

2008 Summer School Program
(Shanghai-Tokyo-Seoul)

**“Regional Integration
in East Asia”**

Submitted by:
REGALA, JOHN LACANILAO
WASEDA University - GITS

SUMMER 2008

Table of Contents

	Page no
I. China Leg of the Summer School Program.....	3
II. Japan Leg of the Summer School Program	5
III. Korea Leg of the Summer School Program.....	11
IV. References.....	13

I. China Leg of the Summer School Program



Venue of the Summer School Program -
China Leg (Shanghai University of
Finance and Economics)

The starting leg of 2008 Summer School Program began on 30 July 2008 in Shanghai, China until 4 August 2008 with lectures and presentations by expert Professors on diverse fields of Asian Integration. Lectures were held at the Shanghai University of Finance and Economics. On the first day, self introduction of each participant was done and on the succeeding days of the program, the

initial bonding and camaraderie was established among all participants through different activities during and after the lectures. The topics of lectures were very interesting that dwell on different subject matters that presented the current situation of China in many aspects and introduced the starting point of Asian Integration.

China's current economic situation and continuing reforms on tax, public spending and finance were presented. During the lecture on China's economic situation, an overview on China's Local and Central Government was discussed. Many economic and financial indicator statistics on China were also presented that providing a clear status of China's economy



Start of the Summer School Program in
China with Speakers and Representative
Professors from China, Japan and Korea

based on empirical data. The next lecture was all about the Chinese Culture focusing on Confucianism, Daoism and Buddhism. It was very interesting to note that the principles and concepts of this Chinese Culture and Beliefs have been used worldwide in everyday lives of many people including famous personalities and leaders. It's applicability on practical ways of facing challenges in life, business and governance is amazing and has provided the participants a good understanding of the Chinese way of life, principles and culture. The first day of lecture ended on another interesting topic regarding Chinese Foreign Trade Reform and Development. The lecture started on the Foreign Trade Regime reform of China which began on 1978 with its open-door trade policy that open the Chinese market and business to foreign company entrants. However, the fruit of this policy has been reaped by China's economy only during the

early 1990's until the present. The data that was presented shows that for the past 10 years, China's GDP has consistently increased by 7-10% and is now the top 5 economy globally.

Aside from lectures, the summer school program organizers has designed a combination of lecture and educational trips on significant and historic places in the three North East Asian Countries to appreciate and understand better the rich Culture and History of the 3 countries preserved in Museums, historic places, etc. In Shanghai, the field trip which was done on the 2nd day, the participants were introduced to the modern development in China with a visit on the mock up exhibition area of the World Expo 2010 to be held in Shanghai. According to the tour guide, host city for the World Expo is being chosen every two (2) years based on strict criteria with its economic potential and urban planning infrastructure. The Expo mock up exhibition center shows the different proposed design by participating countries where there are big pavilions to be constructed which will showcase all aspect of a country such as products, tourist attractions, technology, people, culture, etc. There are also International Organizations who will participate such as UN, WHO, ADB, Red Cross and many others. The next trip also showcased the modern Shanghai which is the Shanghai Urban Planning Exhibition Center. An amazing world's biggest scale model of Shanghai was the highlight of this trip. The scale model occupies a whole floor of the city and the corresponding urban planning projects. With a promising and booming economy, Shanghai local government did not set aside a well planned urban layout which would be complimentary to its economic development. The last site and one of the most colorful trips of the modern Shanghai was the night river cruise along the Shanghai River, riding in a boat. We were able to see the tall buildings in Shanghai with colorful and wonderful lights.

To appreciate also the history and rich heritage of this very old city, we had a trip to the old or ancient town of Shanghai and Shanghai's old market. I was amazed to see the transition and convergence of the old, new and developing commercial environment. I saw the old restaurants in the old Shanghai Market that usually sells famous Chinese foods and delicacies side by side with Starbucks Café. The ancient

town of Shanghai showcases the preserved old Chinese houses, temples and gardens. The ancient town was called a water village since it was along the river and aside from the old ambiance of the place it also highlighted the bargain business of clothes, accessories and souvenirs that is one of the Chinese business traits.

Topics of Interest in Shanghai Lectures:

China's Economic Situation, Chinese Foreign Trade Reform and Development and China's Social Health Care System were the topics that were relevant for my field of study and caught my interest.

II. Japan Leg of the Summer School Program



First Lecture at Waseda University

The Japan leg of the summer school program provided a different approach on participants-to-lecturers and participant-participant interaction and collaboration. Instead of the usual Question and Answer during or after the presentation of lecturers, participant activities such as group work and presentation has enhanced the cooperation, bonding and sharing of ideas and opinion about an assigned topic. A more participative discussions were encouraged in the Japan leg and taking into considerations all views from participants of different Asian countries. Lecturers tried to analyze all views and inject their interpretation and own personal convictions based on their experiences to make the view more understandable and clear. The class activities were enhanced by the enjoyable but learning competition among groups whose members are diversified in experience and opinions but all came up with a majority decision and presentation. The first lecture started the new approach, getting the views on East Asian Integration of all participants by regional affiliation such as those from the three (3) major countries, Japan, China and Korea as well as those from USA and South East Asian Nations. The lecturer try to extract all views on what and how does the East Asian Integration would mean to the country and region they represent in all aspects such as Security, Economic, Government, Culture, History, etc. Most of the participants realized that this Integration is difficult but it may be necessary and doable in a slow but sure and long term basis and approach which is

very applicable to the different and current issues on financial and economic problems. However, history, culture, political structure and language may be hindrances but we all believe that this could be overcome and surpass even with extreme difficulty starting with the contribution and outcome of this summer school program. With a good jumpstart on the 1st lecture, it was carried on to the 2nd lecture in which the difficult topic of History specifically for the three (3) big nations was discussed.

Participants were required to come up with an integrated idea and concept on how



Summer School Program Participants
Presentation at Waseda University

History should be taught and discussed which should be divided on different eras and periods starting 1900 up to the current situation. Almost all the groups presented similar and interesting concepts which could be a good basis on how to approach the discussion about History of these Asian nations. Even the painful memories of the

previous wars involving these countries were included. However, the current era which put emphasis on trade and economic development and cooperation among these nations serves as bright moment in the History. Belonging to a different region in Asia, gave me a glimpse of the past history of the 3 countries and at the same time provided me with knowledge on the period and year where significant events happened such as the different wars they encountered. Involvement of the 3 countries in their war history and somehow the stigma brought by these wars on the relationship among and between these countries not only on the Government point of view but also from the perspective of the people of these countries. After those war experiences, an account of how these countries slowly move forward in order to rebuild and become economic power nations globally were also presented. With all the presentations on how History should be divided in proposed periods, participants and the lecturer may have all agreed that this part of Asian Integration is one difficult task to hurdle and should not be ignored.

The next lecture dwelled and put emphasis on education specifically focused on Asian Integration. This is another interesting lecture with the mix of competition among the designated groups on how to design and plan a curriculum for Asian Integration. The

lecturer provided a sample of Asian Integration course adapted in Malaysia with detailed courseware and subjects to be taken as well as qualifications by prospective students. It also contains the number of years of the Asian Integration program and some other details of the program leading to a Master's degree in International Relations. All the groups presented comprehensive curriculum proposals for Asian Integration Studies with details on how the program should be run, the use of distance and E-learning facilities, courses to be taken, specifics as to the duration of the semesters or terms of the program while there were different approaches on the curriculum itself. One group was chosen by the participants and lecturers to be winner of the presentation competition.

After the 3 lectures wherein participants made their own views and presented proposals, the next lecture was a practical and scientific application of basic statistical methods that were used in the analysis of economical, political, social and cultural data. The participants were given practical exercises with direct use of Personal Computers. This lecturer provided the participants with live and real data on economic, political, social and cultural issues on Asian Integration to be manipulated and interpreted based on the result provided by the statistical analysis software SPSS. The use and importance of statistical analysis to provide a scientific proof and analysis of real daily life data was discussed by the lecturer. Basic terms and meaning of some statistical terms such as Correlation Analysis, Regression Analysis, Descriptive Statistics and Statistical Inference were discussed with concrete examples. It was also interesting to learn that statistical analysis is a very helpful tool in making empirical studies on the different specific factors and issues in economics, politics, social, and cultural that would lead us to better appreciate and understand Asian Integration.

In between the lectures, educational trips were organized and supervised by Waseda University in one of the most historic and memorable destination in Tokyo which is the Meiji Jingu Shrine and Garden and visit with discussions in Japan's Ministry of Foreign Affairs(MOFA). The educational trips is a learning experience for those who are first time in Japan because with further description and explanation by one of the lecturers, the participants were able to understand Meiji Shrines edifice and attractions such as

the entrance structure of the Meiji Shrine, barrels of sake or Japanese wine, Japanese temple inside, the area where visitors put their prayers and wishes as well as the brief history of the shrine. On the other hand, the visit to MOFA with discussion on Japanese foreign officers was a learning and productive trip for the participants as we were to know the comprehensive foreign policy programs by the Japanese Government and some of the current and on-going international negotiations such as Japan's role on the North Korean issue, Japan's aggressive Environmental initiatives, disputed island between South Korea and Japan and many others. We were able to know the hierarchical level of authority being followed by the officers of MOFA when international negotiations are being undertaken such that lower level foreign officers should ask for clearance and approval of senior foreign officers or minister in the headquarters if there are new issues that came up and need to be decided immediately during the roundtable talks in other foreign countries.

The topics for the last day of lecture were relevant to my field of studies and there were interesting insights and revelations by the lecturer and participants themselves. On the first topic about Asian Consciousness and Perception of other foreign countries about Asia, it was indicated on the figures based on surveys conducted that among the 3 top nations in Asia, China and South Korea may have good perception or account among its citizens shows not favorable influence by Japan on China and South Korea as perceived by the 2 latter countries. As for other countries perceptions specifically by South East Asian (SEA) nations for the 3 big nations in Asia, shows a favorable influence. Personally, I think with the economic advancement and development of the 3 nations, it has rubbed off to developing nations in SEA. Japan with its already economic prowess, has always been a good partner for developing nations while the Industrial boom in China made the shift of Investors from Western and European nations focused on Asian countries potential investment hub. On the other hand, South Korea, with its continuing development in Telecommunications, Information Technology, Electronic Consumer Products and Vehicle Manufacturing, some developing nations are trying to emulate Korea's way of handling business and corporate matters and the government's support for these thriving and flourishing areas. As for revelations during this lecture, it was interesting to note that most of the

Japanese people do not want to be identified as Asian but rather as only Japanese. It was not only proven by figures but by testimonies from Japanese participants. However, in situation where Japanese are in western countries, they are close to fellow Asian people and welcome to be identified with other Asians. Based also on the figures as discussed by the lecturer, developing Asian nations is more conscious about their Asian identity because probably these nations may feel that they can't still stand on their own and would be stronger to project an Asian identity.

The focus of the last lecture was on Japan and East Asia Economic Developments. The lecture begun with the Economic Developments in Japan which started in the 1950's up to 1970's in which Japan experienced a very high growth. This was due to several factors such as active investments, man available educated and skilled workers, rapid development in technology, better government support for small and medium businesses, and export growth. This growth was sustained by Japan until 1980's, however, at the end of the 80's decade going to early 1990's due to the bubble economy, this was due to burst in the 90's decade. There were a lot of mistakes made by big businesses in Japan at that time such as wrong investment strategies which made a lot of losses and bankruptcy situations. Additionally, as discussed clearly by the lecturer, this was aggravated by mismanagement by the government on economic and monetary policies and structural defects such as aging problem and low birth rates, closed economic structure that only encourages monopolistic businesses, debt problems and other factors. This was called the long recession period of Japan. But after the Asian financial crisis of 1997, Japan's economy started to rebound and recover. Japan's recovery period was a result of policy reforms initiated by the government such as privatization, change in monetary policy and further expansion of export market to China and USA. However, the structural problems still persist in Japan that may affect future development such as aging problem, increase unemployment especially for young people possibly due to weakening of the education which resulted to low quality of human resources available. As emphasized by the lecturer, if some of the structural problems and defects would be addressed and given attention, a sustained development of Japan's

economy would be achieved. During this period of recovery, Japan's growth rate in terms of Gross Domestic Product (GDP) experienced a 3-5% increase in 10 years.

In passing, China was mentioned as a steadily growing economy because of opening and liberalization of China's Economy and Trade to foreign investors in 1978. When foreign direct investment and fund inflows increased steadily for 2 decades (1980-2000), the boom in industry was experienced in China. China was experiencing an average growth rate of 7-10% and if this will be sustained for many for years, China will be the biggest and most powerful economy of the world. This growth was due to cheap labor cost, availability of young labor forces, low inflation rate, high savings and investment. But some problems and issues not only for China but also applicable to other East Asian nations should be given attention such as aging problems, deteriorating human and labor resources, corruption, protection policy such as Intellectual Property and infrastructure development.

Finally, the regional economic integration in East Asia as envisioned by Japan should start with Free Trade Agreements (FTA) be it multilateral or bilateral in nature. For the past 10 years, Japan initiated FTAs in many countries to boost its international trade and exports. However, Japan does not only look at the economic and trade benefits but also in terms of social benefits and mutual understanding. Japan is a strong proponent of an increase in FTA among East Asian nations. It is interesting to learn that there are obstacles facing the establishment of FTAs ranging from economic, historic, political and security issues. Nevertheless, these obstacles can be overcome not only by strong political will and support by the people but also by actually experiencing its benefits such as trade, food, energy, educational, etc. cooperation programs. I think FTAs currently encompasses cooperation not only on the economic and trade aspect but also on other areas mutually beneficial to 2 or more countries. Having known the above facts, an economic power like Japan that continuous to promote FTA to strengthen Asian integration and increase market access for emerging and developing economies, is a positive step towards achieving a truly integrated and developed Asian region.

III. Korea Leg of the Summer School Program



Korea Leg of Summer School Program at Seoul National University

The last leg of the Summer School Program was held in Seoul National University. This is also an interesting leg of the program since lecturers encourages the participants to give their own views on the topic and even force and call most of the participants. Even the shy participants were able to give their opinions and convictions about the subject matter. It is

another kind of flavor that was done by the organizers so that in each of the Summer School program leg, participants are presented with different scenarios and challenges and opportunities to voice out their own personal view based on experience and previous learning. The first lecture tackled the topic on Korean Economy and Business in the Global World. It was interesting to learn, how the South Korean Government were able to encouraged and provide an environment for promising businesses such as electronics and telecommunication industries, car manufacturing industries, etc. to be competitive not only domestically but globally as well. The Korean Economy and Business employed and adopted the Diamond Model of business conceptualized by Michael Porter that thrives on four major groups with Business Strategy and Structure (includes ethics, transparency and governance), and competition in one group which is provided by the business sector. Another group was related and supporting group which is provided by support industries which may be housed in one clustered area or proximity locations which will support the basic needs in transportation and communication and promotes a continuous exchange of information, ideas to encourage innovation for competitive industries. One group also refers to the market or demand condition which is basically the size of the market and quality of the product as well as consumers particular and demanding attitude towards a product. The last group will be the factor conditions which measure the factor of production to compete in certain industries such as skilled labor resources, energy resources, technology, etc. The role of the government sector is to become the catalyst and challenger to these potential and competitive industries and could provide

incentives and policies to raise their competitiveness. This model was adopted by Korea not only for the domestic market but also in the global market.

The next lecture was about Korean politics and Inter-Korean relations which gave us a better understanding of the conflict between South and North Korea. The history of the conflict was presented that eventually led to the Korean War from 1950-53 and the Cold war. There were issues and challenges in confronting the North Korean problem as discussed and explained in the lecture. The issue of Nuclear warheads and weapons which goes beyond regional conflict between South and North Korea that poses concerns for nearby countries such as Japan and China and military power like USA and Russia. The recent human rights violations made by North Korea like abductions and kidnappings. Sentiments and personal feelings of South Korean participants in the summer school program would lead to conclusion on the positive attitude towards unification but the problem is where and how to start. It is their hope that sooner or later the unification will come to a reality which could be for the good not only of the Korean nation as a whole but also for the stability of the Asian region. This may be the opinion of other participants from other countries because we are all aware of the current situation in North Korea wherein people are suffering and we also felt that unification will be for the betterment of the Asian region. It is also a known fact that economic difficulties have been experienced in North Korea for a long time and due to this problem, some North Koreans have crossed the border in South Korea (SK). SK government welcomes those people even providing them with food, clothing, shelter and jobs and this was a positive move by the SK government. There were initiatives done by both regions in Korea such as instances when they both represented only one Korea in an International Sports Tournament. The six party talks between the most concerned nations (SK, NK, USA, Japan, China and Russia) on this North Korean problem started in 2005 with agreement made in 2007 which will start on the Nuclear weapon disablement by NK.

There were lectures on Regional Integration for Asia in terms of Political, Economic and Monetary with possibility of comparing Asian region to what has happened in the European Union (EU).



Visit at Hyundai Manufacturing Plant

A field trip was organized to showcase the competitive advantage of Korea in the Car Manufacturing Industry which was in the Hyundai Asan Manufacturing Plant. A briefing was done by a Hyundai officer that introduced us to the highly competitive and world class Car Manufacturing of Korea. Hyundai is one of the Top 5 Car

Manufacturers globally as discussed during the presentation and it has increased its sales in USA and market in Europe. We had also a tour of the assembly plant and we were able to see the start of the assembly process up to the final stage of car manufacturing. We were able to see the highly automated assembly plant that utilizes a lot of robots in its manufacturing process.

On the final day of the summer school program, a workshop on Regional Integration in Asia was conducted. The moderator persuaded each participant to give his or her views on the Integration and how and what should be done to achieve it based on what was learned in the lectures attended.

IV. References

1. China's Foreign Trade Development, Prof. Cheng Dazhong, Fudan University.
2. China's Public Finance Reforms, Challenges and Strategies, Prof. Shuanglin Lin, Peking University.
3. China's Healthcare System, Prof. Yu Wei, Shanghai University of Finance and Economics.
4. Integration in East Asia and Security Issues in Northeast Asia, Prof. AKAHA Tsuneo, Waseda University.
5. Asian Economic Integration and Empirical Studies, Prof. KURITA, Kyose, Waseda University.
6. Perception of Foreign Countries and "Asian Consciousness" in East Asia by Prof. SONADA Shigeto, Waseda University.
7. Japan and East Asia: Changing Economic Relations by Prof. URATA Shuhiro, Waseda University.

8. Korean Economy and Business in a Globalizing World by Prof. HwY-Chang Moon, Seoul National University
9. Inter-Korean Relations: Challenges and Prospect by Prof. Jin-Hyun Paik, Seoul National University.
10. Competition and Cooperation between Japan and Korean, http://merc.e.u-tokyo.ac.jp/mmrc/dp/pdf/MMRC65_2006.pdf.
11. The Diamond Model of Michael Porter, http://www.valuebasedmanagement.net/methods_porter_diamond_model.html