

Reforms for the New Era of Japan and ASEAN: For a Broader and Deeper Partnership

Policy Speech by Ryutaro Hashimoto,
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Your Excellency Prime Minister Goh Chok Tong,
Your Excellency Dr Tony Tan Keng Yam, Deputy Prime Minister and Minister for Defence,
Excellencies,
Ladies and gentlemen,

I am honoured to have the opportunity to express my views on Japan-ASEAN relations in this Singapore Lecture, so famed for its long tradition. On my current visit to Southeast Asia, I have been received warmly in Brunei Darussalam, Malaysia, Indonesia, Vietnam, and here in Singapore. I would like to take this opportunity to thank everyone who helped make these visits successful.

Throughout this visit, I felt very strongly the dynamic desire of people in this region to create free, open, and vibrant societies. This experience has renewed my belief that Southeast Asia and the entire Asia-Pacific are now embarking on a new era.

This year marks the 30th anniversary of the foundation of the Association of the Southeast Asian Nations (ASEAN). In the meantime, the Cold War between the United States and the Soviet Union has ended in world politics, and the world economy has become more integrated than ever before, with capital, labour, and technology freely moving beyond national borders, stimulated by advanced information technologies and economic liberalization. In the Asia-Pacific, many countries enjoy economic prosperity while China has increased its presence participating in the free market economy. In Southeast Asia, conflicts between ASEAN and Indochina during the Cold War have become things of the past. Following the entry of Vietnam into ASEAN in July 1995, it was agreed last year to simultaneously admit Cambodia, Laos, and Myanmar some time in the future. A so-called "ASEAN 10" is now close to reality.

ASEAN holds a unique position in the world as a successful model, achieving both political stability and economic growth. ASEAN's active diplomatic initiatives have produced spectacular achievements. The ASEAN Regional Forum (ARF) is making steady progress as a multilateral security framework contributing to regional stability, and in addition to the Asia Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM) has been launched as an historic undertaking to strengthen relations between Asia and Europe.

I would like to stress here that throughout the 30 years of ASEAN, Japan has consistently been its friend. Together we have followed the path towards economic prosperity, helping each other. As you probably remember, in 1977 then Prime Minister Fukuda launched the so-called "Fukuda Doctrine", and in 1987 then Prime Minister Takeshita proposed that Japan and ASEAN establish a new partnership.

Today, four years left for the 21st century, I would like to deliberate with you on how Japan and ASEAN should reform their co-operative relationship in a manner suitable for a new era.

Ladies and gentlemen,

Although ASEAN has so far achieved remarkable successes in both political and economic fields, it is faced with several new challenges emerging in the Asia-Pacific.

Despite growing economic prosperity, problems of poverty persist.

In the long process towards a society in which every citizen can enjoy freedom and equality, some ideals have yet to be fully realized.

Concerns exist that while economic development enriches people's lives, unique traditional cultures could be neglected.

ASEAN's efforts are required to sustain an open international economic system, to take bold steps for domestic structural reforms, and to advance indigenous innovation, so that it can maintain its economic prosperity.

Furthermore, the rapid economic growth now under way could exacerbate several problems such as environmental impact, food and energy shortages, population growth, AIDS, and narcotics.

Expansion of ASEAN membership could increase the magnitude of those problems and make co-ordination mechanisms among members more difficult.

These challenges could be called "ordeals for ASEAN". ASEAN is expected to tackle these problems, to overcome conflicting national interests and to strengthen solidarity among countries in Southeast Asia, thereby providing a groundwork for peace and prosperity in Asia. The international community watches ASEAN's efforts with great interest.

What about Japan? The Japanese socio-economic system, which has sustained the country over the 50 year post-war period, now has revealed serious limitations. Japan faces a turning point in her history. Wide-ranging reforms are urgently needed. To create a new Japanese socio-economic system suitable for the 21st century, I am promoting reforms particularly in the following six areas: administrative reform, economic structural reform, financial system reform, social security reform, fiscal reform, and education reform.

For example, "economic structural reform" would make the Japanese economy more efficient, resilient and international, enhancing Japan's attractiveness as an arena for economic activities. At the same time it would further expand market opportunities in Japan for foreign industries, including ASEAN's.

"Financial system reform" would make the Japanese financial system even more free, fair and global, and thus realize the dynamic renaissance of Japan as a more advanced international financial market; the reform for example would promote access to and use of the yen across national borders, by allowing more smooth fund-raising by foreigners in Japan as well as freer use of the yen abroad. I am convinced that the reform would contribute to further development of economies and financial markets of Asian countries as a whole including Singapore.

These reforms are intended to overcome “ordeals for Japan”. They are not easy tasks, but nevertheless must be completed at all costs.

Japan and ASEAN have a close relationship, both geopolitically and historically. I believe that stability and development in Asia are prerequisites for Japan’s stability and development, and it is self-evident that the two are inseparable.

Therefore, Japan should exchange views and experiences with ASEAN, sharing each other’s pains if necessary, to help solve each other’s problems, in a spirit of friendship. And Japan would like to continue this co-operation in helping ASEAN to remain a successful model for other nations, while at the same time learning from ASEAN’s experiences as we implement our internal reforms.

Ladies and gentlemen,

Japan and ASEAN have traditionally been in a mutually beneficial relationship in the economic field, in which we help and support each other. The mutual co-operation should continue to establish an open international economic system and to sustain and develop economic prosperity in the Asia-Pacific.

To that end, within the rapid globalization of the world economy, it is important for Japan and ASEAN to enhance their co-operation at the WTO for a free and open world economy. In other words, to maintain and strengthen a multilateral free trade system.

It is also necessary to make effective use of other frameworks such as APEC and ASEM. I welcome the fact that APEC particularly has gained increasing importance, as a framework for pursuing economic prosperity in the Asia-Pacific, under the ideal of regional co-operation open to the world.

It is equally necessary for Japan and each of the ASEAN countries to take bold steps in domestic reform without being complacent with the status quo, to make our socio-economic systems more compatible with market mechanisms.

I talked about Japan’s current reforms in six areas and ASEAN countries are also not exempt from the necessity of domestic reforms. As one of the major pillars sustaining stable economic growth in the Asia-Pacific, ASEAN is required to actively promote economic reforms at both regional and national levels.

ASEAN’s economic growth becomes increasingly led by domestic consumption demand rather than export to outside countries. Formation of markets of a reasonable scale is necessary, to achieve future sustainable economic growth driven by domestic demand. To that end, ASEAN is required to overcome conflicting national interests and to promote efforts of regional market integration such as the ASEAN Free Trade Area (AFTA) and ASEAN Industrial Co-operation (AICO), in a manner to promote the trend towards trade and investment liberalization.

Current and potential ASEAN member countries, meanwhile, are faced with the necessity of a variety of domestic reforms, depending upon their stage of economic development. Some are needed to restructure their economies into more advanced ones while others should urgently participate in the international economic system based upon market mechanisms, as well as developing infrastructures.

ASEAN countries are thus expected to follow principles such as market mechanisms and international co-ordination, to address themselves to structural reforms at regional as well as national levels, and to maintain and promote their economic dynamism in a manner open to other parts of the world. Their actions will be extremely important in expanding the interests of the Asia-Pacific and the world over. Japan for her part will support such efforts by ASEAN countries as much as possible.

Needless to say, these reforms should be promoted based upon requests from the private sector, the main engine of economic development, so that it can realize its full capacity. Exchanges between Japan and ASEAN private sectors should also be encouraged. When I was MITI Minister, I made efforts to promote Japan-ASEAN co-operation in such fields as development of downstream industries, intellectual property, quality control, and industrial technology research. I also supported the launch of an

initiative for industrial co-operation involving potential ASEAN members. Japan would like to continue to support robust private sectors and to promote further technology transfer, responding to expansion of ASEAN membership and resulting problems.

Furthermore, Official Development Assistance (ODA) will continue to play a role in the economic development of the Asia-Pacific, and Japan would like to extend as much co-operation as possible. However, from the viewpoint of efficient and effective use of limited funds, several new approaches should be incorporated in ODA implementation.

Examples of those approaches are: intellectual support to countries in their transition efforts towards becoming market economies; infrastructure development in collaboration with the private sector; development assistance based on a regional approach transcending national borders, and voluntary aid co-ordination among donors.

These efforts to combine economic, trade and investment, and ODA policies in a manner appropriate to specific circumstances, are in line with the central ideas of "New Development Strategies" proposed by Japan.

Ladies and gentlemen,

Japan-ASEAN economic relations have expanded in the past and now become vitally important to each other. Needless to say, these relations should further be expanded.

However, international relations are more than just economies. On the occasion of ASEAN's 30th anniversary, I would like to expand the present co-operative equal partnership between Japan and ASEAN into a broader and deeper one suitable for this new era. Towards that end, I think that Japan and ASEAN should strengthen joint endeavours focusing on the following three areas.

Firstly, broader and deeper exchanges between Japan and ASEAN at top and all the other levels. Given the increasing importance of ASEAN as an entity with one voice in the international community, I think it particularly necessary to strengthen policy dialogues between Japan and ASEAN at various levels.

In order to promote Japan-ASEAN co-operation, strong political leadership is indispensable. Dialogues at top levels should be enhanced to build stronger personal ties of trust between top leaders. I would like to take every possible opportunity to have closer and more frequent dialogues with my ASEAN counterparts. That is why I made these visits at this time and I would like to welcome future visits to Japan by ASEAN leaders. We should make use of occasions such as formal and informal ASEAN Summit Meetings. I proposed this idea to the leaders I met during this visit, and obtained their agreements on the basic idea.

In this context, the "Japan-ASEAN Forum", an existing dialogue framework between Japan and ASEAN, should also be made more active, frequent, and meaningful.

Japan serves as a non-permanent member of the Security Council of the United Nations for two years from this year, and would like to closely consult with ASEAN at the UN as well. To ensure peace and stability in the Asia-Pacific in the 21st century, I would like to see Japan have frank dialogues on regional security with each of the ASEAN countries on a bilateral basis.

Secondly, as we have often stressed, it is necessary to deepen mutual understanding and to expand cultural co-operation, to consolidate Japan-ASEAN friendship. The rich cultural heritage of each ASEAN country greatly touches our hearts, reminding us of the value of unique living cultures. I think it necessary to preserve these cultures for future generations, and to enhance multilateral endeavours and co-operation respecting cultural diversity.

Japan has co-operated through technology transfers in preserving and restoring cultural heritages in Southeast Asia, including Hue in Vietnam and Angkor in Cambodia, through such schemes as the UNESCO/Japanese Trust Fund for Preservation of the World Cultural Heritage. I would like to see Japan

continue to actively co-operate to preserve and restore cultural heritages, and to maintain and develop unique cultures.

To enhance mutual understanding regarding traditions and cultures among neighbours is also important. In co-ordination with private initiatives, I would like to expand cultural exchanges, particularly among the youth who will lead the future world, and to strengthen cultural co-operation on a multilateral basis so that diverse cultures can live in harmony.

As a concrete measure, I would like to propose to create a multinational cultural mission comprising experts from Japan and ASEAN countries, which would make recommendations for future cultural exchanges and co-operation. I hope that through these exchanges and co-operation, a sense of community will be fostered throughout the Asia-Pacific.

Thirdly, Japan and ASEAN should jointly address themselves, by sharing their wisdom and experiences, to various problems that the international community faces as a whole.

Given the situation that both Japan and ASEAN increasingly play global roles, their joint initiatives to tackle those tasks for the 21st century, such as terrorism, the environment, enhancing health and welfare, food and energy shortages, population growth, AIDS, narcotics, and reinforcing the rule of law, are sure to provide more breadth and depth to the Japan-ASEAN relationship. Possible areas for co-operation include the following:

As for the recent incident of terrorists' assault on the Japanese Ambassador's residence in the Republic of Peru, Japan has been making tenacious efforts to liberate all the hostages as early as possible, while never giving in to terrorism. I would like to express my thanks to ASEAN leaders I met, for their support and encouragement to Japan and President Fujimori. Terrorism is precisely the kind of issue on which the international community must co-operate to cope with firmly. Needless to say, we have to make the utmost efforts to quickly solve this incident. After its resolution, however, we must examine the lessons from this experience, and establish a system in which relevant authorities of concerned countries can always exchange and share information. This is an initiative to try to establish a network for exchanging and sharing information and views between Japan and ASEAN, to tackle terrorism and to ensure the security of people's lives. Through a series of meetings with ASEAN leaders I met, I could get their support for my idea.

The environment is an issue of global importance. Japan has experienced serious industrial pollution such as air and water pollution during the process of its high economic growth. To overcome the problem, in addition to development of anti-pollution technologies at the laboratory level, actual application and utilization in the production process was encouraged by a variety of government policy actions including taxation and regulations. These joint efforts of government and private sectors helped Japan overcome the problem of industrial pollution, while at the same time creating new products and industries.

In recent years, Japan has been actively engaged in tackling new types of environmental problems such as wastes and global warming resulting from mass production and consumption, reflecting urbanization and changes in life style. I hope to see Japan share with ASEAN countries now enjoying spectacular growth her own experiences and technologies for anti-pollution and efficient energy use, not just her success stories but also mistakes and difficulties in the past, so that they will not repeat the same mistakes.

In implementing ODA for current and potential ASEAN members, Japan would like to positively promote various environmental co-operation, such as the prevention of industrial pollution and protection of forests and biodiversity.

Improving people's health and welfare is a task that every country has to tackle, regardless of the stage of its economic development. I proposed an "Initiative for a Caring World" last year, and as a concrete measure Japan hosted the "East Asian Ministerial Meeting on Caring Societies" in Okinawa in

December last year. Using the lessons gained at that meeting, I would like to consider, in co-operation with ASEAN, how the initiative could further be developed in the future.

In these areas of the environment, health and welfare, I would like to see Japan not just share her know-how and experiences, but also absorb ASEAN's wisdom as well.

The ASEAN countries with remarkable development nowadays support development of other countries still in difficulties, by sharing their successful experiences with them in many fields. It would be quite meaningful that each ASEAN country continues to further support the less developed countries, taking full advantage of their similar religions, cultures, and environments. Japan for her part would like to make efforts through tripartite co-operations so that fruits gained from the Japan-ASEAN co-operation in various fields can widely be enjoyed in other parts of the world.

Ladies and gentlemen,

As Japan and ASEAN strengthen their joint forward looking co-operation to prepare for the coming century, the most important precondition would be that peace and stability in the Asia Pacific are firmly ensured.

And the most important factor for this precondition is, I firmly believe, the presence for the United States in Asia.

Even after the end of the cold war, several unstable factors persist in the region. So that these factors will not become international conflicts, the presence of the United States, a country of unrivalled power and founded upon principles such as democracy, market mechanism, and respect for creativity, is essential.

The Japan-US security arrangements are very important framework for engaging the US presence. So I would like to take this opportunity to make it clear that Japan will continue to do its best to maintain confidence in the arrangements. I sincerely hope that the meaning of the arrangements are correctly understood. They serve as a sort of infrastructure for stability and economic prosperity in the Asia Pacific, and are in no sense targeted against any specific country.

Another extremely important factor is relations with China. Every ASEAN country has deep-rooted and inseparable relations with China in historical, cultural, political and economic terms. The same is true of Japan.

Now that China has been following a path of modernization through its policy of reform and openness, she takes more part in every arena. It is important for the rest of the world to support the policy direction and to enhance wide ranging dialogues and exchanges with China so that she can secure her position as a constructive partner in the international community.

Japan's ODA projects to China are implemented from that viewpoint. Yen loans projects play a role in promoting public infrastructure development required for China's economic growth. Grant in aid projects, including medical-related ones, can help enhance the Chinese people's lives and welfare. These co-operations, in my opinion, contribute to fostering their good will toward Japan.

I am convinced that the presence of a politically stable, economically prosperous China, bound by ties of trust with the rest of the world, would be in everybody's interest in the Asia Pacific and the world over.

My view is that the relations among Japan, the United States, and China will have an important impact on the entire Asia Pacific. Improved Japan-US, Japan-China, and US-China relations will contribute to peace and prosperity in the region. There is no "zero sum" in these relations. I have thus pointed out the importance of improved US-China relations, and heartily welcome the trend currently moving in that direction.

To maintain and promote friendship and co-operation with the Republic of Korea, another Japanese neighbour which is becoming an increasingly active partner in the international community, continues to be one of Japan's most important foreign policy objectives.

To ensure peace with and stability in the Korean Peninsula is an important task, inseparable with the peace and stability of the entire Asia-Pacific. The Korean Peninsula Energy Development Organization (KEDO) is one of those efforts. The issue of nuclear weapons development in North Korea is not just an issue of regional security but also a concern of grave importance for the international community from the viewpoint of ensuring non-proliferation. ASEAN countries' further contribution to the KEDO projects through ASEAN's active efforts to tackle the problems would be most impressive to the entire international community.

I look forward to having a closer and broader dialogue with President Kim Young Sam, who will visit Japan at the end of this month, on various issues including measures for realizing peace and stability on the Peninsula.

Ladies and gentlemen,

In the 21st century, prosperous and open societies should be created in the Asia Pacific. To that end, as I have emphasized today, Japan and ASEAN should address squarely their respective challenges, based upon the preconditions of the US presence in Asia and China's further constructive participation in the international community. In that process, Japan and ASEAN should reform their co-operative relations, which have so far placed great weight on the economic field, into broader and deeper ones suitable for the new era.

What I have proposed as a concrete step are the following three: firstly, closer dialogues at top level, secondly, multilateral cultural co-operation for preservation and harmony of unique traditions and cultures, and thirdly, joint endeavours to tackle global concerns such as terrorism and the environment.

The path to the next century and beyond will not be an easy one. It will bring us to many challenges, one after another. But I believe that Japan and ASEAN, using their great wisdom, virtue, and courage, will surely be able to complete this journey to a better world.

Thank you.

SOURCE: Institute of Southeast Asian Studies, Singapore.