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The 5th Session “Creating an East Asian Community Identity : Strategic Issues, Critical Imperatives”

The 4th East Asia Congress : *East Asian Community Building: Strategic Issues, Critical Imperatives*

The Asian Identity : China, India and Japan

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First of all, I say thank the organisers of the 4th East Asia Congress very much for inviting me to this important convention. I am grateful to have the opportunity to make my presentation in this convention as one of most enthusiastic advocates of the Asian regional integration.

1. Recognition of the Asian Identity

It is extremely important for those of us in Asia to disseminate the recognition that Asia is a region which has a common cultural and historical identity. Asia is a region which has been heavily influenced by two great civilizations, China and India, in its very long history. Although Japan has been influenced by India too in its history, it has been influenced by China much more strongly. This is why China is much closer to Japan than India. However, if we go westward from Japan, the Indian influence gradually increases. For example, Indochina is considered a region which has been influenced almost half-and-half by China and India throughout history. If we go further westward, however, historical influences from Indian culture become larger than those from Chinese culture.

And, Asia has been strongly influenced by Japan in the modern era. In sum, I think that Asia is a region which has been influenced by Chinese and Indian culture in the past, whereas it has been influenced in some way by the Japanese model of economic development in some way often referred to as the “Flying Geese Model” in Asia since the beginning of the modern period. This is the Asian identity which I

understand. We in Asia should devote all our energies to “the Construction of Asia”, and not to waste our efforts on APEC which is basically meaningless and actually almost dying.

In order to complete the Asian identity, I think we need India to join Asian regional integration process eventually. For the time being, however, I think we should continue the current Asian regional integration process which formally started since the Chiang Mai Initiative (CMI) in May 2000 under the framework of “ASEAN+3”. Obviously 13 countries are enough to begin the regional integration, compared to the European Integration which stated by “the Schuman Declaration”¹ under the framework of “the Original Six” just a half century before the CMI.

Needless to say, the most important thing to promote regional integration is enhancing “cohesion”. Most of the people in Asia including Japan always emphasize “open regionalism”. But, we in Asia should recognize that “openness” is the second or third most important thing while cohesion is the most important of all.

If we include Oceania which does not share a common historical and cultural background with Asia, it could be a serious threat to the Asian identity. Therefore, I strongly oppose the current Japanese government’s idea of beginning with Asian regional integration process by 16 countries including Australia and New Zealand. I think that the Japanese government policy stance toward Asian regional integration must be changed substantially. Otherwise, I am very worried about a possibility that Japan will eventually be obliged to go out from the integration process in this region.

Next, I would like to focus on the extremely important issue which is the necessity of regional integration in this area for us in Asia. We must aim at de-dollarisation in this area, as Europe realized it in the middle of 1980s about 15 years following the issuing of the “Ansiaux Report”² in October 1970. It was mentioned in the Ansiaux Report that removing the dollar as an intervention currency in their region is “Europe’s dearest wish”. The German mark finally became the intervention currency and the reserve currency within the European Monetary System (EMS), replacing the dollar from the mid-1980s. That is why Europe has been continuing the common currency system with fixed exchange rate regime since the inception of EC Snake in April 1972 and its successor, the EMS, since March 1979.

Thus, EMS member countries succeeded in mitigating the adverse effects

¹ The “Schuman Declaration” in May 1950 is considered as the beginning of the European Integration process, because the historical reconciliation between Germany and France started by this declaration.

² The “Ansiaux Report” was annexed to The “Werner Report” in October 1970. The chairman of this committee, Baron Ansiaux was the then president of the Central Bank of Belgium.

from the dollar's repeated unrest via the "isolation effect" of the EMS. Germany was able to diffuse the adverse effects of the dollar's sharp depreciation with respect to other EMS countries. Hence, the development of the real effective exchange rate for the German mark has been fairly stable, despite the sharp appreciation of the German mark against the dollar.

Japan and Asia have been tossed about by the dollar's large swings for many years because they lack any common regional currency system. Consequently, we in Asia must aim at de-dollarisation in this region by building a common currency system with an intra-regional fixed exchange rate regime by learning from the EC Snake and its successor, the EMS. However, in the distant future, ultimately we should be aiming at a single currency, like the euro. We in Asia must recognize that the greatest reason why Asia needs the regional integration is to protect itself from adverse effects by the dollar's persistent and large swings from now on.

As for the identity in this field, I would like to pay attention to one very interesting matter. As you know, the relationship among the three countries in North-east Asia is not very good at this moment. However, I would like to point out that the names of these three currencies have the same meaning, and presumably the same origin.

The meaning of the Japanese "yen"("円") is "circle", while character of the Chinese "yuan"("元") means "circle", as well. Moreover, the South Korean "won" is expressed as "元" in the Chinese character. Therefore, the Japanese yen, the Chinese yuan and the South Korean won have a common meaning. If we recall this fact, we could think the Asian common currency system more realistically.

2. Two Proposals for Creating and Disseminating the Asian Identity

I would like to propose two initiatives to create and disseminate the Asian identity.

Firstly, I think the Japanese government should establish "the Okakura Tenshin Asia Prize" which praises the person of merit in promoting Asian regional integration. OKAKURA Tenshin³ launched his book entitled *The Ideals of the East : with Special Reference to the Art of Japan*⁴ in English in London in 1903. This book

³ OKAKURA Tenshin (1862-1913) was born in Yokohama, Japan at the end of the Edo era, and he started his career as the Japanese government official in the Ministry of Education. He was the central figure of reviving and disseminating the Japanese traditional arts, especially paintings in the first half of the Meiji era. Later he became Director of Oriental Division, the Boston Museum of Fine Arts in the U.S..

⁴ OKAKURA Kakuzo (Tenshin) (1903)

begins with a very short sentence “Asia is one”. He thought of the Asian identity as the mixture of the Chinese civilization based on the spirit of cooperation since Confucius (551-479 B.C.) and the Indian civilization based on individualism from the Vedas⁵. He appealed an Asian unity through beauty and arts, since he found something in common in terms of beauty throughout Asia. I think OKAKURA Tenshin should be regarded as having originated the idea of Asian integration at the world stage more than a century ago.

The greatest honour of being awarded the first prize should belong to Dr. Mahathir bin Mohamad who initiated the idea of the East Asian Economic Group (EAEG) in December 1990. The grouping of the EAEG is fundamentally the same as the current regional framework of “ASEAN+3”. And, I think the second winner should be the former Singaporean Prime Minister Goh Chok Tong who initiated the first ASEM (Asia-Europe Meeting) summit in Singapore in March 1996. At that opportunity, the meeting of the Asian leaders was convened apart from the ASEM meeting. This meeting virtually became the start of “ASEAN+3” process.

The third “the OKAKURA Tenshin Asia Prize” should be given to the former South Korean President Kim Dae Jung. He initiated the very important idea of the East Asia Vision Group (EAVG) and the East Asia Study Group (EASG) which formulated the basis for us in Asia to aim at the East Asian Community nowadays. It is widely recognized that the East Asia Congress is one of the outcomes from the “EASG Final Report” in November 2002.

My second proposal is for us in Asia jointly to establish an influential international media representing East Asia in order to disseminate the Asian identity to the world as well as all over Asia. International media should be more diversified, since we are going in the direction of polarisation era in the world rather than globalisation under the US unilateralism.

In view of diversification, Al Jazeera is a great success. The Qatari media started as a TV news channel in Arabic language 10 years ago, and very recently began their English channel. And, they initiated the English Home Page several years ago.

We should understand that Asian regional integration is a part of diversification and polarisation process which is under way in the world. I believe that the development of Asian regional integration could tremendously contribute to better global governance by establishing the tri-polar system which consists of the United States, the European Union and the East Asian Community in the world.

⁵ The Vedas were edited as a series of Brahmanic scriptural texts in India 500-1000 B.C..

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