

1st KEIO-UNU-JFIR Panel Meeting

Opening Keynote Speech by Kenichi Ito, President of JFIR

February 13, 2004

Elizabeth Rose Conference Room, UNU

Economic Development and Human Security

Ladies and Gentlemen,

It is my pleasure to be here today with Dr. Tomoyuki Kojima of Keio University and Dr. Hans van Ginkel of United Nations University to inaugurate an important conference on Economic Development and Human Security with its attention focused on the regional development in East Asia.

It has long been said that everywhere in the world except the two regions of Middle East and East Asia the process of regional integration is rapidly progressing and that the trend is irreversible as demonstrated by the two dominant cases of EU in Europe and NAFTA in North America. The reason for the absence of such a process in Middle East and East Asia was evident. Both regions have been ridden with major wars and violent conflicts until very recently. Still now Middle East has the Palestinian issue and East Asia the Korean Peninsular and the Taiwan Strait issues.

However, East Asia is finally changing. Particularly the economic crisis in 1997 awakened the countries in the region to the facts that friends in deed were friends in need and that those friends were nobody but the neighbors in the region. Since its inception in 1997 the ASEAN plus 3 process has been playing an important role in promoting the regional integration process in East Asia. The ASEAN plus 3 Summit held in 2000 agreed to change the name of the ASEAN plus 3 Summit into the East Asian Summit in future and declared it to be the goal of the Summit to construct the East Asian Community.

Under the instruction of the Summit, the East Asian Vision Group, a sort of wise men's group, worked out a number of proposals for further steps to be taken. Responding to one of those proposals, a founding meeting for the Network of East Asian Thinktanks(NEAT) was held in Beijing last September. Each one of the ASEAN plus 3 countries designated one of its think tanks to be its Country Coordinator. The founding meeting itself was organized by the Chinese Academy of Social Sciences, China's Country Coordinator. As the Japan Forum on International Relations was designated by the Japanese Government to be Japan's Country Coordinator, I flew to Beijing and attended this meeting. I must say I was appalled at the heated exchange of views and opinions expressed by the participants coming from every corner of East Asia. A participant from ASEAN asked his Chinese counterpart what was his view about the demarcation of the region. The answer was that in future it should include not only China, Japan, South Korea but also North Korea, Mongolia and Taiwan. I

immediately expressed my endorsement of his view and said that the inclusion of Taiwan was particularly important and welcome. Such is the atmosphere of the discussion of the regional integration under the semi-governmental arrangement.

To be frank, Japan was behind other countries of East Asia in advocating the regional integration. This was partly because Japan cared how the United States would react, and partly because Japan was cautious about the threat of China. However, these circumstances have also changed. Here again the 1997 economic crisis played an important role. The United States did not anymore so adamantly object to the initiatives proposed by the countries in the region. The currency swap agreement reached among ASEAN plus 3 countries in 2000 in Chiang Mai was a good example of this change. On the other hand, China finally joined the World Trade Organization(WTO) in 2001. Since reform started in China in 1978, much progress has been made in the transition toward a market economy, opening toward the outside world, and the establishment of rule of law. Following WTO accession, the pursuit of these goals has become China's international commitments. As for the rising economic power of China, it certainly poses challenges for other countries in the region including Japan, but it also does provide opportunities as well. It was very natural that Prime Minister Koizumi made a commitment to the goal of East Asian Community in the Japan-ASEAN Special Summit held last December in Tokyo.

Thank you very much.