FOCUS/EAST ASIAN COMMUNITY

Legacy of war stifling bid for single EAC market

By SARITDET MARUKATAT

Beijing — As Asian leaders meet in less than a month in the Philippines, they face a challenge on how to overcome historical animosities in their effort to build a future for the East Asian Community (EAC).

Leaders of the 10-member Association of Southeast Asian Nations realise that their region alone will not be enough, in the long run, to secure economic prosperity. The grouping’s economic ministers want to speed up the idea of one single East Asian Community from 2020 to 2015, to turn the region into a single market and production base, with free flows of goods, services, investment, capital and skilled workers.

Their proposal, however, needs approval from ASEAN leaders who will meet in Cebu on Dec 11. The ASEAN summit will be followed by the East Asian Summit two days later, on Dec 13.

ASEAN’s concern about the need to stay competitive in the global arena is a major reason why it is keen on accelerating the EAC concept. But the future depends on the link between Southeast Asia and the economic powerhouse of China, Japan and South Korea, to enhance their attractiveness for foreign investors.

“It is clear even now that one of the defining realities of the early 21st century is the growing integration of East Asia’s economies,” said former ASEAN secretary-general Rodolfo Severino in his paper to the forum on “Rethinking European Integration and East Asia Cooperation”, organised by the Asia-Europe Foundation and the China Foreign Affairs University.

ASEAN has a population of 500 million. If merged, the Southeast and East Asian regions will have a huge combined market of two billion people and account for 20% of the global gross domestic product and investment.

They will comprise an up-and-coming market of China with plenty of cheap labour, advanced production bases of Japan and South Korea, and ASEAN members comprising Indonesia, Brunei, Cambodia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

All looks to be a perfect match-up. Yet this might not come about so easily, according to European and ASEAN analysts, because of the question of political will.

Unlike the European Union which started with the clear goal in mind of not wanting another war erupting on its continent, efforts to integrate Asia are driven by economic interests.

It began with the Chiang Mai Initiative to foster financial cooperation in the wake of the 1997 financial crisis, which rooked several Asian countries, starting with Thailand. “The crisis inspired the move,” said Makio Miyagawa, director of the Japan Institute for International Affairs.

Europe has moved forward steadily, coming close to becoming the “United States of Europe” mainly because its leaders have left behind their past bitterness of the two World Wars between Germany and its neighbours.

The big question mark for Asia is to what extent the historic friction between China and South Korea on one side and Japan on the other, will affect the attempt to build a stronger Asia.

Ties between China and Japan have been strained over past years when nationalist Junichi Koizumi was prime minister.

Despite protests from Beijing and Seoul, Mr Koizumi continued to visit the Yasukuni Shrine to honour Japanese soldiers (including those judged as war criminals) who died in the Second World War. His visits angered leaders in Beijing, who see the shrine as a symbol of militarism in Japan’s war of imperialist aggression.

Though China and Japan have opted for cooperation rather than confrontation, Mr Miyagawa admitted: “The history issue is lingering and it has to be resolved.”

The problem is how. Shortly after taking over power from Mr Koizumi, Japanese Prime Minister Shinzo Abe travelled to Seoul and Beijing to try to repair the bilateral damage caused by his predecessor.

But what China, as well as South Korea, needs to hear is an apology from Japan for the deaths and suffering of its peoples committed by the invading Japanese troops.

“The wound is still there in the heart of the Chinese,” Ma Zhengan, president of the China Institute of International Studies, told the forum in Beijing.

The problem regarding history between Japan and its East Asian neighbours could be why these countries are quite happy to see the ASEAN ministers in the driver’s seat regarding the effort to build an East Asian Community.

“That ASEAN is taking the lead is practical,” said Qin Yaqing, executive vice president of the China Foreign Affairs University.

“Otherwise the process might be in big trouble.”

But ASEAN itself has its own problems to resolve. ASEAN looks to be a free-trade area on the surface, but several products are still under protection.

“The civil is in the details,” said Michel Fouquin, deputy director of the Institute of Research on International Economy in Paris, referring to several products to be excluded from the free-trade scheme.

Even Mr Severino admitted difficulty in harmonising and enforcing practical rules for facilitating economic transactions among ASEAN markets, not to mention the wider scale of East Asia.

All this suggests that the idea of creating a single economic entity for Southeast and East Asian regions could be a long way to fruition. And the effort has to start with practical action, according to Mr Severino.