



DEBATE

Karl Kaiser, Harvard University; former Director of the German Council on Foreign Relations

I have been thinking for quite a while about this question, which I would formulate, 'Will Asia repeat Europe's mistakes?' When trying to compare Europe and Asia, there are a number of factors that distinguish the two regions in that regard, notably the absence of the benign unifier, namely the United States, which helped the Europeans to integrate, and the absence of a common enemy, the Soviet Union. The most important factor, it seems to me, that produced the kind of process that took place in Europe to overcome the past was to honestly face the past, to have a public process about it, and to translate it into societal and political actions, into gestures and policies and common school books and commissions and knee fall in front of monuments. There were apologies, but apologies that were more than just formal apologies, apologies that were translated into action at home.

That is what is missing in Asia. There were apologies. In fact, the Japanese like to state the numbers of them. It is not just a Japanese problem. I think that the Asian parties involved – some are represented here - must all face, and have not really faced, what chauvinism and nationalism have done in human history. They do not do it. They think patriotism is a good thing, but the dividing line between patriotism and chauvinism, as we know from European history, is quickly exceeded. It is a tiger; once you let it loose, you can no longer control it. I watched, for example, the demonstrations against Japan in China. It really got out of hand quickly. There is something very important here. In Europe, we were fortunate to have a top-down and a bottom-up process. The leadership was united in doing this, but you also had a bottom-up process, from civil society, towards reconciliation. By the way, this is not just Western European. I know that, in Russia, there is also a process – I must really compliment Serguei personally – to face the past. It is top-down and bottom-up and I think Asia can do much more. This is the responsibility of the intellectual class, to really lead the process, to remind the political leaders, and to help organise social society. That is the difference between Europe and Asia. Asia, still, is not only at the beginning. In fact, it is reverting. It was much better a couple of years ago. I think, at the moment - I think Han Sung-joo made a reference to this – it is getting worse.

Dominique Moisi, Special Advisor at Ifri

Yes, but it took us two world wars to become wise. Who wants to answer? Han Sung-joo.

Han Sung-Joo, Former Minister of Foreign Affairs of the Republic of Korea

If you ask the Japanese, they will have something to say about the issue.

Dominique Moisi, Special Advisor at Ifri

It would be good if a Japanese person spoke at this point

Tadakatsu Sano, Attorney at Law, Jones Day, Tokyo

Let me introduce myself. I am Tadakatsu Sano from Japan. I was the Vice-Minister for International Affairs of the Ministry of Economic Trade and Industry. I was also the Chief of Staff of the Hatoyama administration. In the panel yesterday, I raised my concern over some of the nationalism that is emerging in Japan, in particular within the general election campaign. First of all, I would like to respond to the question asked by Dominique. I think that Asia can learn a lot from the European model, but not as the model itself; maybe it can learn from the cultures, the ways of thinking and discussing, and so on. As the Professor once said, I think we must learn a lot from that kind of value; we did. In that sense, I think no [inaudible] to Asia. Even though we have some kind of problem, that is always persisting, and I think in the world there is always a certain kind of territorial issue, a border issue, and so on. Japan stance is in relation to only the San Francisco Peace Treaty, including the United States and all the other 48 countries. Unfortunately, China



is not a signatory to the San Francisco Peace Treaty. Still, we held a [inaudible] to discuss that kind of issue, of course. That is our base, our consensus, among the Japanese. From the Japanese point of view, it is not easy to understand why, recently, this kind of issue is being raised by some neighbouring countries. As I said, we are prepared to talk about this kind of issue in the proper international forum. Having said that, yes, there is some kind of demonstration in China over the Senkaku Island, and so on.

However, we know that this is also very limited. Even though it is still going on and broadcasting and everything, we have significant communication with the Chinese people, not through English or French, but through Japanese and Chinese. The Internet itself does not really regulate anything with regard to the communication between two other countries. The number of people flying between the two countries, even after that kind of incident, has not really decreased, neither has the departure basis increased. In the last month, when we had an international forum in East Asia, the three countries agreed to launch new negotiations on free trade agreements. In that sense, we have some kind of issue that we must discuss. At the same time, the integration within North East Asia is really increasing and realised. China is our biggest trading partner after the United States. The United States is now second. South Korea is the biggest trading partner. We did have a lot of the fashions, cultures, and movies from Korea. There are many Japanese people who love Korea. In that sense, politically, while there are some extremists who are shouting around, like [inaudible] in a certain time since the presidential elections in [inaudible]. We know that there are some extremists, but, at the same time, I am very confident that we can solve this kind of question through intellectual people and discussion, like we have right now. There are a lot of conferences like this is North East Asia. The one is very different. I think I would like to take this kind of model of IFRI. If you can organise some kind of conference in North East Asia, I think that is my dream. We should have the courage to talk, even if it is very harsh, to somebody else. That is the most important thing for us.

Dominique Moïsi, Special Advisor at Ifri

Han Sung-joo, you had the floor. Would you like to reply? Then, I think it would be important to listen to Wang Jisi, after a Japanese voice. Please, Han Sung-joo and then Wang Jisi.

Han Sung-Joo, Former Minister of Foreign Affairs of the Republic of Korea

I was going to introduce an episode to demonstrate how complex the issue is. When I was the foreign minister, back in 1993, we decided that, regarding the so-called Comfort Woman issue, we do not need any monetary compensation, which the government will take care of for the victims. We only need the official acknowledgement and admission of the Japanese government. After much wrangling and, I suppose, an agonising process in Japan, the liberal democratic party, just before it went out of power at the end of May 1993, the Miyazawa government, did just that. It may not have been sufficiently direct, but it did acknowledge that there was government involvement and that the Japanese government was regretful of what happened. At great political risk at home, I praised the Japanese government at that time. That is the famous Kono statement that the current candidate, Mr Abe, is trying to nullify or cancel. We tried to get the issue behind us. Then, in Korea, the constitutional court, which was patterned after the German constitutional court – I am not trying to blame this issue on Germany – ruled that the government was negligent in accepting the Japanese action as sufficient to deal with this particular issue. Since then, the Korean government had to obtain monetary compensation out of the Japanese government, which Japan was willing to do, but through private organisations, not as a government action, as such. That has been the issue ever since. That is one thing that we would insist on: the Japanese government making monetary compensation as an official government action. The Japanese government refuses to do that. It has made the resolution of the issue quite difficult ever since.

Dominique Moïsi, Special Advisor at Ifri

If I may use an anecdote too, applying the Chatham House Rules. Ten years ago, I received a call from the Japanese ambassador in Paris. He said to me, 'Well, we have a young politician who wants to see you. His name is Shinzo Abe. His father has been the foreign minister of Japan.' I said, 'Of course, I would be very happy to meet him.' He came to my home with a delegation of ten people. I was a bit surprised. There was one question he wanted to ask me. How did the French and the Germans manage in their reconciliation process? That was the question he was asking more than 10 years ago. However, he was not in the present phase of this politics.



Wang Jisi, Dean of the School of International Studies, Peking University, and director of the Center for International and Strategic Studies, Peking University

I deeply deplore the excessive things happening in the anti-Japanese demonstrations in China. I think that damages China's image abroad and also damages some confidence in China itself. I also think the government should have done more to manage the situation. However, as a foreign policy student, I would also emphasise that China's territorial disputes are manageable. A question was asked yesterday as to why China has so many problems with neighbouring countries. The fact is, of all 14 inland countries bordering China, India is the only country that has not solved this problem with China. I am not talking about who is responsible for what, but that is a fact. Among the 20 plus countries that are not either sharing border lines with China or, like Japan, that are overseas but very close to China, we have territorial disputes with Japan, the Philippines, and Vietnam. Of course, these are problems we must face.

The bottom line is that we will have to solve the problems peacefully. This was announced again by the 18th Communist Party Congress. It is true that a major part of China's leading ideology is patriotism, the holding high of the flag of patriotism, of national unity, and so on and so forth. However, we do need a peaceful environment for solving our domestic problems. We are struggling with that. With Japan, I think, it is not necessarily true that China has created the crisis. Mr Ishihara wanted to purchase the island on his own and with some of his own people. Then, the national government intervened by saying, 'We should purchase the island.' China had no other choice but to make a very strong response. I have many details to convey of the private dealings between the two leaderships. They failed to solve the problem privately. They had to resort to open rhetoric. I hope that escalation of tensions [inaudible] will step down.

Dominique Moïsi, Special Advisor at Ifri

Thank you. Serguei?

Serguei Karaganov, Chairman of the Presidium of the Council on Foreign and Defense Policy

One of the worst experiences of Europe was, of course, not only nationalism, which led to two wars, but also the Cold War. I think our friends in Asia should also learn from that experience. What is happening there is a kind of a reconstruction of a structured confrontation. First, you see that things are happening in that direction. Second, for all kinds of reasons, the Pacific and especially Asia, should create something like OSCE— not, of course, our OSCE because it is nearly dead — but a trans-Pacific security system that would foster development and transparency. This idea has been floated, but has been blocked. Why has it been blocked? First of all, for the lack of political will on the part of some Asian countries, but also because some nations simply block it, because they do not want it to happen. They want to recreate some kind of a quasi-containment of China; that is a grave mistake. I must say, in my own country, people are hesitant, because on one side, of course, are for that idea. Actually, it was born in our conversations with the Chinese. However, other nations are saying, 'Let them fight each other and we will be sitting like a tiger on the hill.' That would be an exact repetition of the mistake we have made.

Dominique Moïsi, Special Advisor at Ifri

Well, if I may jump on that Serguei, there is a major difference. In the case of the containment policy of the United States, the vision of Kennan, which was adopted by Truman and then by further American administrations, was that if you successfully contained the Soviet Union and be patient enough, it would collapse. In the case of China, you do not want China to collapse. You owe so much money to China. You are so dependent upon the Chinese economy that you cannot have the simplicity of the containment policy of the United States *vis-à-vis* the Soviet Union. That makes a very big difference. Even in our minds, China is not the modern equivalent of what the Soviet Union was yesterday. It is a much more multidimensional power and we are so much more dependent on it. From the very beginning, we are, *vis-à-vis* China, in the position, in a way, that the West was in *vis-à-vis* Russia in the mid 90s. Let us engage Russia if we can; let us contain Russia if we must. This is the way we are playing today with China. Let us engage China if we can; let us contain China if we must.

**Serguei Karaganov, Chairman of the Presidium of the Council on Foreign and Defense Policy**

However, the people who want to contain are sometimes getting out of hand in the debate, as we have learned from our recent experience.

Jean-Claude Trichet, Former President of the European Central Bank

Le triste privilège de ceux qui sont sur le podium et qui ne voient rien, effectivement. Je peux m'exprimer en français. Puisque nous sommes dans une conférence sur la *global governance*, mentionner que la gouvernance mondiale a fait des progrès colossaux au cours de la toute dernière période, puisque nous avons maintenant, I would say in English, the inclusiveness that we did not have before.

Le G7, G8 est devenu le G20. Et c'était quelque chose qui était souhaité. Et notamment souhaité par ceux qui participent à cette conférence, mais qui n'étaient pas intervenus avant la crise. Dans la crise, nous avons changé dramatiquement la gouvernance mondiale. Dans la crise, nous avons changé dramatiquement la gouvernance mondiale dans son concept, dans son *inclusiveness*. Peut-être pas dans son *effectiveness*, et c'est cela le problème maintenant.

Mais c'est un problème différent de celui que nous avons avant. Avant, il s'agissait pour les industrialisés, de bien gouverner le monde, en tout cas dans leurs réunions informelles. Maintenant, il s'agit pour le monde de bien se gouverner, avec les principaux pays émergents systémiques.

Deuxième remarque, nous avons aussi changé les groupes informels au niveau notamment de la finance, de la régulation, de la surveillance. Tous les concepts de supervision sont maintenant négociés avec la Russie bien sûr, avec la Chine bien sûr, avec le Mexique, avec le Brésil, avec la Corée, avec tous les pays émergents systémiques. Changement absolument majeur. Nous sommes passés au niveau de la gouvernance informelle, puisqu'il ne s'agit pas d'une institution internationale, mais de faire converger des concepts de surveillance et de prudence. Nous avons fait cela, et nous faisons cela en ce moment même. *Basel 3*, par rapport à *basel 2*, c'est une volonté commune de tous les pays du monde. Et en tout cas de tous les pays systémiques du monde, et pas simplement désindustrialisés.

Mais cela n'empêche pas que les industrialisés peuvent avoir eux-mêmes à se gérer en tant que groupes. Et là, je rejoins Jim. Jim, ma remarque sur le fait que les banquiers centraux ne pouvaient pas tout faire, ne s'appliquait pas simplement à l'Europe, elle s'appliquait à tous les pays avancés. Dans tous les pays avancés, nous avons des problèmes assez considérables. La preuve, c'est que les banques centrales doivent faire à peu près la même chose aux Etats-Unis, en Europe, au Japon, en Angleterre. Il y a là un signe.

C'est une gouvernance spéciale finalement qui apparaît, puisque nous avons la gouvernance mondiale, les gouvernances continentales, et l'Europe est un beau modèle. Mais il demeure aussi des problèmes de gouvernance, particulièrement dans ce groupe spécial de pays, qui est devenu dans le monde entier un groupe qui n'est plus dominant, mais qui quand même exerce une influence importante, et qui a des problèmes à résoudre. Je dois dire qu'il me semble que c'est un des problèmes les plus importants pour nous que de comprendre ce qui se passe exactement dans les pays avancés, dans la phase actuelle du monde.

Je suis confus, parce que je vois que le Professeur Wang n'avait pas sa traduction. Mais je suis prêt à poursuivre la conversation avec vous. Non, je ne recommence pas en anglais.

Dominique Moïsi, Special Advisor at Ifri

I will not ask Wang Jisi to reply to a question he may not have fully seized in its sophisticated French complexity. Jim, do you want to jump in?

Jim Hoagland, Contributing Editor to *The Washington Post*

I would like, simply, to come back to the question of complexity that Jean-Claude Trichet has touched on here and to how difficult it has become, even for experts, to understand what they are proposing that we do. You heard it a little bit yesterday, in Josef Ackermann's speech, where there was a little bit of discussion of these very complicated financial instruments that actually became weapons of mass financial destruction. They are all based on computer models that were really run on the theory of how we can make the most money. How can we sell these things so quickly that we will not incur the losses that we know they will entail? We must come to a point where we are capable of looking at what we do not understand and cannot predict and act on that basis, as well as acting on the basis of what we can predict.

Dominique Moïsi, Special Advisor at Ifri

Thank you very much. Donald?

Donald Johnston, Founding Partner, Heenan Blaikie; former Secretary-General of the Organisation for Economic Cooperation and Development (OECD)

Je vais la poser à Jean-Claude, parce qu'il semble avoir une perception positive du G20. Je me demande s'il y a d'autres problèmes comme le problème que j'ai soulevé, la question des changements climatiques, qui ne trouvent pas de solution à l'intérieur de l'ONU par exemple, et même le G20. Alors, il me semble qu'il faut mettre les grands acteurs ensemble pour s'adresser à ces questions. Nous autres, nous allons suivre dans le sillage de ceux qui décident. Vous êtes d'accord ?

Dominique Moïsi, Special Advisor at Ifri

Do you want to answer?

Jean-Claude Trichet, Former President of the European Central Bank

Again, I think it is very important that we have a new concept for informal governance and preparation of the, I will say, global decisions. Again, as I said, we now have inclusiveness. We do not necessarily have effectiveness, but that is the entire problem. I am more confident of the capacity to advance with this concept than appears to be the general mood. I have experienced all of those meditations, as you do them, over the last 20 years. My sentiment is that, on that point, we are making conceptual progress. Of course, the problems we must cope with, particularly in the domain you mentioned, are extraordinarily difficult. I have no doubt that it would be very naïve to think that we could make immense progress rapidly. However, I think we agree on a concept of informal preparation of global governance that is much superior to what we had before, obviously. That is something that is a product of globalisation and, also, a product of the crisis. It really shows the fact that you make progress in crisis periods. That was also said by Jean Monnet for the European situation and very wisely so, certainly. Again, my main point is that, despite the fact that we now have a global governance concept that is more inclusive and taking into account the fact that the continent governance, the Asian governance and the European governance, is of the essence, it remains the case that in the present moment, the most important problem, for me, is for the advanced economy to put its house in order. We have signs that the functioning of their economies is still very abnormal. Again, it is true for Japan; it is true for the United States; it is true for Europe. There is no European specificity. By the way, if I can conclude, I am confident on Europe. I am confident of Europe. Jim, I want to correct, perhaps, this sentiment, because it was on the advanced economy as a whole. On Europe, we did a lot and we have a lot to do, of course. It is a work in progress. It is history in the making, but it is real history in the making.

Dominique Moïsi, Special Advisor at Ifri

Thank you very much. We will end on this optimistic note by Jean-Claude Trichet. I have to thank, very warmly, the participants on this panel. I want to thank the World Policy Conference and Thierry de Montbrial again. I think this fifth



conference was even deeper in content and even more intellectually challenging than all of its precedents. Thank you very much.