

Project:	1 st EU-Japan-Asia Journalists Conference (Fukuoka, Japan)
Publication, Page:	Business Times, Singapore
Title:	Have more 'jaw-jaw', less 'war-war'
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Word Count:	831 words
Date:	13 April 2004

The Business Times, Tuesday, April 13, 2004

EDITORIAL & opinion

Have more 'jaw-jaw', less 'war-war'

For regional security, build bridges. It's better than animosity

By Ronnie Lim

TWO recent events have starkly brought home to the Japanese what it means to be a player in the new world order.

The first was a Fukuoka court ruling on April 7 that Prime Minister Junichiro Koizumi's visits to the controversial Yasukuni Shrine, which honours Japan's war dead and many prominent war criminals, were official acts and, therefore, flouted the Japanese Constitution.

Still, a defiant Mr. Koizumi insisted the visits, which have angered China and South Korea, would continue.

The very next day, Japan awoke to the shocking news that an Iraqi group had taken three Japanese civilians hostage and was threatening to kill them if Japan, a partner in the US 'coalition of the willing' in Iraq, did not withdraw its troops. At the very same time, officials and journalists participating in a European Union-Japan-Asia Journalists' conference in Fukuoka had been discussing whether Japan was becoming increasingly militaristic.

This is a question which the Japanese people, who had been sharply divided over troop deployment to Iraq, must now be grappling with in the wake of the hostage crisis, whatever way that situation eventually pans out.

Themed "New Asia and New Europe" by the organisers — the Delegation of the European Commission in Japan and the Asia-Europe Foundation — the conference discussed challenges, threats and opportunities confronting the regions.

For instance, while Japanese officials maintain that its alliance with the US was one of two pillars of its security policy, Japan has not been averse, however, to de-viating from this line — as it did when it signed a US\$2 billion deal with Iran to develop the massive Azadegan oilfield in order to assure itself stable oil supplies.

The deal — which other-wise could have gone to the Chinese — was done despite repeated warnings from the US, which expressed concerns that Japan's investment could pay for Iran's nuclear weapons development and terrorist activities.

On the flip side, Japan has reportedly been told by China that because of Mr. Koizumi's repeated visits to the Yasukuni Shrine, it will lose a bid to build a high-speed rail link between Beijing and Shanghai.

Competitive threat

It may also have to give up a multi-billion-dollar export-mental nuclear fusion project there.

Political fallout aside, China — while providing market opportunities for Japanese and other South-

east Asian investors — is also seen by officials like Fukuoka Governor Wataru Aso as a competitive threat.

This is because as China moves from being the "workshop" of the world to a booming modern economy, it swallows up commodities like steel and oil, resulting in hefty price increases for the raw materials.

It is also forcing Asian economies to look at niches, beyond things such as electronics, to survive.

Apart from global terrorism, Pierre Debraigne, deputy director-general of the EU's trade directorate, sees the competition for oil as one of two main threats to global economies. The other threat, he said, is bad debt.

Terrorism, he added, could be tackled either directly (through military action), or indirectly, by attacking poverty and inequality, with the latter achieved through sustainable trade development. This

will require trade liberalisation, and better access to global markets and to technology and innovation.

But towards this end, no one size fits all, he cautioned. Washington-style capitalism is just one answer, just as there are also the European and Asian ways. Another challenge is the new global division of labour, including outsourcing of jobs in the West to countries like India.

Building a 'new' Asean

The 15-member EU, on its part, faces its own problems of enlargement on May 1, when it admits another 10 new members, including some poorer states, with all their attendant problems. The 10 newcomers will account for just 5 per cent of the EU's GDP.

Closer home, Asean, said its former secretary-general Rodolfo Severino, will also need to remake itself into a "new" Asean to stay relevant in the new global dynamics, especially with a booming China siphoning off business.

Having a free trade area (FTA) alone is not enough. It has to go beyond this to stay attractive to investors, like making its agreements legally binding to confer credibility to economic arrangements, he said.

But just as Japan's loss of business deals with China over the Yasukuni Shrine issue was a case of politics hurting economics, the conference also discussed how political tensions can sometimes be resolved through the building of economic relations.

For example, just as Taiwan investments have helped in the Taiwan-China issue, the good economic relations between Japan and China have generally helped to reduce tensions between them.

Building of bridges is more important than animosity. It can also lead to regional security. As one speaker put it, let's have more "jaw-jaw and less war-war".

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The writer is BT's foreign editor