

# The Challenges Facing an East Asia Community

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1. Discussions on an East Asia Community (EAC) have now come into vogue, especially in some of the ASEAN countries, as well as China, South Korea and Japan. There may even be some competitive psychology here of trying to jump on the bandwagon by the name of EAC. The establishment of an EAC was originally proposed on Oct. 31<sup>st</sup>, 2001 in a report by the East Asia Vision Group (EAVG). The EAVG was established in October 1999 by the Summit of ASEAN +3 (Japan, China and South Korea). The report was titled "Towards An East Asia Community" with a subtitle of "Region of Peace, Prosperity and Progress."

2. The most important and nevertheless has not been mentioned in the report is whether or not part of the sovereignty of each EAC member country should be conceded to the community with a permanent secretariat established somewhere in a member country as is the case with the EU. If the answer is "no," then the EAC will turn out to be just empty rhetoric or just a consultative body such as the OECD or APEC at best. The OECD or APEC cannot be called an institution whose members are "integrated."

How about the case when the answer is "yes?" Then the EAC has to define a reason to make it attractive enough to convince member countries to concede part of their sovereignty. The reason for the foundation of the European Economic Community (EEC), the precursor of today's EU, was that France and Germany would never fight each other again. This was the very reason that European countries decided to concede part of their sovereignty to establish the EEC in the first place. Do we have such a convincing reason for member countries to concede part of their sovereignty?

3. It was pointed out in the EAVG report that building an EAC will enable East Asian nations to cope with economic, social and political challenges. However, isn't it also possible that coop-

eration without community building to achieve these goals?

4. There is an opinion that, instead of defining the reason for establishing the EAC, we should start from easier or feasible agreements on functions such as the liberalization of trade and investment or financial cooperation.

In this case, however, the question would be what kind of added value the EAC could create on top of the achievements that each functional agreement will have brought about. Trade and investment liberalization in East Asia will be completed by establishing an East Asia Free Trade Area (EAFTA). The financial cooperation within the area may be achieved through further work to expand and deepen the Chiang Mai Initiative. Will the EAC bring about something new on the outcomes of each possible functional agreement?

5. Let's assume we have found a convincing reason. The reason for establishing an EAC may include securing peace and energy supplies in the region, promoting the liberalization of trade and investment, implementing financial cooperation, protecting the environment and enhancing education within the region. Then the next question would be why we should try to pursue these objectives by formulating the EAC as a single platform instead of resolving these issues item by item. If the item to be solved is different, the member countries might also be different. If we address the issue of security in this area, then North Korea should be invited to become a member. On the other hand, if we address the energy issue, inviting Australia should be considered.

6. The membership of the EAC is an important issue. The original idea of the EAC was proposed by the EAVG made up of scholars from the ASEAN+3. Taiwan was not included. However, Taiwan is too important to be missed in this area both economically and politically. The size of the Taiwanese economy measured

by its GDP is bigger than those of any ASEAN countries. Of course the issue of the Taiwan Strait is one of the most serious security issues in this area. Therefore Taiwan must become a member of the EAC. China will oppose the inclusion of Taiwan unless it accepts the "One China Principle" (OCP). The policy of Taipei on the OCP seems to have changed recently. Back in 1993 when the first APEC leaders' meeting was held in Seattle, the Taiwanese representative Mr. Pin-Kung Chian, who was the Trade Minister at the time, told the press that in the future there would be one China, but until then there were and would be two Chinas. The current Taiwanese president Chen Shui-bien, seems to take the view that there will be two Chinas forever. However, Japan has committed itself to the OCP. The United States has also committed to the OCP. The current Taiwanese policy cannot be supported by China or any other country. The government of Taiwan should go back to the policy expressed by Minister Chian some 10 years ago. But at the same time Beijing should be flexible in terms of the definition of "One China", which One China will prevail in the end should be kept ambiguous so that the government of Taiwan can have at least a logical leeway to persuade their people to accept an OCP.

7. To establish the EAC as an institution requires each member country to make a partial concession on its sovereignty. This is not something that can be achieved through discussions influenced by the psychology of competition for which country would take the historical leadership. It requires really strong political leadership as has been the case with the EU. The political leaders in each country in the region should be equipped with a steadfast reason to convince their peoples to accept the necessity of conceding sovereignty, while addressing the many challenges mentioned above. **J.S**