

## The Diversity of Asia and the Future of Asian Integration

Dr. MIYAZAKI Takashi

### Contents:

- 1 The economic development of Asia and extension of its political influence in the world
- 2 The present state and the future of Asian economic and political integration
- 3 Cultural diversity and disparity in economic development in Asia
- 4 The future role of Asia in the world

#### 1 The economic development of Asia and extension of its political influence in the world

What is the geographical extent of Asia? It is said that the geographical denomination 'Asia' comes from the ancient Persian word 'āsu' which means east, light, tomorrow and so on.<sup>1</sup> It indicated the area east of the Straits of Bosphorus and Dardanelles. In fact, many peoples in the Middle East including North Africa consider themselves Asians, as has been shown by their participation in the Asian Games that are held every four years since 1951. Asia comprising countries extending from East Asia through Central Asia to North Africa represents a vast area and includes countries wishing to join the European Union yet claiming on occasion to be part of Asia, such as Turkey and Russia.

East Asia extending from India eastward has been in rapid economic growth since the 1960s, mainly due to Asian people's diligence, high savings /investment rates and rising levels of popular education witnessed in the area. The Japanese share in this growth has dwindled since the 1990s when stagnation set in in the Japanese economy and as other East Asian nations' growth accelerated, led by the Four Tigers then China, whose GDP is about to exceed that of Japan and may catch up with that of the United States in the near future. It is evident that the economic importance of Asia in terms of GDP, international trade and overseas investment will be preponderant in the course of the 21<sup>st</sup> century<sup>2</sup>. The total Asian GDP is already surpassing the European GDP in 2010.<sup>3</sup> As a result Asia is bound to exert a considerable influence in world politics.<sup>4</sup>

---

<sup>1</sup> See for instance Maki Hideo, *Sekai Chimei Jiten* or *World Geographic Nomenclature Dictionary*, Soutakusya, 1990, p323.

<sup>2</sup> East Asian countries have lacked investment funds accumulated through past development and have depended on foreign financing from Japan, Europe and the US (see JETRO, *Japanese overseas investment by country and region 96-09*: total at end of 2009: \$ 740.3 billion., of which Asia occupies \$175.6 billion, China: 55.0, HK: 13.0, Taiwan: 9.3, Korea 12.6, Singapore 23.6, Thailand: 22.7, Indonesia: 39.5: Malaysia: 8.0, Philippines: 8.2, Vietnam: 3.4, India: 9.0.).

<sup>3</sup> BBC World Asia Business Report broadcast on 4 October 2010

<sup>4</sup> Developed countries' market closure, particularly unilateral US resort to Trade Act Section 301 sanctions, though contrary to GATT rules, and their possession, use and command of enormous financial capacity used to translate into a real political clout vis-avis their principally Asian trading partners. However, as Asian nations' focus of trade shifted to East Asia, the threat of market closure lost its effectiveness (see for instance the 1994 US Presidential Report on the state of the economy, pp 231, 237 and 248 for US analysis of the changing situation)

The role of foreign direct investments attracted by inexpensive labour and high returns in developing nations that usually lack capital accumulation required for investment has been crucial in the economic development in East Asia and elsewhere. Asia has become the center of globalisation, favoured by the GATT/ WTO free trade regime that opened up developed nation markets to the products of developing nations, coupled with their own de facto liberalisation of in-bound foreign direct investment.<sup>5</sup>

The economic development of Asia has been driven not by international public policy or governmental action but by non-public or private interchange. FDI, offshore sourcing, reemployment by developing countries' firms of retired or redundant engineers and managers, notably from Japan, youth exchanges and cultural exchange on the commercial basis have contributed to it more than has ODA including free technological training. Integration is not all done by governments.

## 2 The present state and the future of Asian economic and political integration

As stated above, it is to be noted that the remarkable Asian economic development has been achieved without regional integration, economic or otherwise. ASEAN was formed in 1967 after the scare of communist take-over in some South Eastern nations in the 1950s and 1960s. It was originally a political attempt to reinforce regional solidarity and resilience against interference from the outside. Though it created a free trade area—FTA—among member nations in the 1990s—ASEAN Free Trade Area or AFTA—, its economic take-off started before the inception of the AFTA in 1994. On the other hand North East Asia including Japan, Korea and China did not seek trade integration until the late 1990s in contrast with Western Europe and the Americas whose economic integration had officially started early on.<sup>6</sup> Trade and investment developed in East Asia independently of regional economic or trade integration. One of the consequences of this is the high dependency on intra-regional trade in East Asia.<sup>7</sup>

East Asian economic development started in Japan in the 1960s and spread to the 'Four Tigers', namely Taiwan, Korea, Singapore and Hong Kong. Particularly the per capita income in Singapore and Hong Kong surpassed that in the UK, the former colonial power, already in

---

<sup>5</sup> The Bretton Woods regime does not provide for free investment. The initiative of developed nations to conclude a global investment code failed in 1997 when the developing nations rejected an OECD-sponsored multilateral Investment Agreement (MIA) at the Singapore WTO ministerial meeting. But developing countries yearning for FDI have accepted foreign investment by means of bilateral investment treaties or BITs providing for ICSID (International Centre for the Settlement of Investment Disputes) arbitration-based dispute settlement and not settlement by application of the internal law of recipient nations in their respective judicial systems.

<sup>6</sup> EEC/EU started functioning in 1958, CUSFTA in 1989, NAFTA in 1994.

<sup>7</sup> The intraregional trade dependency: EU 63.9% against 53.2% for ASEAN plus 6 nations, namely Japan, China, Republic of Korea, India, Australia, New Zealand in the same year 2008 (Summary of the White Book on international trade, METI, 2010).

the early 90s.<sup>8</sup> A US attempt to create an Asia-Pacific FTA covering the whole of the APEC area or APEC (Asia-Pacific Economic Community) failed at the Osaka APEC ministerial conference in 1995 because of the opposition of ASEAN and other Asian nations.<sup>9</sup> The US itself must have realised that, at a time China was not yet in the GATT framework, the creation of an Asia-Pacific FTA and the granting of universal most favoured nation treatment (MFN) to all APEC members would deprive the US of the possibility of annually applying pressure on China through Congress deliberations on the renewal of such treatment to the communist nation in connection with human rights issues. The 1994 Bogor trade liberalisation pledge remained voluntary<sup>10</sup>.

Of the nations in North East Asia that long stayed outside of regional integration, however, China and the Republic of Korea started concluding bilateral FTA agreements with various countries in Asia and elsewhere in the 1990s after APEC Osaka, particularly with ASEAN nations, and this prompted Japan into concluding her first-ever FTA with Singapore in 2002.<sup>11</sup> Singapore, having been a free trade port, the merit of the FTA for Japan was in the services area and in the fact that the conclusion did not entail agricultural import liberalisation, as Singapore does not export farm products ‘made in Singapore’.<sup>12</sup> Then Japan proceeded to sign FTA/EPAs

---

<sup>8</sup> Miyazaki, Takashi, APEC’s Open Regionalism and the WTO, Tsukuba Review of Law and Political Science, No.21, September 1996, p 20, note 12: in 1993, the average income in UK was 17,970 US dollars against \$19,310 in Singapore and \$17,860 in Hong Kong. Income in small economies – city or mini-states – tends to rise faster than in bigger states like China or India.—Small countries such as Gabon, Qatar, Kuwait, Lichtenstein, Monaco, Andorra, San Marino, Switzerland, Luxemburg all have higher per capita incomes than larger developed nations.

<sup>9</sup> See Miyazaki, Open Regionalism, op. cit. pp 12~15.

<sup>10</sup> APEC Economic Leaders’ Declaration of Common Resolve, Bogor, Indonesia dated 15 November, 1994 stated in para.6 : “With respect to our objective of enhancing trade and investment in the Asia-Pacific, we agree to adopt the long-term goal of free and open trade and investment in the Asia-Pacific. The goal will be pursued promptly by further reducing barriers to trade and investment and by promoting the free flow of goods, services and capital among our economies. We will achieve the goal in a GATT-consistent manner.... We further agree to announce our commitment to complete the achievement of our goal of free trade and investment in the Asia-Pacific no later than the year 2020. The pace of implementation will take into account differing levels of development among APEC economies, with industrialised economies achieving the goal of free and open trade and investment no later than the year 2010 and developing economies no later than the year 2020”.

The following year, Osaka Declaration stated in para.5 that the participating nations “have agreed to a set of fundamental principles : non-discrimination; transparency; standstill; simultaneous start, continuous process and differentiated time tables, flexibility and cooperation. ( We) direct our ministers and officials to immediately begin the preparation of concrete and substantive action plans to be submitted to the 1996 Ministerial Meeting. ... The Action Agenda may be revised ... in response to changing circumstances..... While we have chosen the unique approach of concerted liberalization grounded in voluntarism and collective initiatives by the member economies as the key means of implementing the Action Agenda, its success hinges upon our own continuing efforts, strong discipline and close consultation”( APEC Economic Leaders’ Declaration for Action, Osaka, Japan, 19 November, 1995 — underline added).

At recent APEC meetings, establishment of an FTAAP (FTA of the Asia-Pacific) has been discussed. Japan wants to determine by 2020 how to bring it to pass ( Asahi News Paper dated 26 Sept. 2010).

<sup>11</sup> Singapore having been a free trade port, the merit of the FTA for Japan was in the services area and in the fact that the conclusion did not entail agricultural import liberalisation as Singapore does not export farm products ( See GATT Art. XXIV para.8 (b) which provides: “A free trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles....) are eliminated on substantially all the trade between the constituent territories in products originating in such territories.” — underline added)-

<sup>12</sup> See GATT Art. XXIV para.8 (b) at note 11 above.

with other ASEAN states as well as with some Latin American countries across the Pacific.<sup>13</sup> Japan contracted an EPA with the ASEAN itself in 2009. Japan found herself at a disadvantage in comparison with China, Korea, the US and EU in some overseas markets and had to forsake her traditional attachment to the GATT/WTO multilateralism, that is, global free trade based on equal treatment (MFN and national treatment).<sup>14</sup> GATT Article XXIV allows little deviation from intraregional trade liberalisation<sup>15</sup>. Yet the various FTAs concluded in Asia seem to contain a considerable number of exceptions to intraregional trade liberalisation, particularly in the agricultural sector. For instance, Japan would not accept liberalisation of rice imports.<sup>16</sup> Auto imports are restricted in developing Asian countries to protect domestic industry that has often been created by Japanese companies notably in Thailand, Malaysia and India<sup>17</sup>.

Some Asian countries depend on exports of labour.<sup>18</sup> India, Pakistan and China are known to have exported a number of immigrant workers since the 19<sup>th</sup> century. In recent years, efforts have been made by Japan, getting short of hands to care for the elderly, to import nurses from the Philippines and Indonesia within the framework of respective EPAs. Labour cannot be exported freely under the present regime of international trade. Japan, as a matter of policy, has been careful not to admit immigrants seeking permanent residence so as not to create colonies of foreigners within the Japanese society that could possibly be subject to discrimination<sup>19</sup> as in other countries. Thus even economic integration inclusive of intraregional freedom of

---

<sup>13</sup> Japan's EPAs were concluded, i. e. entered into force with Mexico in 2005 and with Chile in 2007. Negotiations with Peru, India, etc. started in 2009. The Japanese Ministry of the Economy, Trade and Industry (METI) came up with the term Economic Partnership Agreement in order to include services trade, investment and other provisions in free trade agreements. Such agreements took effect with Malaysia on 13 July 2006, Thailand on 1 November 2007, Brunei and Indonesia on 1 July 2008, the Philippines 11 December 2008, Switzerland 1 September 2009 and Vietnam 1 October 2009

<sup>14</sup> GATT Art.I provides for equal treatment- MFN- with respect to customs duties and various charges imposed as well as all rules and formalities applied in connection with imports and exports of goods from or to other contracting parties. Art. II accords MFN to all GATT members with respect to matters of customs duties in particular. Art.III prescribes non-discrimination for foreign imported products in comparison with domestic products in regard to internal taxes and regulations.

<sup>15</sup> GATT XXIV 8 (b) stipulates that trade integration in a FTA must eliminate all customs duties and other restrictive regulations of commerce "on substantially all the trade between the constituent territories in products originating in such territories". However, no trade integration scheme has ever been found to be inconsistent with this provision in past GATT/WTO council deliberations.

<sup>16</sup> Under the WTO Agreement, all agricultural trade restrictions were 'tariffed' but Japan was exceptionally authorised to continue rice import control on rigorous conditions in accordance with the WTO Agriculture Agreement Annex5, Art.4-2. Japan later proceeded to tariffication imposing a duty exceeding 300% on rice imports. Japanese rice is sold in Japan at prices 300~1000% higher than American or Thai rice sold in the international market.

<sup>17</sup> These EPAs (draft in the case of India) provide for the liberalisation of auto parts from Japan while restricting imports of made-up vehicles.

<sup>18</sup> The Philippines, Indonesia, India and Pakistan have been famous for their labour exports to all over the world. China and even Japan used to export labour to Asia and the Americas. Japan's Ministry of Welfare and Labour statistics on labour exports in East Asia show the following figures (in thousand persons — estimates for 2000 based on 1999 statistics and other data): a. expatriated workers — Korea 251, Indonesia 435, Philippines 867, Vietnam 32; b. immigrant workers accepted — Japan 710, Korea 285, Hong Kong 217, Taiwan 307, Singapore 612, Malaysia 800, Thailand 1,103, Indonesia 33.

<sup>19</sup> Control of immigration is a matter of sovereignty in general international law. Under a WTO understanding attached to the GATS (General Agreement on Trade in Services) labour exports are not covered by GATS which aims at services trade expansion through MFN and national treatment commitments made by CPs as per attached lists.

movement à la Européenne cannot advance rapidly in Asia.

The difficulties in the agricultural and labour sectors and those caused by the huge disparities in the degree of industrialisation among Asian nations cannot easily be overcome, not at least in the short term. On the other hand, not only vertical but also horizontal division of labour, that is, industrial integration through the market mechanism has already been in progress between developed northern nations and developing nations in Asia as well as among ASEAN member states. Apparently division of labour and economic development are caused by foreign investment that inexpensive labour attracts. Centres of attraction have shifted from Taiwan, Korea, China and now are moving to Vietnam, Bangladesh, Laos and Myanmar. Poverty reduction is being achieved through foreign direct investment that inexpensive labour draws as if an invisible hand were at work, guiding it with a view to reducing poverty throughout the world.

However, for lack of economic homogeneity in the region, it is doubtful that we will see the birth of a regional multilateral FTA or EPA covering the whole of East Asia or the entire Asia-Pacific region any time soon.

As for political integration, its failure in Europe does not augur well for East Asia. Political integration inevitably involves renunciation of national sovereignty. It has not made substantial progress in the EU<sup>20</sup> and cannot be expected to develop rapidly in more diverse Asia. Multiple organisms have been set up to promote regional consultation and cooperation in the Asia-Pacific region since the 1980s: PECC (Pacific Economic Cooperation Council), APEC (Asia-Pacific Economic Cooperation), ARF (ASEAN Regional Forum) and its track II non-governmental consultative body CSCAP (Council on Security Cooperation in the Asia-Pacific), ASEAN+3 and the East Asian Summit which might grow into an official 'East Asian Community'. None of these, however, is considered to be a solid international organ having binding rules and placing legal obligations on their members. They are not being organised and functioning under a full-fledged charter that regulates member nations' actions, even in the realm of trade and investment. Asians opted for a loose and flexible combination rather than an EU- or NAFTA-type rigid binding combination. It would be unrealistic to hope that Asia can achieve even the degree of political integration already attained in the EU,<sup>21</sup> though it does not yet enable Europe to match the US in the exercise of

---

<sup>20</sup> Member states conserve their own foreign ministries and overseas embassies, the various other ministries and national responsibility for financial and other internal policies, though subject to EU law made by the European Council, Commission and Parliament. The newly created post of EU president seems to be as symbolic as that of Germany and Italy. Delegates of EU member nations continue to sign major international accords along with the representative of the EU who seems to defer to national delegates.

<sup>21</sup> 1993 Maastricht Treaty did introduce EU citizenship, the European passport as well as the common currency Euro whose intraregional circulation is limited to 22 out of 27 member nations and not comprising the UK. After the failure of the European Constitution in 2006, rejected in the French and Dutch referendums, its replacement- Lisbon Treaty- finally went into force in November 2009. It provides for a weak EU presidency whose function is only symbolic as in Germany and Italy and no real federal system.

political influence on the global stage. Union makes force but division makes for weakness. US influence itself is on the wane because of its now smaller share of the world's wealth ( the US has become a much smaller market in relative terms, while China has become Japan's No.1 market) and because of the limited effectiveness of its military power as we have witnessed in Korea, Indo-China, Somalia, Afghanistan and Iraq since the 1950s.

With regard to the East Asian Community, after a report submitted to the 2001 ASEAN+3 summit by the East Asian Vision Group recommended the transformation of the ASEAN+3 into an East Asian Summit, Prime Minister Koizumi referred, in a 2002 speech in Singapore, to a 'community progressing together in East Asia.' The 2003 Japan-ASEAN Tokyo summit joint declaration referred to an 'East Asian Community.' Ever since, the term came to be used in the official as well as mass media language. Mr. Hatoyama, the last Japanese Prime Minister before incumbent Prime Minister Kan took office, was known for his passionate support for the creation of the East Asian Community.

However, a fundamental question must be posed: What exactly is the purpose of the East Asian Community? Does it seek real political integration or just the creation of a common market or FTA, possibly culminating in the creation of a common currency—acu (Asian currency unit)—, coupled with a regional forum for political consultation? Whatever goal it seeks, the nightmare described by George Orwell in his novel "1982"<sup>22</sup> does not appear to happen in the future as a result of regional integration in Europe/Africa, the Americas and Asia, for want of homogeneity in each mega-region.

### 3 Cultural diversity and disparity in economic development in Asia—the historic backdrop of Asian integration

Stark divergences in national identity among Asian nations, particularly in race, religion and life style, make it difficult to establish a common Asian identity. The origin of Asian peoples, in particular Mongoloid Asians, is unknown.<sup>23</sup> There seems to be no Asian identity emanating from the consciousness that Asia or Asians are one and the same. On the contrary, fragmented though common cultural aspects shared by several Asian nations can easily be perceived. For example Hinduism, Buddhism, Islamism and Confucianism are shared by several Asian nations.<sup>24</sup> Buddhism is practiced in Burma, Thailand, Vietnam, Cambodia, and

---

<sup>22</sup> Orwell described in this novel a future world divided into three parts: Euro-Africa , Asia and the Americas that were constantly at war with each other.

<sup>23</sup> Some anthropological theory posits that the Mongoloids including most East Asians originated in Africa, as did all humanity, to emigrate to China and on to the Americas and to other parts of East Asia, including South East Asia and the Pacific. Or they moved first from Africa to Sundaland ( South East Asia) then went up to northern Asia (China, Mongolia, Korea and Japan).

<sup>24</sup> Japan, Korea, Manchu (North East China), Mongol, Kirghiztan, Turkmenistan, Kazakstan, Uzbekistan,

Japan. Buddhism and Confucianism that seek personal elevation and enlightenment originally are no God worshipping religions. Chopsticks and Chinese characters have been used in China, Japan, Korea and Vietnam. Japanese, Korean, Manchu, Mongol and many Central Asian languages belong in the same language group: Tungus or Ural-Altäi. Islam first arrived on the Indian Continent, then in the southern part of the Philippines, Malaysia and Indonesia.

In addition to the cultural divergences in Asia, there has been a sort of leadership or initiative rivalry among the three North Asian nations, which has been balanced by an increasing influence that ASEAN nations exert. Japan's past colonisation and imperialistic intrusion into Korea and China continue to cause serious conflicts among the three nations.

Australia and New Zealand find it difficult to achieve real integration with the rest of East Asia because of lingering memories of British colonialism.

To compound the situation, the US which geographically does not belong in Asia, wishes to be part of any major Asian integration scheme.<sup>25</sup> Moves have been reported afoot among Chile, Peru, New Zealand, Singapore, Brunei, Vietnam, Australia and the US to establish a Transpacific Partnership or TPP. Japan has expressed interest.

The greatest historic heritage common to Asian countries is the fact that they used to be Euro-American colonies or were under some sort of subjugation to Western power in the 19th century. Western nations colonised most Asia since the 16<sup>th</sup> to 19<sup>th</sup> century and Japan followed suit, emulating the West after the Restoration of Meiji in 1868. Japan's two and half century-long isolation was broken under a threat of force by an American fleet in 1853-54. 'Unequal treaties' infringing on national sovereignty—in matters of court jurisdiction and customs duties—were imposed on Japan<sup>26</sup> and other Asian nations by Western nations and Japan herself. Japan's wars and occupations since 1894 up to 1945 wrought havoc to East Asian nations.

Furthermore, the levels of economic development and living standards in Asia reveal staggering discrepancies. While the highest per capita incomes in East Asia exceed 35,000 US dollars per annum—in Brunei, Hong Kong, Japan and Singapore—those in other Asian nations stay at much lower levels. Furthermore there exist substantial differences

---

Azerbaijan, Turkey, Hungary, Finland, etc. have languages with the same grammar—the same word order but mostly different vocabulary, except that Vietnamese, Korean and Japanese comprise a great number of words borrowed from the Chinese language while Chinese influence was predominant in East Asia. Chinese characters continue to be used in Japanese along with Japanese phonetics. However, half of the indigenous Japanese vocabulary is said to be of Malaysian origin, the other half having come from the north (Korea, Manchu, Siberia, etc.).

<sup>25</sup> The US opposed the formation of the East Asia Economic Caucus proposed in 1989 by Prime Minister Mahatir of Malaysia, the creation of an Asia Monetary Fund (AMF) put forth by Japan in 1997 and the establishment of the East Asian Community proposed in recent years, —without US participation. The US considers itself a Pacific power entitled to join every major international enterprise undertaken in Asia, no doubt on account of the importance of its Asian trade hailing back to the beginning of the 19<sup>th</sup> century and because of the three major wars it fought in East Asia, against Japan, North Korea/China/USSR and Vietnam, with attendant heavy casualties and huge material sacrifices. Some Asians consider US presence in Asia desirable as a counterbalance against growing Chinese power.

<sup>26</sup> Japanese local clans opposed to Western domination (notably Satsuma and Tyoushyuu) actually waged three wars against fleets of the US, Britain, France and the Netherlands in 1863 and 1864 after the Tokugawa central government yielded to their pressure to have Japan open ports to foreign shipping and trade since 1854.

in the development of social infrastructure among Asian nations that impede economic growth.

In respect of the progress in industrialisation, only the North East Asian nations as well as Thailand, India, Singapore and Malaysia have been able to build up internationally competitive second sector industries (notably manufacturing and chemicals) while the remaining Asian nations have not. This dichotomy in Asian industrialisation constitutes a barrier to the establishment of a common market or a free trade zone covering entire East Asia although Indonesia, the Philippines, Vietnam, Cambodia, and Burma are catching up. It may be a question of time before these nations reach the same level of development as the developed rest of East Asia.

What is more, liberalisation of agricultural trade would raise serious problems in internal politics for many Asian countries including Japan, because their agriculture lacks international competitiveness mainly by reason of smaller arable or usable land available per farm.<sup>27</sup> Japan continues to refuse free imports of rice and some other farm products. China and Korea seem to share the same difficulties in the agricultural sector despite the apparent ease with which they have launched into FTAs. Agricultural policy has cultural and even environmental dimensions as well.<sup>28</sup>

#### 4 The future role of Asia in the world

Contrary to what Okakura Tensin, a famous Japanese art expert, said in the 19<sup>th</sup> century after Japan decided to modernise or Westernise herself, Asia is not one.<sup>29</sup> Yet its diversity ought to lead to greater inventiveness and creativity. Since the Opium War in 1840, Asia has struggled in a state of relative weakness vis-à-vis Euro-America whose military power and culture, including language, science, technology and other intellectual properties, above all law and political institutions, have dominated the entire world for

---

<sup>27</sup> Japan's average farm holds only 1.2 ha of arable land as compared with West Germany's 15 ha, France's 26, UK's 66, US's 182. Japan exempted chicken, beef, sugar, milk, rice, wheat, starch and other farm products in her FTAs or EPAs with Mexico, the Philippines, Thailand and other countries.

<sup>28</sup> For instance, rice paddies serve as water reservoirs, prevent flooding and make for beautiful landscape. Legally it is permitted to restrict imports of farm products even in a FTA, if they do not hinder liberalisation (abolition of duties and quantitative restrictions) of an essential part of regional trade, thought to be more than 90% of each member's intraregional trade. GATT Art. XI, para.2 provides for exceptional trade restriction for farm and fishery products. However, this exception to the free trade rule has been de facto banned by GATT dispute settlement jurisprudence and then superseded by tariffication under the WTO Agriculture Agreement, as explained above. The exception made for developing countries' trade restrictions for economic development purposes by virtue of GATT Art.XVIII and GATT Part IV (ART. 36~38) was often invalidated by the IMF/World Bank structural adjustment loan conditionality requiring complete trade liberalisation under the so-called Washington consensus and then the tariffication of quantitative restrictions in the WTO Agriculture Agreement.

<sup>29</sup> Okakura Tenshin (1862~1913), Japanese art leader, founder/director of Japan Institute of Art and author of 'Toyoko no Risou' or the 'Oriental Ideal.' He used to assert "Asia is one." The Indian Nobel prize poet Rabindranath Tagor is said to have concurred,



centuries.

That said, history has demonstrated that cultural progress follows economic development. Asian economic development therefore is the harbinger of future development in other areas of intellectual activity in Asia, notably in culture, including art, science and law.

A recent focus of East Asian cooperation is in efforts to overcome environmental problems. They try to deal with waste disposal, air pollution and acid rain, biodiversity loss and global warming, the last being the most serious issue that calls for conversion from fossil fuels to atomic and solar energy, including wind power, and carbon fixation through massive reforestation, marine fertilisation or farming, that is, coral and shell cultivation and CO<sub>2</sub>-capturing plankton farming. It is to be hoped that global warming that threatens the very existence of some Pacific islands and would submerge vast areas in East Asia will be dealt with in a positive way – through CO<sub>2</sub> absorption in addition to emission mitigation so that an expanded equilibrium may be achieved. Cooperation within APEC or on a sub-regional level has been initiated as between environmental ministers of Japan, Korea and China (TEMM) since 1999 as well as the international cooperation within REDD (Reducing Emissions from Deforestation and Forest Degradation), formed in 2008 in which Nepal, Sri Lanka, Cambodia, Vietnam, the Philippines, Indonesia, PNG and the Solomon Islands participate as well as UNEP. This kind of cooperation could give rise to meaningful regional cooperation, with the joint efforts of government and civil society including NGOs.

The future of Asian integration hinges very much on cooperation at the level of individuals, enterprises, and NGOs in light of the usually limited effectiveness of cooperation at the government level.

While political integration in Asia cannot be expected to develop by leaps and bounds, Asian political presence can and should increase on the global scene, particularly in the United Nations. Rather, the effectiveness of the UN depends on the reinforcement of its representative character. Asian representation in the Security Council, where Euro-American influence has been overwhelming, has been far from sufficient. China has been the only Asian nation to represent Asia as a permanent member in the SC. The future SC must include permanent representatives of the developing world, namely the Middle East, Africa, Latin America and the Pacific and also of East Asia other than China<sup>30</sup>

After the US withdrawal from Indo-China in 1975, there has been no major war in East Asia. Skirmishes continue to occur over some frontiers or for the possession or

---

<sup>30</sup> Smaller nations can occupy a SC seat by rotation so as to secure permanent regional representation.

control of islands and sea zones in the region.<sup>31</sup> Yet all in all East Asian nations have attached greater importance to economic development and the betterment of people's welfare than to the expansion of their territory or politico-military influence and have attained remarkable results.<sup>32</sup> It might be possible to say that this trend began in 1955 with the proclamation at Bandung of the Ten Principles for Peace.<sup>33</sup> Now is the time for Asia to reassume the role it put forth at Bandung<sup>34</sup> by showing the world that the future path of mankind that will bring about lasting peace and human security will pass through economic development and poverty eradication for all the peoples of the world as it has done in East Asia since the 1960s. Harmony, equality, dignity for all, healthy competition and not the pursuit of greed or hegemony will be the benchmark of Asia on the world scene.<sup>35</sup> Problems can be solved through joint efforts to achieve harmony and virtue and not by force or violence.<sup>36</sup> Everybody in the world must be aware by now that force and violence do not solve problems but breed hatred and greater violence, even more so at the present stage of human development.<sup>37</sup>

End

---

<sup>31</sup> The possession of Spratley and Paracel Islands, Takesima (Dokto in Korean), Senkaku Islands, the extents and demarcations of overlapping EEZs in East Asia are being disputed.

<sup>32</sup> American political scientist Pempel shares this view ( Pempel, T. J., More Pax, Less Americana in Asia, *International Relations of the Asia-Pacific Journal*, Vol. 10 No.3, 2010, Japan Association of International Relations, pp. 467~490).

<sup>33</sup> The Bandung Conference came to pass owing to the initiative and dynamism of the leaders of Indonesia, India and China: President Sukarno, Prime Minister Nehru and Chou En-Lai. The ten Bandung principles are: 1 respect of fundamental human rights and the UN Charter, 2 respect of sovereignty and territorial integrity, 3 equality of races and nations, 4 non-interference in internal affairs, 5 respect of the right of self-defence, 6 elimination of collective defense, 7 denial of armed aggression, 8 peaceful resolution of international conflicts, 9 promotion of mutual interests and cooperation, 10 respect of justice and duties.

<sup>34</sup> 29 Afro-Asian nations participated in the confab. At Bandung Japan was invited to attend a major international conference for the first time after attending the San Francisco Conference for Peace with Japan in 1952.

<sup>35</sup> Asian pacifism was again expressed in the 1976 Treaty of Amity and Cooperation in South East Asia to which 27 states have adhered by November, 2009., including Japan, China, India, US, Russia, France, Australia, NZ.

<sup>36</sup> Harmony and virtue, or personal power to perform good and positively influence others, and sympathy for the weak, can be called fundamental Asian values that are universally appreciated. One might add mutual respect, modesty, consensus building, co-existence with other people as well as with nature, all of which values of course are shared by non-Asians as well.

<sup>37</sup> It is to be recalled that no nation has used nuclear weapons since atomic bombs were dropped on Hiroshima and Nagasaki in 1945. Since World War II, wars have been waged between developed nations and developing ones or between developing nations but no longer between developed nations. Human perception of war has evidently evolved since the two World Wars that caused the death of tens of millions of people in Asia and Europe.