficial for two reasons. First, the topic of the debate is a "community," a pleasant-sounding, idealistic concept. Second, the debate has an aspect of a race for the first place to see which country takes the initiative. With these points in mind, I would like to list up the issues to be considered if the EAC is to come into place.

First, if a community is formed, it is usual for member nations to transfer part of their sovereignty such as trade negotiation rights to that community, as in the case of existing communities such as the European Union, or the EU. The question is whether member nations, including Japan, are prepared to do so. Some call for an Asian type community without involving the transfer of sovereignty, but if so, a misleading name such as "community" should not be used.

Second, if nations are going to go so far as transferring part of their sovereignty in order to establish a community, they have to establish a philosophy for the community which can convince their people of the need for such a community.

Third, some people say that rather than discussing philosophy, we should start by implementing functions such as liberalization of trade and investment or financial cooperation and form a community by integrating those individual functions in the end. In that case, the question remains as to why it isn't enough to just have individual agreements (such as East Asian Free Trade Agreement or East Asian Financial Cooperation Agreement). In other words, what is the added-value of the EAC which is to be formed above and beyond the individual agreements.

The fourth problem concerns China's political system. China advocates a socialist market economy, but it is ruled by a communist regime, with a different idea of human rights and democracy from the rest of us. The question is whether it is possible to enter into a true community relationship under a common philosophy, with such a country.

The fifth question is the relationship with the United States. The EAC's idea of "East Asia" does not include the United States, but the U.S. has a close relationship with this region as a big market for Asian products, an important source for investments in Asia and a security partner for Asia. If the EAC is only a Free Trade Agreement, the U.S. objection can be countered by saying, "The U.S., too, has a Free Trade Agreement with North American nations." However, the U.S. has not formed a community with any other nation. The only counter-argument which can be offered is, "What is the reason for recognizing the EU and not an Asian Community?"

The East Asian Community is an idea which can change the destiny not only of Japan but also of the whole East Asian region. On all aspects of the issue including the ones mentioned above, an exhaustive debate on a national level is called for.

(This is the text of an article by Mr. HATAKEYAMA Noboru, Chairman and CEO of the Japan Economic Foundation and Vice-President of the Council on East Asian Community, which originally appeared in the "Ronten" column of the "Yomiuri Shimbun" on January 21, 2005 and was translated into English by the English-Speaking Union of Japan to be posted in its "JITOW (Japan in Their Own Words)" column on its website on February 28, 2005.)