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## The Idea of New International Order China Is Seeking and An East Asia Community (4)

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### 4. Coordination of Regional Integration in East Asia and Alliance Politics – Japan Holds the Key

How are other countries in Asia responding to China's moves toward the establishment of an organization for regional cooperation in East Asia, and what influence are China's moves likely to have on the regional order in the Asia-Pacific region? Before examining these issues, the region's extremely disproportionate structure in terms of the size of states needs to be recognized. The table below compares China, Japan, South Korea and ASEAN in terms of territorial area, population, GDP and per-capita GDP.

	10,000 km <sup>2</sup>	Population (mil.)	GDP (US\$100 mil.)	Per-Capita GDP (US\$)
China	960 (66%)	12.9 (64.5%)	14,100 (20.6%)	1,090 (2.5%)
Japan	38 (2.5%)	1.3 (6.5%)	44,500 (65%)	32,610 (74.3%)
South Korea	10 (0.5%)	0.5 (2.5%)	4,339 (6.3%)	8,982 (20.5%)
ASEAN (10 members)	448 (30%)	5.3 (26.5%)	5,553 (8.1%)	1,164 (2.7%)

Within the ASEAN10+3, China commands an overwhelming share of about 65% of both area of territory and total population. In terms of GDP, Japan accounts for 65%, Japan and China combined account for a little over 85%, and Japan, China and South Korea combined account for about 92%, indicating that the share of Northeast Asia is far larger than that of Southeast Asia. Whatever institutional framework is built, the disparity of this magnitude is likely to be of extreme significance in considering the role and influence of each component member of the East Asia Community.

In retrospect, the idea of the East Asia Community without the United States dates back to the "East Asian Economic Group" (EAEG, later EAEC) proposed by Malaysian Prime Minister Mahathir in 1990. The United States strongly opposed the idea, and Japan's cool response following the U.S. opposition effectively shelved the scheme, but the idea was clearly the prototype of the "East Asia Community" under discussion today. Learning from the experiences of the "Asian monetary crisis," ASEAN leaders are now hoping to boost the "Asian regional

economic strength” by strengthening economic relations within Asia and also to maintain ASEAN’s initiative in dealing with the two big regional powers of China and Japan. South Korea, for its part, has proposed and actively promoted the EASG (East Asia Study Group) and EAVG (East Asia Vision Group), both advocated by President Kim Dae Jung, and taken a positive toward the establishment of the “mechanism for Japan-China-South Korea cooperation.” However, it is also true that these countries and areas entertain concerns and a sense of vigilance against a sudden strengthening of China’s leadership. Thus, for them, Japan’s presence is essential.

How does the United States view moves toward regional cooperation in East Asia? At a seminar on China in Washington on May 16, 2002, cosponsored by George Washington University and the Japan External Trade Organization (JETRO), former U.S. Ambassador to China J.S. Roy emphasized that the United States would accept “East Asia’s regional economic integration as long as it does not discriminate against the United States.” On the other hand, he voiced deep-rooted concern about China, saying “the rising power of China might destabilize Asia’s politics and the economy, or China might make the same mistakes as Germany and Japan did in the past.” His statements probably reflect a common perception among Americans. Thus, it can be argued that Japan’s initiative is crucial in ensuring that the regional integration of East Asia is “not discriminatory but is mutually beneficial and cooperative” for the United States.

Meanwhile, the strategic position of Japan is believed to have risen considerably within China’s own strategy. Prof. Shi Yinhong of the Chinese People’s University, who attracted a lot of attention for his call for new thinking toward Japan, argued that “it is not enough for China to give top priority to its relations with the United States and maintain good Sino-U.S. relations. . . . It is necessary to reduce China’s passivity toward the United States and strengthen its diplomatic leverage toward it” and “Japan has a population of over 100 million people as well as world-class economic might and cutting-edge technology, and thus has all the necessary conditions for becoming a military power. . . . The forging of closer ties between China and Japan is very important. China will not be able to sustain itself if Japan becomes hostile toward China, in addition to the United States, Taiwan and potentially India.” Thus, it would be strategically natural for China to try and encourage Japan to decrease its cozy ties with and dependence on the United States and gain relative independence. Moreover, China apparently sees Japan as an essential participant in the economic integration of East Asia, since non-participation by the world’s second largest economic power would substantially undermine the international presence and impact of any such integration.

Then, where does Japan itself stand? From the very beginning, Japan was enthusiastic about regional cooperation. For example, around 1980, Prime Minister Masayoshi Ohira proposed the “Pan-Pacific Concept.” In 1989, Japan, together with Australia, advocated the establishment of APEC. In 1997, at the ASEAN meeting with dialogue partners, Prime Minister Ryutaro Hashimoto proposed the ASEAN+3 framework. Despite all these initiatives, Japan was rather

cautious toward the idea of a “community” limited to East Asia, due to its consideration for its alliance with the United States and its concern over the potential threat of China. However, in November 2001, in light of China’s very aggressive strategy for regional cooperation, including its “accord with ASEAN nations to conclude FTAs within 10 years,” Japan began to worry that China’s initiatives could sweep in not only ASEAN but the entire East Asian region if Japan stood by doing nothing. Thus, it came to positively respond and promote “real progress” in economic regional cooperation. It then embarked on the building of an EAC as an effort to rebuild its own initiatives.

In 2001, the Ministry of Economy, Trade and Industry put forth plans for an “East Asia business area” and “East Asia free trade area.” The “East Asia free trade area” scheme envisioned the formation of a free trade region made up of ASEAN countries, which have a low percentage of intra-ASEAN trade and high dependence on external trade, along with Japan, the newly industrialized economies (NIES) and China. The concept also assumed improved conditions for economic integration in such areas as technical cooperation and financial assistance, which could be expected to give a further boost to the formation of the “free trade area.” In November 2002, at the ASEAN + 3 Summit, it was decided to create a working group to prepare for the establishment of the “East Asia free trade area.” At the same meeting, the region’s leaders also agreed to the Chiang Mai Initiative for currency swap arrangements as a precautionary step for any recurrence of the monetary crisis, showing steady progress in moves toward regional economic integration. Japan also reversed its previous reluctance and began to positively consider the conclusion of bilateral FTAs with ASEAN nations. Then, at the Japan-ASEAN Summit meeting in Tokyo in late 2003, it officially declared its intention of seeking to build an “East Asia Community.”

Japan’s stance toward economic integration in the region is as outlined above, but Japan remains lukewarm toward the idea of building a mechanism for regional cooperation in the area of security. Needless to say, its security strategy is based on the Japan-U.S. alliance, and it remains extremely cautious toward anything that could loosen that framework. Rather, there exists a strong school of thought that argues that given the problem of North Korea’s suspected development of nuclear weapons, China-Taiwan relations, and the potential future threat from China, Japan’s fundamental security policy should be to strengthen its alliance with the United States. The formulation of new defense cooperation Guidelines and its decision to participate in the U.S.-led missile defense scheme apparently represent the concretization of this line of thought. Thus, the basic stance of the current Japanese government may be summed up as being positive toward the facilitation of regional economic integration but not considering regional integration for security.

**(This is the text of an article by Prof. AMAKO Satoshi, Professor of Waseda University and Member of the Council on East Asian Community, which was originally posted on the website of “Amako Ajia-ron” (<http://eac.cocolog-nifty.com/amako/>).)**