



Celebrating the 50th Anniversary of the Foundation of ASEAN



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It gives me great pleasure to celebrate the 50th anniversary of the foundation of the Association of Southeast Asian Nations (ASEAN). Since its inception, ASEAN has played a major role in the development of Southeast Asia under its banner of ‘peace and prosperity’. I have the utmost respect for the wisdom and industry of the men and women of Southeast Asia who established ASEAN and spurred its development. In what follows, I wish to offer a few insights on Japan’s relationship with ASEAN since its foundation, as well as some ideas about the Economic Research Institute for ASEAN and East Asia (ERIA), an international organisation I was closely involved in setting up.

After the end of World War II, national independence movements began to gain momentum in the United States-occupied Philippines, the British colonies of Burma and Malaya, and the colonial territories of

French Indochina and the Dutch East Indies. This led to the formation of the 10 states that now constitute ASEAN's membership. While some of these countries gained independence through peaceful negotiations with their respective imperial powers, others did so by waging wars of colonial independence. Differences in status vis-à-vis the former imperial powers, in perception as to where national boundaries should be drawn, or in terms of their respective positions in the global Cold War structure after World War II, left a variety of lingering resentments among these young nations. Although ASEAN took shape in 1967, Southeast Asia at that time was an area fraught with considerable volatility, and subject to frequent outbreaks of local conflicts. In 1956, as these nations pursued their struggle for independence and peace, Japan published an economic white paper which declared '*Mohaya sengo dewa nai*' ('The post-war period is over'). Over the 18 years from 1955 to 1973, albeit with some occasional dips into recession, Japan was to achieve an annual average economic growth rate exceeding 10%.

As Japan was celebrating the peace following the war and achieving this high level of growth, the ASEAN founding states of Indonesia, Malaysia, the Philippines, Singapore, and Thailand – to overcome the scars of war and colonial administration as well as the lingering unhappiness brought about by the subsequent changes in the global situation – set up ASEAN in 1967. It was conceived as a body that would work proactively to prevent its members from harming one another, as well as to foster more meaningful interpersonal exchanges and deepen mutual understanding in the region through comprehensive dialogue. I wish to express my sincere respect for the wisdom brought to bear by my fellow citizens of these Southeast Asian nations to overcome their suffering.

Following the promulgation of its post-war constitution in 1946, Japan made a concerted effort to rejoin the international community. After having joined the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development in 1952 and becoming party to the General Agreement on Tariffs and Trade (GATT) in 1955, Japan was finally able to join the United Nations in 1956. The countries of Southeast Asia warmly welcomed Japan's rehabilitation.

With the aim of expanding its income through industrialisation, Japan sought to protect and develop domestic industries by attempting to cultivate import-substitution-type industries in the 1950s. However, with its return

to the international community in 1963, Japan soon moved to ratify Article XI of GATT, which prohibited quantitative restrictions on imports for international balance of payments reasons. Similarly, it moved to ratify Article VIII of the IMF's Articles of Agreement in 1964. This provided backing for Japan's readiness to work towards achieving full-scale export-led economic development. Japan subsequently focused on promoting its heavy-chemical industry, to this end deploying an export promotion and development strategy. In 1964, the year of the Tokyo Olympic Games, Japan was finally permitted to become a member of the Organisation for Economic Co-operation and Development (OECD). Thus, like other developed countries, Japan began pushing for full-scale liberalisation of capital, bringing all its efforts to bear on the enhancement of its international competitiveness. In addition, its accession to the OECD also served as an opportunity for Japan to further contribute to the development of Asia as a whole.

Japan rapidly expanded its trade, investment, and aid provision to ASEAN Member States, contributing significantly to ASEAN's development. Consequently, Japan was able to build a close relationship with ASEAN. Meanwhile, however, Japan's rapid expansion of trade investments and foreign aid also led to various misunderstandings throughout Southeast Asia. A lesson I will never forget was given by the anti-Japanese demonstrations that were held in many of the countries visited by Prime Minister Kakuei Tanaka, a man whom I respect as a political mentor, during his tour of Southeast Asia in 1974, as well as the anti-Japanese riots that took place at the time of his visit to Indonesia. Prime Minister Tanaka made these ASEAN visits following careful preparations aimed at overcoming the then current anti-Japanese sentiment as well as the negative image formed about Japan, and the reactions in these ASEAN countries were beyond our expectations.

Prime Minister Tanaka's visit to the ASEAN countries took place amid signs pointing to the end of Japan's period of high-speed economic growth, such as the occurrence of the oil crisis a year earlier, at a time when it had also become urgent for Japan to revisit its own strategies for economic development. The strong opposition expressed by the ASEAN countries signalled an opportunity to seriously reconsider Japan's relationship with ASEAN nations, which were both valuable trading partners and important suppliers of energy resources. From this time, Prime Minister Tanaka devoted his full efforts to promoting a better understanding of Japan among the people of ASEAN countries. While Prime Minister Tanaka was someone

who responded positively to constructive criticism based on factual data, he was also a man who regarded people's hearts as important. And this regard for others is something that he also taught me. I find it wonderful to think that in 1977, only a year after the first Japan–ASEAN Summit, Prime Minister Takeo Fukuda delivered a lecture in Manila outlining how our peaceful nation of Japan could link its 'heart to heart' and mind with those of the ASEAN Community as a collaborative partner on an equal footing.

ASEAN convened the First ASEAN Summit in 1976, 2 years after Prime Minister Tanaka's visit. At this time, the establishment of its constituent institutions, such as the ASEAN Economic Ministers' Meeting and the ASEAN Secretariat, was decided. Amid concerns about oil and food crises, strong emphasis was also placed on ASEAN's resilience when confronted by these critical situations. While I have worked to promote comprehensive policies to strengthen Japan's national resilience, I was afforded the opportunity by the United Nations General Assembly's adoption of my 2015 proposal to designate 5 November as World Tsunami Awareness Day to devote my efforts to promoting resilience on a global scale. This is due in part to the deep sympathy I have for the decisions taken by ASEAN Leaders since that time to undertake comprehensive measures to strengthen their own national resilience.

I believe that ASEAN's true merit lies in its pragmatism – that is, its basis in reality. I have devoted my own career to improving relations between Japan and China and between Japan and the Republic of Korea. When specific images of countries take shape, these tend to form the basis for certain prejudices to which we cling when engaging in discussion – a process that is likely to yield nothing but barren results. It is my belief that, first of all, people need to get to know each other and have ongoing and substantive exchanges as this is the best way to prevent the formation of these distorted images. Cultural and tourism exchanges and the like also represent important means of achieving this end. And then, afterwards, engaging in constructive fact-based discussions and striving to compensate for each other's weak points are essential. ASEAN has been designed and has been put into operation as such an organisation.

For most of the next 20 years, just as Japan had done after the war, ASEAN emphasised the development of its manufacturing industry. It achieved impressive growth from the 1980s to the 1990s through various

comprehensive policy measures that included policies to protect and promote domestic industries, as well as introduce an export promotion development strategy that made active use of foreign capital. The Japanese government drew on the lessons learned under Prime Minister Tanaka's administration to give solid support to ASEAN initiatives. These included providing aid for hard infrastructure and contributing to ASEAN's development in cooperation with the private sector through cultural exchanges and human resource development as well as policy development in the industry, trade, energy, and small and medium-sized enterprises. Thus, Japan has reaped the benefits of being one of ASEAN's closest national partners.

With the end of the Cold War as a key impetus, mainland Southeast Asia finally achieved peace, with Japan playing a major contributing role together with the other nations of the world. When Cambodia, the Lao People's Democratic Republic, Myanmar, and Viet Nam became ASEAN Member States, soon followed by the accession of Brunei Darussalam, ASEAN became a giant economic zone comprising 600 million people, a unified whole that began moving towards the realisation of its magnificent vision. This was a wonderful prospect, and Japan's Ministry of Foreign Affairs and Ministry of Economy, Trade and Industry (METI) began working earnestly to support preparations for the accession of new member nations. I feel immensely proud in the knowledge that Japan could be even a little helpful in this regard.

Our world is always in flux. The Asian financial crisis of 1997 raised the spectre of all the prosperity that had steadily been built up by ASEAN vanishing in a very short time due to exchange rate fluctuations. But the Leaders of ASEAN, who had already overcome many crises, resolved to overcome this one not by turning inward but by cooperating on reform initiatives and working to build up the ASEAN Community. We cannot help but admire the supple resilience of this collective wisdom, striving to move forward steadily. Japan's contribution is particularly noteworthy in that Finance Minister Kiichi Miyazawa took the lead in partnering with China and the Republic of Korea and in collaborating with the ASEAN Member States to suppress the volatile exchange rate fluctuations and stabilise the foreign exchange market. This is an effort that was and remains today keenly appreciated by ASEAN Leaders. This effort also led to the establishment of the ASEAN+3 Macroeconomic Research Office.

In the early 2000s, when Japan also had the prospect of resolving its own bad loan problems, Prime Minister Junichiro Koizumi decided to throw Japan's full support behind ASEAN. This was an attempt to overcome the Asian financial crisis and pursue further development through the establishment of the ASEAN Community. Although in my capacity as Minister of Transport under Prime Ministers Keizo Obuchi and Yoshiro Mori I was engaged in actively promoting tourism exchanges to foster interactions between our nations' peoples, in my new position as Minister of Economy, Trade and Industry, I began to develop Japan's relationship with ASEAN. I assumed the office of METI minister on two separate occasions – under Prime Ministers Yasuo Fukuda and Taro Aso.

In 2015, 5 years before the expected completion of the ASEAN Community in 2020, ASEAN had drawn up blueprints for the simultaneous three-part completion of the ASEAN Political–Security Community, the ASEAN Economic Community, and the ASEAN Socio–Cultural Community. This involved an enormous amount of survey work and research as well as policy recommendations. I felt that an organisation much like the OECD, which has had a positive influence on Japan in its development, would be necessary to support the undertakings of the ASEAN countries, which are so much more diverse than the OECD member countries in terms of their cultural and religious backgrounds, state systems, and levels of economic development. Moreover, I also felt that Japan should play a leading role in establishing an 'East Asian version of the OECD' that could make an intellectual contribution to economic development premised on the recognition of such diversity. To this end, I was able to secure Prime Minister Koizumi's assent that a support of 10 billion yen over 10 years would be the minimum necessary. OECD Secretary-General Angel Gurría also agreed with this initiative and committed his support. In 2007, Prime Minister Abe proposed this initiative at the Second East Asia Summit, where it was welcomed by the participating nations. The economic ministers of the ASEAN countries also came together to support the realisation of this vision. Finally, at the Third East Asia Summit in November of that year, Prime Minister Fukuda was able to obtain the consent of all Summit Leaders to establish the Economic Research Institute for ASEAN and East Asia, known as ERIA.

ASEAN, based on a detailed timetable, emphasised the strategy of fully establishing the ASEAN Economic Community in 2015, aiming at a single market and single production base. I believe that this strategy represents a

stunning success. ERIA has played a key role in formulating measures to deal with the global financial crisis triggered by the collapse of Lehman Brothers in 2008 in the form of the Comprehensive Asia Development Plan and the Master Plan on ASEAN Connectivity. Even before the start of negotiations, it had also been a driver of East Asian energy policy and played an important role in detailed studies of the ASEAN Free Trade Area and the Regional Comprehensive Economic Partnership. In these ways and others, it has functioned effectively as an international organisation, supporting the ASEAN Chair country based on its official mandate from the East Asia Summit. I find it very gratifying that the success of the ASEAN Community in 2015 was made possible due in no small part to ERIA's contribution. Moreover, I am also pleased that ERIA has carried out studies that have served as the building blocks of timetables for the further formation of the ASEAN Economic Community and the ASEAN Socio-Cultural Community scheduled to be completed by 2025.

In 2014, when Prime Minister Abe delivered his keynote address before the meeting of the OECD Ministerial Council in Paris, a memorandum of understanding (MOU) on broad-based cooperation was signed by Secretary-General Gurría of the OECD and Professor Hidetoshi Nishimura, then Executive Director of ERIA (now President). It was deeply moving as this was the moment when ERIA took its first step towards becoming an East Asian version of the OECD and further expanded its ability to contribute to ASEAN.

In 2013, the Parliamentary League for ERIA was formed as a non-partisan committee of Japanese lawmakers who would visit ASEAN Member States and promote partnerships between Japan and ASEAN at the level of political actors as well. As a result, at the ASEAN Inter-Parliamentary Assembly (AIPA) convened by ERIA in Nay Pyi Taw, Myanmar, in 2016, the General Assembly resolved to enter into an MOU to promote collaboration between ERIA and AIPA. This MOU was signed later that year in December at the AIPA Secretariat in the office of the legislature in Jakarta, Indonesia. It is my earnest wish that the Parliamentary League for ERIA can be organised at the Pan-Asian level.

The year 2016 marked the 10th year since I asked Prime Minister Koizumi for his support. In September, I took advantage of the opportunity afforded by questions allowed to each party's representatives in response to Prime Minister Abe's policy speech opening the 192nd extraordinary session

of the Diet. As Secretary General of the Liberal Democratic Party and as chairman of the Japanese Parliamentary League for ERIA, I asked how the Government of Japan plans to use ERIA in its future partnership with ASEAN. In closing, I would like to quote the official response delivered by Prime Minister Abe:

ERIA has been producing valuable studies and making useful recommendations on a range of topics including the deepening of economic integration, reducing development gaps, and sustainable economic growth, and I would like to reaffirm my respect for Mr Nikai, who has supported these activities on the part of ERIA.

Currently, ERIA, under the ERIA 2.0 Programme, as well as engaging actively in making policy recommendations that will contribute to East Asian integration, is also strengthening its dialogue with individual state governments.

Japan will continue to take advantage of ERIA's policy advocacy, working together with ASEAN Member States to deepen integration and correct disparities within ASEAN, as well as to resolve problems that affect ASEAN as a whole.

ABOUT THE AUTHOR

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He served as Minister of Economy, Trade and Industry of Japan, traditionally one of the most highly valued cabinet portfolios. He graduated from the Faculty of Law of Chuo University.

Born in Wakayama on 17 February 1939, he began his distinguished political career during his freshman year as secretary to the late Saburo Endo, a former member of the House of Representatives. In 1983, he was elected to the House of Representatives, where his career continuously rose to be elected Chief Director of the Standing Committee of Rules and Administration in Parliament. In over 20 years as member of the Liberal Democratic Party, he served as chair of several committees, such as the Chairman of Headquarters for Promoting the Establishment of the Disaster Resilient of Japan, the Special Committee of Tourism, the Diet Affairs Committee, and the General Council.