

# Toward the Crossroads of Asia

## -Discovering and Developing the Value of Okinawa-

By Maeshiro Morisada

### The Summit and Okinawa

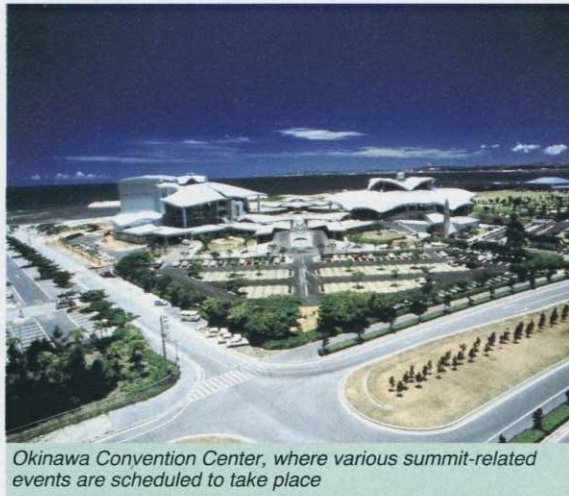
The summit to take place in Japan this July will be the first to be held in a prefecture outside Tokyo. In particular, Okinawa has been selected as the location for the meeting of the G-8 leaders. There is some discussion about why Okinawa was chosen, and, at the same time, the significance of holding the summit in Okinawa is being frequently discussed.

Clearly, the summit is a government-sponsored event, and the role of Okinawa is basically to provide a location. Therefore, while Okinawa will have to provide the necessary facilities and environment for the meeting, it will have no direct involvement in the summit itself. However, holding the summit in Okinawa should convey some messages to the G-8 leaders through the issues that surround Okinawa.

For example, the presence of the largest US military base in the Far East will drive home Asian and global security questions. Issues such as the Korean Peninsula and the Taiwan Straits will certainly take on reality and be strongly felt in Okinawa. In addition, global environmental problems and the issue of sustainable development of the world's island regions will surface given the ocean location and large number of islands that are Okinawa's natural geographical characteristics. Further, Okinawa, which was under direct US occupation for 27 years after World War II, is also a region that achieved territorial return to Japan through unparalleled peaceful negotiations. There is a significant lesson in Okinawa for the world's territorial problems, including Japan's Northern Territories issue.

Therefore, holding the summit in Okinawa may introduce connotations not to be found in other parts of Japan. Of course, it is unlikely that message will be directly discussed at the summit, but there is great significance in the decision to hold the summit in Okinawa that involves these kinds of nuances.

The significance of holding the summit in Okinawa does not lie only in the message sent by the location. Rather, what needs to be stressed is how to construct a vision of develop-



Okinawa Convention Center, where various summit-related events are scheduled to take place

### The Crossroads of Asia - What is the Value of Okinawa?

In the Japanese government's new Comprehensive National Plan "Grand Design for the 21st Century" (March 1998), Okinawa is positioned as a "Pacific Crossroads." In other words, the direction for Okinawa is given as: "aiming for the creation of an extensive zone for international exchange that will form a meeting point for people, goods and information in the Asia-Pacific region."

In the past, Okinawa was called "the keystone of the Pacific." The presence of the largest US military base in the Far East and Okinawa's role as a military base was stressed. Certainly, Okinawa's military value has been sufficiently recognized in the past. While the Cold War structure has collapsed, international tension in East Asia is yet to be resolved. In military terms, Okinawa's position as "the keystone of the Pacific" is likely to remain.

However, half a century has passed since the end of World War II, and Okinawans are certainly not satisfied with the fact that Okinawa accounts for 75% of the area of US military bases in Japan. The organization, reduction and consolidation of US military bases are unavoidable policy issues. The reduction of US military bases in Okinawa must be carried out with close attention to the international situation in Asia.

As indicated by the "Grand Design for the 21st Century," Okinawa for the 21st century needs to be constructed as a "Pacific Crossroads - meeting point for people, goods and information". A change of direction from "the keystone

ment for Okinawa in the 21st century using the holding of the summit as a springboard. The holding of the summit will certainly increase name recognition for Okinawa, but this will be merely a temporary phenomenon. In order for Okinawa to display a sustained presence, it needs to establish economic, social and cultural initiatives at an international standard. The holding of the summit is an excellent opportunity to consider Okinawan initiatives for Okinawa.

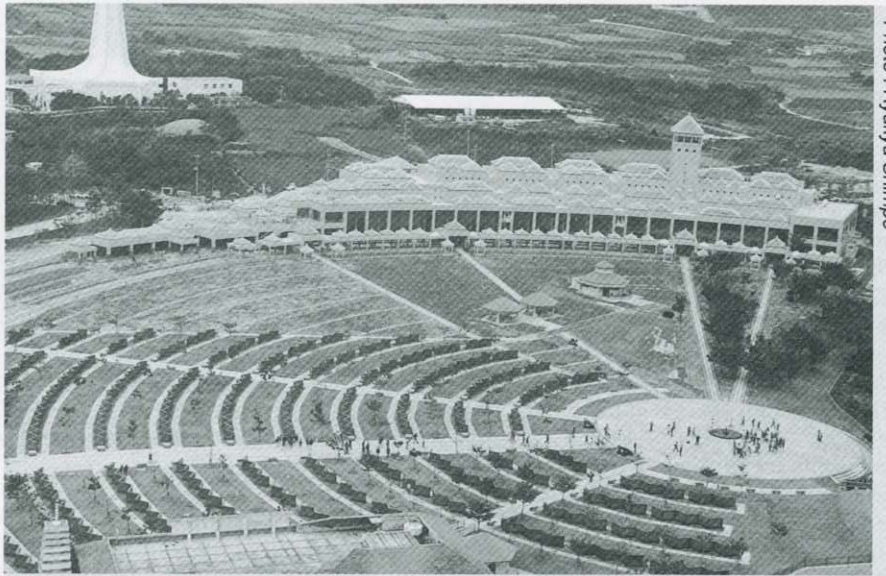
Photo : Okinawa Convention & Visitors Bureau

of the Pacific” to “the Pacific Crossroads” is needed in Okinawa. In other words, it is anticipated that the value of Okinawa will change from its military role to an economic and cultural role. Therefore, the important issue is determining what the value of Okinawa is as the crossroads of the Asia-Pacific.

In the past, Okinawa has been regarded as an economically backward region in the domestic context of Japan. It is recognized as the region with the lowest income levels and the highest rate of unemployment in Japan. The low income levels and high unemployment rate stem from industry that is backward in relation to the overall economic prowess of Japan, and Okinawa’s economy and livelihood have been maintained by assistance from the central government. Okinawa’s economy is certainly highly dependent on public expenditure by the central government, and it is in no position to be independent. Therefore, the Japanese government’s strategy for Okinawa has centered on how to correct the differentials between Japan and Okinawa that arose during the 27 years of post-war US occupation.

The establishment of the correction of the differentials between mainland Japan and Okinawa as the policy objective is natural given the existence of the differential. However, it merely aims to achieve the average Japanese standard and does not include the concept of bringing out native Okinawan characteristics and aiming for global standards. This means that the correction of differentials concept will not be able to lead Okinawa forward into the future.

Therefore, there is a need to substantially address the issue of the key to Okinawa’s development once again. Said another way, the concept of development that has been based on the correction of differentials up to now should be abandoned and a new concept of development adapted to the new century should be established. It is likely that this concept will involve the attachment of meaning to Okinawan development - it will be a search for the



The Cornerstone of Peace was built in the Peace Memorial Park in Itoman City

Photo : Ryukyu Shimpo

“value of Okinawa.”

20th century Okinawa was called “the keystone of the Pacific,” and certainly demonstrated “value” in its military role. Is it difficult, however, to find the value of Okinawa beyond that? Work will be required to discover and acknowledge the value of Okinawa, which is expected to blossom in the 21st century.

So far, there have been few perspectives that give attention to the value of Okinawa in the debate surrounding Okinawa’s development. The government plan simply states the aim of “development as a distinctive region that will contribute extensively to the development of Japan’s economy, society and culture.” There is no discussion of why Okinawan development is important, and the starting point ultimately assumes a backward region, a poor region and a region marked by differences from Japan.

The work to construct a new development plan for the 21st century has now begun in the government and in Okinawa Prefecture. The important issue is how to discover and recognize the value of Okinawa.

The strategic goal of easily obtaining government budget allocations by

asserting differentials is undeniable, but a continuation of this, for however long, seems unlikely to lead to the correction of differentials and the realization of self-sufficiency. This is because only projects that focus within the prefecture are developed using the correction of differentials concept, and they are not up to Japanese or international competition and speed.

It should be insisted that the Okinawans abandon the differential theory when trying to construct a new paradigm for the 21st century. As long as the differential theory is employed, Okinawa will be unable to move away from an economy that depends on government expenditure. The important thing is not to catch up with the mainland, but how to seek self-sufficient development. In other words, rather than trying to raise the average score by putting effort into areas where Okinawa does not excel, the aim should be for the total score to exceed the mainland by gaining more points in the areas where Okinawa has strengths. This really means that individuality will overcome the differentials.

Therefore, the value of Okinawa should be sought in future-oriented global development rather than in

historical atonement for the past of "discrimination" and "sacrifice." It is important to discover the value of Okinawa which Okinawa will contribute to the future of Japan and Asia, rather than relying on the negative legacies of the Okinawan war, the US Occupation and the burden of military bases. The value of Okinawa must be recognized in Japan and Asia and on a global scale.

The value of Okinawa will be discovered by examining how Okinawa can be of use in the revival of Japan and the development of Asia rather than from the perspective of "benefits for Okinawa" that has been seen in previous Okinawa development theories. This is a viewpoint that sees the revival of Japan and the development of Asia, which will result in benefits for Okinawa, as the objectives of the investment of public funds and the development of strategic projects in Okinawa.

The development of projects based on the correction of differentials concept could be termed a series of domestic dramas. The development of these "domestic drama" projects, which seek to improve prefectural industry and the livelihoods of prefectural residents, has some meaning in and of itself. Such projects are effective in correcting differentials as far as they go, but they will not be an engine for Okinawa's self-sustaining economy. The projects are highly significant in addressing the needs of residents, but that is their limit. As is well known, domestic dramas do not require any great production costs as they simply involve the shooting of a few meal scenes. The Okinawan economy requires a "saga" grounded in the value of Okinawa. With the development of such a strategic project, it will be necessary to make ready giant production costs (=development budget) and a production system (= system infrastructure such as one country, two systems.) The unfolding of the saga of the revival of Japan and the development of Asia is anticipated on the Okinawan stage.



*Shuri Castle - an official dinner will be held here after the G-8 leaders' meeting*

In addition, the taboo surrounding the military bases must be broken for Okinawa's self-sustaining development. The issue of bases has usually been left out of discussion of Okinawan development. The bases have been neglected with ideological statements such as, "The bases are an obstacle to economic development," or "Okinawa can not be independent because of the bases." It is true that the bases will not be a direct engine of development for the Okinawan economy because capital accumulation can not take place there. However, from a different viewpoint, it is not enough to say that the bases are a neglected factor in Okinawan development. When Okinawa looks at the bases again from an economic perspective, it should realize that they possess advanced infrastructure and technology.

Seen from a different perspective, military technology is cutting-edge technology, and it is hardly necessary to bring up the Internet to see the fact that the transfer of that technology to private business produces significant economic power. Clusters of telecommunications industries have already formed around San Diego and Washington, D.C. in the United States based on the transfer of military technology to private business.

In addition, as an example of private use of military infrastructure, suppose that the joint military and civilian use of Kadena Airfield could be achieved.

Okinawa would instantly acquire an international hub airport with zero construction costs and zero take off and landing fees. If the joint use of military infrastructure were possible without causing significant disruption to military functions, Okinawa could instantly acquire global standard facilities.

21st century Okinawa should not call for the correction of differentials or repeat the vicious circle of dependence on government spending any longer. In order to demonstrate the value of Okinawa, it is important to have diversified viewpoints, flexible thinking and adaptability. Therefore, the important thing now is not only the preparation of infrastructure as social capital, but also more significantly the preparation of systemic infrastructure.

The recognition of "one country, two systems" in Okinawa is needed not only for Okinawa to be independent, but also for the revival of Japan and the development of Asia. This is the best way to give concrete expression to the value of Okinawa.

### **A Vision of Okinawa for the 21st Century**

The value of Okinawa will be apparent from the viewpoint of the revival of Japan and the development of Asia - the realization of Okinawa as the crossroads of Asia through an accumulation of high-level, international city functions. A re-evaluation of Okinawa from the perspective of contributing to Asian development may result in contributions to Japan and Asia through cultural exchange value and the creation of economic value, as well as the value and role of security.

The first proposal for the value of cultural exchange is the concept of an international convention city. Using the summit as a trigger, Okinawa can consolidate its position as a location for international meetings. This raises the issues of the provision of infrastructure such as conference and accommodation facilities and also the effort to expand

international flight routes and enhance "software" such as printing and publishing, simultaneous interpreting and conference management skills. Okinawa is already known as a tourist resort within Japan and meets the facility standards for a convention city to some extent. However, the issue will be how to ensure the international standards needed to be the convention city of Asia. In addition, the introduction of international city functions such as training and seminars, which give rise to frequent exchange with foreign countries, is anticipated.

Another idea aiming for the creation of cultural value is the establishment of graduate schools to foster human resources in Asia and training centers for middle management. This is a project to train the future leaders of the Asia-Pacific region and foster middle management that will be Japan's international intellectual contribution. The implementation of this project using ODA funds (official development assistance) should be examined.

Next, a possible example of a contribution to Japan and Asia through the creation of economic value is the idea of establishing an international financial service center. The world is currently caught in a whirl of globalization and vanishing borders, and the international finance market, in particular, is growing to enormous proportions. However, Japanese finance, which used to be regulated by the convoy system, is in chaos due to the bursting of the bubble economy, and the financial Big Bang is unfolding. ¥1,300 trillion in personal financial assets is languishing at extremely low interest rates, and the investment of those funds has been attracting attention. Further, with Hong Kong's return to China, its function as the international finance market of Asia has been diminishing. The establishment of an international financial service center in a politically stable area is anticipated for the revival of the

Japanese economy and the economic development of Asia.

In Asia, Japan is politically stable and has international trust. However, as Japan is an economically developed nation and belongs to the G-8, the "one country, two systems" structure is not possible in principle. However, what about Okinawa? It is possible that America, which must maintain its bases, may consent to the system for Okinawa. This proposal depends on this slight possibility.

The leading model for an international financial service center is Ireland. A "one country, two systems" structure was established in 1987 with the great approval of the EU and has been a great



Kadena Air Base, one of the largest U.S. military bases in the Far East

Photo: Ryukyu Shimpo

success. It attracts overseas financial companies with a corporate tax rate of 10% and preferential measures, and the country that was the EU's poorest now boasts the highest rate of economic growth in the EU. Ireland's financial service center is on a 10-hectare site, has attracted 600 companies and employs 6,000 people. A group of little fish, with about ten employees each, is driving the Irish economy. The financial service center has triggered a succession of relocations by call centers and high-tech companies.

With the realization of an international financial service center, there would be frequent movement of personnel due to meetings, training and seminars, which, linked with the idea of an international convention city, would produce results.

A proposal in the third area of the value and role of security is the establishment of a Security Issues Research Center. The aim would be to establish a center for academic research using Okinawa as the setting for research into security issues other than the presence of US military bases. The frequent interaction of the world's security issue researchers and practitioners may give rise to the formulation of realistic policies for Asian security and peace.

The vision of 21st century Okinawa described above is an example based on the value of Okinawa, and many other proposals are possible. For example, an Asian Economic Exchange Center, an Asian Disaster Relief Information Center and an Asian Island Region Development Center are possible suggestions. If this kind of international function can be adopted and established in Okinawa, Okinawa will certainly be able to play a role as the crossroads of Asia. The world is currently composed of two large economic zones - the dollar economic zone and the Euro economic zone - and this development is expanding. However, there are no signs of the formation of a comparable Asian-scale economic zone. It

goes without saying that Japan's involvement is needed, and when that dynamism becomes a reality, the question of how to evaluate and use Okinawa as a connection between Asia and Japan ought to be raised. With the holding of the summit as a starting point, Okinawa may be required to create a region that can adapt to the trends of the current era. Therefore, the creation of an Okinawa that aims to rise up and meet global standards is anticipated.

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*Maeshiro Morisada is a professor at the College of Education, University of Ryukyus. He specialises in regional economics, and is the author of The Theory of Regional Development in Okinawa.*