The Asian Renaissance: Reclaiming Centrality

by

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A thesis submitted in conformity with the requirements for the degree of Master of Arts
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Abstract

With Asia’s (inclusive of Southeast Asia) re-emergence on the world stage, its civilization origins have become a subject of intense study. Three main value systems define Asian civilization—Confucianism, Taoism and Buddhism. Asians will derive inspiration from the past for the future, a similar phase the West underwent as it emerged from the medieval ages; hence the word 'renaissance' has been applied to Asia's re-emergence. Rediscovery of these heritages is a crucial part of the Asian renaissance. My thesis will expound the economic resurgence of the Asian nations, the emergence of Asian regional institutions and the emergence of an Asian ideology—Samagri.
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Chapter 1
Laying Foundations

1 Introduction

Immanuel Wallerstein in his work *The Modern World-System* described very clearly how Western Capitalism was formed in the 14th century, took the core position in the field of international economies in the 16th century, and pushed non-Western societies to the periphery. He also described the history of Western culture ostracizing that of the East—how Europe stripped non-Western nations of their history. East Asia’s acceptance into the international systems took off passively, starting from the invasion and plunder of Western powers during the first half of the 19th century. Under the assault of Western economic and military superiority, the majority of East Asian countries were reduced to colonies or semi-colonies of Western countries and of Japan. Though East Asian countries were one after the other able to break away from the state of being colonized or semi-colonized after a period of time following the end of the Second World War, their economic inferiority and disadvantaged position in the international division of responsibilities remained substantially unchanged.

The latter half of the 1980s, especially after world economics entered the stage of globalization, marked the rise of East Asian economies and changed the path of their

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history. East Asia moved away from pure learning, imitation and passive acceptance of Western technology and culture towards, self-innovation, hence elevating their positions in international politics and international affairs. This signified that globalization had entered a new stage of development in the history of mankind. As political, economical and cultural influences of East Asian countries became progressively evident, mutual interactions between the West and East and the interactions between these two broad regions developed to be more equal and balanced amidst the process of globalization. After thirty years of the development in East Asia, David Oakley from McKinsey Global Institute, reported in December 2009 that “the financial clout of the emerging nations will grow dramatically over the next four years as power in the markets continues to shift to the East”

With this shift of power in the markets back to the East, and as Asia re-emerges on the world stage in this century, its civilizational origins will become a subject of intense study and debate. Asians will look back to their own past and derive inspiration from it for the future. “A tremendous burst of creative adaptation is becoming evident across much of Asia. The Western world went through a similar phase as it emerged out of the medieval ages. Hence the word “renaissance” has come to be applied to Asia’s re-emergence today.” German philosopher Karl Theodor Jaspers pointed out that the Axial Age was “an interregnum between two ages of great empire, a pause for liberty, a deep breath bringing the most lucid consciousness”.

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played an important role in Jaspers' thinking. Shmuel Eisenstadt argued in the introduction to *The Origins and Diversity of Axial Age Civilizations* that Max Weber’s work *The Religion of China: Confucianism and Taoism, The Religion of India: The Sociology of Hinduism and Buddhism and Ancient Judaism* provided a background for the importance of the Axial Age. Extending from Jasper’s original theories, Armstrong argued that the Enlightenment was the "Second Axial Age", and that religion today needs to return to the transformative Axial insights. It has also been suggested that the modern era is a new axial age, wherein traditional relationships between religion, secularity, and traditional thought are changing. Jaspers gave special focus to the similarities in circumstance and thought of the Axial Age's figures. Similarities include involvement in the quest for human meaning and the emergence of a new elite class of religious leaders and thinkers in China, India and the Occident. All three regions developed a tradition of travelling scholars, who went around exchanging ideas. These scholars were mostly from extant religious traditions. From China, main religious philosophies include Confucianism (Chinese ethical and philosophical system developed from the teachings of the Chinese philosopher Confucius. Doctrine of the Mean was propounded by Confucius) and Taoism (Taoist philosophy states that *Yin* and *Yang* arise together from an initial

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quiescence or emptiness and to continue moving in tandem until quiescence is reached again) From India, there was Buddhism (One of its teachings was “dependent origination”). These three great value systems undergird East Asian civilization, and *Samagri* is the core value of these three value systems. The concept of *Samagri* would be expounded in Chapter 5.

Just as one could identify the origins of Western civilization in Greece, Rome and Judeo-Christianity, one too could trace the origins of East Asian civilization to the influence of Confucianism, Taoism and Mahayana Buddhism. Hence Asia would look back to its own Axial Age and derive inspiration from it for their future development. My thesis will first expound the development of East Asian economies after the Second World War, which were inferior to their Western counterparts, and modeled their development structures against Western Capitalism. Asia’s development was made possible by the massive contribution of the West. Following the growth and increasing strength of these economies, they began to assert the validity and, to some extent, universality of their own values, “bringing the most lucid consciousness” for the New Axial Age. In a way, we could argue that the East Asian economies moved from being heavily influenced by Weber’s Protestant Ethics towards Confucian Capitalism they called their own. After the Asian Economic Crisis in 1997 and financial crisis which was sparked off by the fall of Lehman Brothers Holdings in 2008, Asian economies are questioning the viability of Confucian Capitalism. New ethics and spirits will naturally arise at the opportune moment with further development based on Asian ideologies such as the Doctrine of Dependent Origination and the Law of Causality. Asian economies are moving towards becoming a more integrated body e.g. (APEC and “ASEAN+3”). This process is reflected in and leading to the emergence of an Asian identity and Asian
regional ties. It is exactly this integrating force behind the Asian identity and Asian ties that would push forth the world economy, and hence quicken the process of discovering this opportune moment which will arise when conditions from past, present and the future are aligned.

One would query the exact force behind the resurgence of the Asian nations of which China had played a major role in. Although China’s rise has not come close to the level of global power of the United States (USA), its rapidly growing economic, political and cultural engagement and influence around the world today is as undeniable as it is remarkable. At the same time, China continues to seek reassure the international community about the overall positive, peaceful, and constructive implications of its rise. After the proposition of a “harmonious world” by China to counter “China threat” theories, the Secretary of State of the USA, Hilary Clinton, advocated the assertion of “smart power”. President of the US, Barack Obama’s shift towards harmonious, peaceful and dialogue-focused foreign policies has also earned him the Nobel Peace Prize, and we hope he will continue such an approach.

The Chinese moral perception of adhering to virtues and principle in one’s conduct which affirms one’s right to lead has a long history in China. This perception reaches back to Confucian philosophical roots. Important to note, “traditional Chinese cultural values, codes, and maxims, particularly those associated with Confucianism, Taoism and Buddhism are considered more fundamental and universal cultural contributions that China can promote in years to come.”

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importance and complementary relationship between hard and soft power in the growth of the country’s national power will serve as a model for US’ policies and indeed, the new US concept of “smart power” reflects this effective integration of hard and soft power.\(^\text{10}\) Hu Jintao, President of the People’s Republic of China, introduced the phrase “harmonious world” which was intended to contrast previous Maoist ideals of struggle and revolution. Harmony—a principle that goes back to historical Chinese cultural traditions of Confucianism, Taoism and Buddhism—was meant to emphasize modern China’s commitment to international stability. China’s harmonious rise approach has sought to make China’s rise in power more acceptable in the eyes of the world, particularly along its periphery, which otherwise might view China’s emergence with alarm and see the need to contain or balance against it. Part of its harmonious rise involves propagation of its soft power. China has not only provided substantial overseas financial and infrastructural assistance but also promoted the study of the Chinese language abroad by building two hundred and eighty-two Confucius Institutes, two hundred and eighty-two institutes and two hundred and seventy-two Confucius Classrooms in eighty-eight countries and regions around the world by November, 2009.\(^\text{11}\)

When Obama visited China in November, 2009, he gave a set of Weiqi (game of Go, a game played with black and white pieces on a 19 x 19 board), which was made in Hawaii, the state where Obama was born, as a present to Hu Jintao of China. This symbolized that two great countries were playing the game of \textit{Yin} (black) and \textit{Yang}


(white). Which was also a metaphoric suggestion raised by Obama, inviting China to play a G2\textsuperscript{12} game with the USA. Obviously, that was contradictory to the Chinese foreign policy of “not to take lead” and “hide one’s capacity to achieve great results” which we will expound at a later chapter. Hopefully, the ideals of a “harmonious world” and “smart power” will prevail and a win-win situation could be achieved by tapping on this ideology from Ancient China, India and contemporary USA. What is the force behind the harmonious, peace and dialogue-focused policy? I will first describe the foundation laid (Chapter 1) that made possible the economic resurgence of Asian nations (Chapter 2). After discussion on the emergence of Asian regional institutions (Chapter 3), I will suggest that the emergence of an Asian rational ideology Samagri (Chapter 4) is the exact spiritual force behind the integration and resurgence of East Asian economies as well as the force behind the harmonious, peace and dialogue-focused policies. I then conclude with Asia reclaiming centrality through the “East Asian Awareness” (Chapter 5), ushering in the Asian Renaissance.

2 The Rise of East Asian Economies

\textsuperscript{12} The Group of Two (G-2 or G2) is a proposed informal special relationship between the United States and China. Originally initiated by C. Fred Bergsten as primarily an economic relationship, it began to gain wider currency and scope from foreign policy experts as a term recognizing the centrality of the USA-China relationship near the beginning of the Obama Administration. As the two most influential and powerful countries in the world, there has been increasingly strong suggestions within American political circles of creating a G-2 relationship where the USA and China would work out solutions to global problems together.
The rejuvenation of East Asian economies from the 1980s radically altered the unequal, unbalanced and unfair economic relationship between the East and West which had perpetuated for over a century. The process of economical globalization started to shift from that of Westernization to an equal interaction between the East and West. Since the start of the modern era, East Asian countries have never ceased collaborations and clashes with the West. The Meiji Restoration, resistance and wars waged by East Asian countries against colonial powers for national liberation, and the Chinese revolution in 1949 were events which had long lasting impacts limited to the region. In comparison, Rise of East Asian economies after the war enabled East Asia to be truly influential on a global level, resulting in an important revolution in the history of mankind. 13

The face of international economies was basically dominated by Western Europe and the USA. Postwar East Asian economies rose at an amazing speed, reversing the concentration of economic production in the Western countries, moving towards balancing and harmonizing economic powers of the world. East Asian economies continuously strived at moving away from importing and imitating Western technologies towards self-innovation; switching from focusing on labor-intensive industries to technology-intensive industries. In the postwar era, various countries and regions in East Asia, including Japan, Newly Industrializing Economies (NIE), China or Association of Southeast Asian Nations (ASEAN), did not imitate the development model of the West wholesale, but instead embarked on a differing path from that of the West.

13 Luo Rongqu 罗荣渠, Dongya jueqi de xiandai lishi yiyi yu 21 shiji qianjing 东亚崛起的现代历史意义与 21 世纪前景, (Tianjin: Tianjin shehui kexue,天津社会科学, 1992) 2
3 Asian Values

With the rising importance of economics at the end of the Cold War, hundreds of years of collision and interaction between the cultures of the West and the East have caused the significance of East Asian cultural values to be more universal and in reverse increasingly impacting the World’s culture. As Japan, NIEs and China have historically belonged to the Confucius, Taoist and Buddhist geographical circle of influence, it has resulted in the focus on the correlation amongst Confucianism, Taoism, Buddhism and the modernization of East Asia. The West has been re-defining ideologies of individualism, liberalism, constitutionalism, human rights, equality, freedom, monocracy, free markets and disestablishment. East Asia has also been re-thinking and re-examining the suitability of Western values and autonomously and selectively been adopting these values.

When the topic of “Asian values” was raised for discussion, one of the viewpoints was just as European values are more universal than American values, Asian values in reality should be more universal than both the European and American. With the growth of the East Asian economies, countries in East Asia naturally are emphasizing the acknowledgement of their unique cultures, differentiating Asian culture from the universal Western culture, resulting in the “Renaissance of Asian Culture” – a development worth paying more attention to. As Samuel P. Huntington once said:

14 Luo 89.
“East Asian economic development is altering the balance of power between Asia and the West, specifically the United States. Successful economic development generates self-confidence and assertiveness on the part of those who produce it and benefit from it. Wealth, like power, is assumed to be proof of virtue, a demonstration of moral and cultural superiority. As they have become more successful economically, East Asians have not hesitated to emphasize the distinctiveness of their culture and to trumpet the superiority of their values and way of life compared to those of the West and other societies. Asian societies are increasingly responsive to the United States demands and interests and increasingly able to resist pressure from the United States or other Western countries.”

In the examination of Western values, assertions that nationalism and modern economy were derived directly from the premises of the Protestant ethic have been made. However, it does not imply that East Asian values lack rationality. Rationalism is, as per the Oxford Dictionary, “an attitude which is endowed with reason, reasoning: sensible, sane, moderate, not foolish or absurd or extreme; of or based on reasoning or reason, rejecting what is unreasonable or cannot be tested by reason”. In fact, Max Weber has expressed “one may rationalize life from fundamentally different basic points of view and in very different directions. Rationalism is a historical concept which covers a whole world of different things.” Liah Greenfeld interpreted Weber’s thoughts on history and rationalization as, “he explored that: ‘History is the march (or, rather, ramble) of rationalization, the endless succession of disconnected attempts to introduce order into experience which does not carry it within itself.” I interpret this as the outlook of impermanency of rationalism.


“Confucian rationalism meant rational adjustment to the world; Puritan rationalism meant rational mastery of the world”.\(^\text{18}\) East Asian civilization, by its nature of rational adjustment to the world, is taking shape from the basis of absorbing aspects of modern Western civilization. If we admit Protestant ethics had contributed to the development of capitalism in history, East Asian civilization would eventually face the world with a brand new outlook due to its nature of rational adjustment. The resurgence of East Asian culture and values, inclusive of Confucianism, Taoism and Buddhism, extending from their long history underscore the contribution East Asia would have towards today’s civilization. We will expound it further below.

In examining the cultures and values of Asia, we will focus on the concept of Hetupratyaya Samagri (Sanskrit), also known as 因緣和合 yinyuan hehe in Chinese, from Buddhist philosophies. Hetupratyaya Samagri was derived from the Doctrine of Pratītyasamutpāda (Sanskrit), known as 維起論 yuanqi lun in Chinese or Doctrine of Dependent Origination in English.\(^\text{19}\) According to this doctrine, all things formulated by the various elements of the causal series have only a limited causal force with respect to their immediate effect. All things need an appropriate collocation of circumstances before they could effect the meaningful integration of factors on which all things depends. Hetupratyaya, also known as 因緣 yinyuan in Chinese means appropriate collocation of circumstances, including main, internal or deceive factors and secondary, external or


\(^{19}\)The Doctrine of Pratītyasamutpāda often translated as "Dependent Arising," is an important part of Buddhist metaphysics. It states that phenomena arise together in a mutually interdependent web of cause and effect. It is variously rendered into English as "dependent origination", "conditioned genesis", "dependent co-arising", "interdependent arising", or "contingency".
subordinate factors. *Samagri*, also known as 和合 hehe in Chinese means aggregation or integration in English. For example, water is combined, aggregated, unified or compounded by the chemical reaction of Hydrogen and Oxygen under an appropriate collocation of circumstances. Circumstances in this case could include the condition of temperature from between 0℃ to 100℃ and the absence of other chemical reaction circumstances like atmospheric pressure. Hydrogen and Oxygen atoms are made up of neutrons and electrons under an appropriate collocation of circumstances, electrons and neutrons are made up of quarks under an appropriate collocation of circumstances. This process goes on and on and can be interpreted as an unlimited web of combinations. In other words, all combined, compounded or conditioned phenomena (material things and streams of consciousness) are inconstant and impermanent. Everything we can experience through our senses is made up of parts, and its existence is dependent on internal or dominant (因 yin) and external or subordinate (缘 yuan) conditions. Everything is in constant flux hence conditions and the subject itself are constantly changing. Things are constantly coming into being, and ceasing to be. Nothing lasts. Buddhism has a very accepting, positive attitude and view toward science. Scientifically speaking, *Hetupratyaya Samagri* or simply just *Samagri* is rational. From this point on, when referring to the noun, *Samagri* would be used. When referring to the verb, “integration (*Samagri*)” would be used.
Chapter 2
The Economic Resurgence of the Asian Nations

4 Historical Background

East Asia in the early 1950s, just freed from the “Greater East Asia War” waged by Japan, and the extreme damages caused by the Second World War, was then faced with the Korean and Vietnam wars, coupled with military tensions between mainland China and Taiwan. Southeast Asian countries such as Singapore, Malaysia, Indonesia and the Philippines were confronted with issues of reconstructing national authority after the colonial powers retreated. East Asia was widely thought to be the most desolate and dangerous region, where political and military confrontations were the most intense. During that time, in the eyes of the majority, East Asia was least expected to succeed unless a series of miracles occurred, hence it was seen as a region without a future at all. A miracle did happen after all. Just within the time span of a generation.

Leading the way was Japan which leapt from the rubbles of defeat during the Second World War and emerged to become the second most powerful country economically. Singapore, Korea, Hong Kong and Taiwan rose rapidly to the ranks of NIEs and were called “Asia’s Four Little Dragons”. Other countries within the ASEAN, besides Singapore, were also moving towards industrialization and modernization at a very fast pace. Up to the 1980s, the greater region of East Asia, including mainland China, were developing very quickly economically, way exceeding the rate at which the
West was industrializing during the early days. We could say that the “East Asian Renaissance” laid its solid and dependable foundations from that point on.

5 The Modernization of Japan

The Cold War altered the fate of Japan. Since 1950, following the formation of Cold War hostilities between the USSR and the USA and the outbreak of the Korean War, the USA modified their policies towards Japan, and began to provide assistance to the enemy who once bombed Pearl Harbor. During the ten year period from 1945 to 1955, the American position of completely annihilating Japan gradually converted to one of assisting Japan’s revival. The American strategy was to develop Japan into the Asian factory for the West and a shield against Communism. This enhanced the revival of Japan’s monopolization of capital and from this basis, Japan grew at an amazing speed. During the 1980s, just as China was starting to open up, six of Japan’s largest financial corporations had monopolized 60% of imports and exports and above 40% of the top nine foreign companies’ investments; forming Japan’s post-war economic structure.

Japan’s revival could be attributed to two main factors: firstly, the assistance rendered by the USA, and secondly, the strategic needs for supplies brought about by the Korean War. Demand for supplies injected vitality into Japan; even Japanese scholars were of the opinion that “massacres during the Korean War brought huge economic

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20 Kimihiro Masamura, Zhanhou riben jingji zhengzhi shi (战后日本经济政治史) (Shanghai: Shanghai renmin chubanshe 上海人民出版, 1991) 271.
benefits for Japan”. Japan’s economy was brought back to life in 1955. Apart from the volume of imports and exports, other economic indicators exceeded pre-war levels. Japan’s economic growth entered a stage of swift growth. During that same period, Western Capitalism was correspondingly developing steadily. All developed countries were experiencing growth like never before, but of them all, Japan’s progress was the fastest. In addition, Japan also extracted value from the Vietnam War. As the USA sunk more capital into the Vietnam War, Japan was increasing its exports to places like Korea, Taiwan and Thailand. Undoubtedly, many Japanese corporations capitalized on the Vietnam War and deepened their financial penetration into Southeast Asia.

In a short span of twenty years from the mid-1960s to the end of the 1980s, Japan maintained the highest level of economic growth, reaching that of a developed country. As Japan was a defeated nation of the Second World War, the USA bore the majority of Japan’s civil defense spending, allowing Japan to leap forth from a defeated nation to become the second largest industrialized nation, trailing right behind the USA. This could all be attributed to the Cold War.

Unlike the Meiji period, after the Second World War, Japan no longer forced itself to integrate into the West, but rather attempted to integrate into Asia. This development was a top-down push from the government to industrialize rapidly. Besides tapping on government policies to collaborate closely with research institutes to come up with new technologies, corporations took a step further and implemented orderly systems.

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21 Masamura 271-272.

22 Masamura 687.
such as lifetime employment, recognition by merit and yearly promotions. Adopting the union model, corporations placed heavy emphasis on employees to adopt a common corporate identity, close cooperation amongst teams, in-depth development of employee’s potential etc. These implementations have been termed as “Confucian capitalism”, and Japan’s success had contributed to the economic development of East Asian countries and regions.

6 China’s Process of Modernization

Up until 1820 China had been in a leading position in the world. Between 1 and 1000 AD, China’s total economic value far surpassed that of other economic bodies throughout the world and made up around 25% of the world economy, and made up 23% of the world economy from 1000 to 1500. In the span of one thousand five hundred years, China was not only the country with the largest economic value, but also the strongest country in terms of overall national strength, leading the pack in politics, economics, culture and arts.\textsuperscript{23}

However, in the three hundred years from 1500 to 1800, the feudal institutional obstacles within the Chinese economy resulted in China declining to a “stagnated empire”. Starting from 1820, industrialization in the Western civilization rose rapidly, making their GDP to be on par with China for the first time and then surpassed that of

China. In other words, since 1820, China has been trailing behind for nearly two hundred years. China during the first half of the 20th century was juggling with the difficulties of country rebuilding and anti-Japanese national salvation, and after overcoming violent ideological conflicts, China had to deal with economic blockades by the West, eventually causing the Chinese to refuse to follow the Western path of Capitalist development.

After a short period of economic recovery, China started to industrialize and modernize full scale from 1953. In 1972, China re-entered the United Nations (UN) as one of the five permanent members of the Security Council and founding member of the UN. In 2001, China entered the World Trade Organization (WTO). China underwent major developments in the past sixty years. With the Western economic development model for the past thirty years as an example, China’s path of modernization avoided the series of social problems faced by the West during industrialization, but inevitably had to face multiple new challenges too. Vast changes in the past thirty odd years in particular drew the attention of the entire world. For the past thirty years, the Chinese economy maintained growth exceeding high development levels before 1980. According to the report “National Economic and Societal Development Statistics” published on 26 February 2009 by the National Bureau of Statistics of China, annual rural income per capita was RMB4,761(US$697) and annual urban income per capita RMB15,781 (US$2,312) – the results garnered much attention (statistics of per capita income in China has always been segregated into rural and urban).24
Due to globalization, China’s entrance into the world stage and the fast-paced development in East Asian brought about immense interest from various fields in worldwide academia. It was as though people could foretell the positive future of this region. In 1993, the economists of the World Bank published *The East Asian miracle: economic growth and public policy*\(^\text{25}\), and became the first to term the tremendous growth in Japan, Korea, Hong Kong, Taiwan, Singapore, Malaysia, Thailand and Indonesia as “The East Asian Miracle”. Extending from it were continuing praises and compliments. All across Japan, Southeast Asia and China, people started to discuss topics such as the “Era of Asia”, the “Renaissance of East Asian Civilization” with fervor and zest. The renaissance of East Asian economies was initiated from the globalization, integration and tremendous growth in this region. Hence, the renaissance of East Asian economies was not without cause which fulfils the East Asian (Buddhist) ideology of Causality (Hetupratyaya). Hetupratayaya expresses many kinds of phases of cause and effect, as well as the interdependency and universal connection amongst things.

Speculative activities turned sour during the second half of 1997 and resulted in a financial crisis spawning from Thailand, reaching out rapidly to countries in Southeast Asia such as the Philippines and Indonesia, and spreading to Hong Kong, Taiwan and Korea, causing sharp dips in exchange rates and stock markets. Prices of goods rose obscenely, leading to social instability, unease within the masses and even turmoil in the political scene. The crisis arrived unannounced and the East Asian “miracle” was dissolved and disintegrated overnight. Those who once prophesized that the East Asian

economy, civilization and even its “new culture” would lead the world were left speechless instantly. It proved the impermanence of all things. Exactly because of East Asians’ outlook of impermanence, they fully appreciate the need to prepare for all positive and negative change which resulted in “crisis awareness”.

In actual fact, the crises started surfacing within East Asia’s economic development in the early 1990s. Teething issues arose in Japan. Double impact from the world financial bubble and Japan’s national economic bubble caused Japan’s GDP to drop to 0.56% from 1991 to 1995, bringing Japan to a state of long term economic stagnation. Entering the 21st century, Japan’s economy plunged further, and the economies of the USA and Europe also faced a slowdown in growth. Developed countries in crisis, to different extents, all bolstered trade protection, causing newly industrialized East Asian economies which were export-oriented to suffer immensely. Singapore was not that badly hit during the 1997 crisis, but the worldwide decline in the electronics industry in 2001 greatly impacted Singapore where the electronics industry comprised of ¼ of its GDP. Exports of electronics took up more than 50% of Malaysia’s exports. With a sharp drop in exports in 2001, manufacturing took a dive, foreign investments lessened, and bad debts in the finance industry grew. Thailand’s economy turned for the better in 2000, but experienced negative growth in the first quarter of 2001. Indonesia’s political arena was highly unstable, the outflow of capital from the country was large, and as the foreign direct investments and the stock market dropped sharply, debts incurred by the government increased. The Philippines not only experienced a dip in its stock market; the depreciation of its currency, doubling of unemployment, external debts and financial deficit and tourism suffered as foreigners were wary for their safety. During this period, China was the only growing economy within East Asia. To avoid the
exacerbation of the crisis, China insisted on not depreciating the RMB, and became the driving force and the only hope of reviving the East Asian development. Lately, China was forced to appreciate the RMB by USA and European countries more than the Chinese Government could accept. China’s attitude towards neither depreciating nor appreciating the RMB reflects the Chinese government’s “crisis awareness” and sense of responsibility.

7 The Modernization of Southeast Asian Countries

The Organization for Economic Cooperation and Development recognized the status of the ten Newly Industrialized Countries (NICs) in 1978 and later changed the title to NIEs. Amongst them, Taiwan, Hong Kong, Singapore and Korea were places deeply influenced by Confucianism, Taoism and Buddhism. These four regions, due to their developments in the 1980s, were given the title of “Asia’s Four Little Dragons”. Simultaneously, the countries in the ASEAN were also riding on the train of economic revival. Today, the entire Southeast Asian region is on the path of economic growth.

Southeast Asian countries, whether economically, geopolitically or culturally, are an integral part of East Asia. It could be seen as a multi-ethnic, multi-lingual region. The countries north of the Malay Peninsula, in the areas of ethnic and racial origination as well as economic and culture interactions, have been heavily influenced by the northern neighboring countries. People are mostly believers of Buddhism, similar to the religions of the minorities of Yunnan. Historically, Southeast Asian countries were very closely
related to ancient China. The legal and regulatory systems as well as the writings of ancient China influenced Southeast Asia greatly. The interactions, collaborations and common interests between Southeast Asia and East Asian countries such as China, Japan and Korea were intense. They all shared a common historical and cultural background. These countries were invaded by Japan during the Second World War and after the war, all Southeast Asian countries but Thailand were reduced to becoming colonies of the West. Though various countries gained independence consecutively after the war, but were all economically unsound, politically unstable and their societies were in bad shape.

Singapore was the first to embark on the route of modernization amongst the Southeast Asian countries. In the 1970s, the countries in the ASEAN entered a phase of rapid development. East Asia experienced remarkably high and sustained economic growth. From 1965 to 1990, the twenty-three economies of East Asia grew faster than all other regions of the world (figure 1). Most of this achievement could be attributed to seemingly miraculous growth in just eight economies: Japan, “Asia’s Four Little Dragons” (Hong Kong, Korea, Singapore, and Taiwan), China, and the three newly industrializing economies (NIEs) of Southeast Asia, namely, Indonesia, Malaysia, and Thailand.
After the Cold War, Southeast Asian countries at one instance felt the need to start multilateral security dialogues. The ASEAN was established on 8 August 1967 in Bangkok by the five original member countries, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand. Brunei Darussalam joined on 8 January 1984, Vietnam on 28 July 1995, Lao PDR and Myanmar on 23 July 1997, and Cambodia on 30 April 1999. As of today, the ASEAN region has a population of about 560 million, a total area of 4.5 million square kilometers.\textsuperscript{26} The establishment of the ASEAN could be looked

\textsuperscript{26}“Overview of Southeast Asian Nations”, Association of Southeast Asian Nations 27 Jun. 2009\textless http://www.aseansec.org/64.htm\textgreater
upon as a manifestation of the countries’ “crisis awareness” – which will be discussed in later chapters. On the first day of 2010, the ASEAN plus China (“ASEAN+1”) ushered in the world’s third-largest free-trade area. Trade between China and the 10 ASEAN countries has soared in recent years to $192.5 billion in 2008, from $59.6 billion in 2003. The new free-trade zone, which will remove tariffs on 90 percent of traded goods, is expected to increase commerce more. The zone ranks behind only the European Economic Area and the North American Free Trade Area in volume. It encompasses 1.9 billion people. The free-trade area is expected to help the ASEAN countries to increase exports, in particular commodity-rich countries, to resource-hungry China.27

With the growing strength of economic power and influence, the ASEAN became increasingly important in regional matters. During the 1990s, the ASEAN led the process of East Asian Regional Cooperation which gradually developed into a series of regional collaborative mechanisms with the ASEAN as core. We could say that the integration of the ASEAN was the cause leading to East Asian Regional Cooperation (effect). The ASEAN Regional Forum was established in July 1994, Forum for East Asia-Latin America Cooperation was established in September 1999. Collaborative mechanisms such as ASEAN + China, Japan and Korea (ASEAN+3) and ASEAN+1 have become an important gateway of cooperation in East Asia. In 2003, China and the ASEAN took a

step further to become strategic partners; China becoming the first non-ASEAN country to enter into the Treaty of Amity and Cooperation in Southeast Asia.\textsuperscript{28}

To materialize the unification of the ASEAN economies, the ASEAN Free Trade Area was kick-started on 1 January 2002. The purpose of the ASEAN Free Trade Area was to enhance the ASEAN’s competitiveness to attract foreign investments, dispel taxation barriers, increase flexibility of trade within the region, extend the parameters of mutually beneficial terms of trade between member countries, enhance trade within the region, and create an internal market.

20 November 2007, ten leaders from the ASEAN convened in Singapore for the 13\textsuperscript{th} ASEAN Summit and signed important documents such as \textit{The ASEAN Charter} \textsuperscript{29} and \textit{ASEAN Economic Community Blueprint}.\textsuperscript{30} It was also reiterated during the summit that by 2015, a common economic community should be established. These were part of the master plan of the ASEAN’s economic unification and were also very instructive documents. 15 December 2008, \textit{The ASEAN Charter} officially took effect. \textit{The ASEAN Charter} was the first document of legal significance in the ASEAN’s forty years of establishment. It set forth the ASEAN’s goals, principles, role and structure and at the same time gave the ASEAN jurisdiction and binding power over all member nations.


The current participants of the ASEAN Regional Forum (ARF) are: Australia, Bangladesh, Brunei Darussalam, Cambodia, Canada, China, European Union, India, Indonesia, Japan, Democratic Peoples' Republic of Korea, Republic of Korea, Laos, Malaysia, Myanmar, Mongolia, New Zealand, Pakistan, Papua New Guinea, the Philippines, the Russian Federation, Singapore, Sri Lanka, Thailand, Timor Leste, the USA, and Vietnam; out of which ten are the ASEAN nations and ten are the ASEAN dialogue partners. The establishment of the ASEAN not only increased the influence of the ASEAN nations, but also enabled other countries to recognize the importance of the ASEAN in the Southeast Asian region.

*ASEAN Economic Community Blueprint* was a very instructive document and essentially the master plan of the ASEAN’s economic unification. The goal was to create a common market and manufacturing base within the ASEAN region by 2015 and materialize the free flow of goods, services, investments and technological manpower to enable fluid flow of capital. At the same time, the hope was to ensure a balanced economic development, eradicate poverty and income disparity. Establishing a common market and manufacturing base is currently of utmost importance to the ASEAN. The ASEAN has achieved considerable success in the area of reducing import and export taxation. *The ASEAN Economic Community Blueprint* also stipulated measures to target strengthening of the flow of goods, extermination of taxation barriers, optimization of custom processes etc.

By 2015, the ASEAN aims to eliminate all restrictions to trading of services, give equal treatment to foreign and local investments and encourage equal opportunities within the service industry for foreign corporations. All of the above measures aim at
creating more opportunities and ease of operating for the ASEAN corporations looking to enter other markets within the ASEAN region. Perfecting existing investment agreements, striving for an all encompassing and comprehensive agreement would involve opening up, protecting and stimulating investment areas. The refined agreement hopefully would provide protection to all corporations investing within the ASEAN region and not just corporations from within the region. It has been stipulated that from between 2009 to 2015, various economic areas would consecutively achieve integration.\textsuperscript{31}

\footnotesize{\textsuperscript{31}“ASEAN Economic Community Blueprint”. Association of Southeast Asian Nations 28 Jun. 2009 <http://www.aseansec.org/21083.pdf>
Chapter 3
The Emergence of Asian Regional Institutions

8 Historical Background

Geopolitically, to the North of China sits Russia, Japan in the East, and India in the South – all of which are big nations. The ASEAN residing in the Southeast direction comprises a cluster of developing countries which does not pose a real threat to China. China has been experiencing tremendous growth for the past thirty years. However, East Asian economies have been very closely related to that of the USA making it a challenge for East Asia to independently execute East Asian regional collaboration. Change came under the impact of globalization during the latter half of the 1990s. Countries within the ASEAN gradually realized the importance of initiating new platforms of collaboration and building comprehensive collaborative relationships; hence, the decision to launch an “outward” economic collaborative model was made. Under such a situation, the mechanisms of ASEAN+3 started. In recent years, ASEAN+3 has developed to be a major path of collaboration for East Asia and regarded as a critical symbol for Asia’s development and revitalization.

In addition, ASEAN+3 which started off as a collaboration mechanism for economic purposes has gravitated towards politics, security, and culture and formed a multi-layer, wide coverage and comprehensive setting. ASEAN+3 has established about fifty different dialogue mechanisms in eighteen different areas, which include fourteen
Ministerial Conference mechanisms such as foreign relations, economics, finance, agriculture, labor, tourism, environment, culture, energy, combating transnational crime, sanitation, info-communications, social welfare, and innovative government management. Under the mechanism of ASEAN+3, yearly conferences amongst the heads of states, ministers, high level civil servants and working levels are held. The Free Trade Agreement (FTA) between China and the ASEAN is a very good example. As of 2002, bilateral trade volume increased rapidly by 20% per year. In 2008, despite the impact from the worldwide financial crisis, trade volume between China and the ASEAN continued rising to 231.12 billion US dollars, a 13.9% increase compared to the same period during the previous year. Mutual investments expanded continuously; in particular, China’s investments into the ASEAN rose with exceptional speed. At the end of 2008, mutual investments were closing in to 60 billion US dollars.\(^{32}\)

East Asia has a population close to two billion people and vast lands with GDP of close to one trillion US dollars. Admittedly, this is a region of varying religions, ideologies, cultures, and background. Economies and societies are at different stages of development, and historical baggages carried by various countries are impediments to collaborations and harmonization. However, regardless of the difficulties ahead, ASEAN+3 has become the essential route to materializing the integration of East Asia and an important milestone in East Asia’s process of modernization. This reflects the East Asian ideology of all things being conditional and interdependent.

\(^{32}\) “Qunian zhongguo yu dongmeng shuangbian maoyie da 2311.2yi meiyuan”去年中国与东盟双边贸易额达 2311.2 亿美元, ibdaily. 27 Jun. 2009<http://ibdaily.mofcom.gov.cn/show.asp?id=100014409>
The rise of China’s economy not only altered the face of China, but also brought about the rise of the entire East Asian region. East Asia’s rise does not only involve rapid growth of economies, but also placed emphasis on increasing regional economic collaborations. The rise of China and East Asia are interdependent and interconnected which drove the process of regional integration. How China integrated into East Asia to form the current state of East Asian regional collaborations became an important factor which brought about the “East Asian Renaissance”. We will only attempt to investigate the causal interpretation of the emergence of Asian regional institutions.

9 China’s Integration into East Asia

Special Economic Zones (SEZs) were set up in Shenzhen, Zhuhai, Shantou and Xiamen of Guangzhou and Fujian provinces in 1980, which marked the prelude to China’s opening up. Following that, fourteen coastal economic cities were opened up in 1984; then came the opening of coastal economic zones including, Yangtze River Delta, Pearl Delta, Fujian Delta and Bohai Economic Rim. Hainan was established as a province and set up a SEZ in 1998, and Shanghai Pudong became a SEZ in 1991. When looking at the geographical positions of these regions China decided to open up, one learns that all of them are on the East Coast, and closest to the most vibrant territories of the East Asian region – Japan, Korea, Taiwan, Hong Kong, Singapore and other Southeast Asian countries. The starting point of China’s opening up was along the country’s East Coast, marking the gradual integration of China into the East Asian economic body. 1978 to 1988 was a period East Asian economies experienced tremendous growth and major
shifts in industry focuses, and China managed to capture this historical opportunity. By opening up to East Asia and participating in division of responsibilities amongst East Asian countries, China eventually integrated into the East Asian economic body. This showed that timing was very crucial in the process of integration.

Opening up to East Asia was launched from the establishment of the Shenzhen SEZ. This allowed Hong Kong to transfer its labor-intensive industry to Shenzhen. The Shenzhen SEZ hence rose above the rest within China and, Hong Kong became the first of “Asia’s Four Little Dragons” to complete its shift and upgrade in manufacturing. Both Mainland China and Hong Kong benefitted from China’s opening up. The success of the Shenzhen SEZ generated economic growth along the coastal region and encouraged industrial transformation within the other three “Little Dragons”. Large portions of manufacturing from Taiwan, Korea and Singapore consecutively shifted towards China. “Asia’s Four Little Dragons” achieved industrial upgrade by shifting less competitive manufacturing activities to China, and China’s East Coast, by taking over manufacturing from the “Asia’s Four Little Dragons”, took part in East Asia’s manufacturing market division responsibilities, deepening its role within the East Asia economic body. China started off by playing the role of “East Asia’s factory”. China’s products were initially exported to Western developed countries through the East Asian economic body, but gradually formed a direct channel to developed Western countries. Undoubtedly, China’s opening up to East Asia was a pilot project for China’s opening up to the world. By opening up to East Asia, China accumulated invaluable experiences to position itself ultimately as the “world’s factory”. China opening up to East Asia generated development along coastal areas and allowed this region to take the lead in materializing industrialization. Through participating in East Asia’s division of manufacturing
responsibilities, China integrated into East Asia’s economic body, laying a major condition for future regional collaborations within East Asia.

10 China’s Collaboration with East Asia

At the start of reform, China was entangled in internal affairs, such as coping with the aftermath of the Cultural Revolution. Up till the end of 1980s, before the end of the Cold War, China had not established diplomatic relations with Korea, had yet to revive bilateral relations with some countries in Southeast Asia, and existing diplomatic relations with a handful of countries were not strong. Only during the beginning of the 1990s did China establish or resume diplomatic relations with Southeast Asian countries, and normalized relations with Vietnam and Laos. China is one of the few countries with multiple neighboring countries, fourteen of which are connected to its borders; and adding on other neighboring countries, there is a total of over twenty neighboring countries. Hence, driving East Asian regional cooperation takes an important position in China’s regional diplomatic policies. To be friendly to neighbors and to be partners with neighbors became China’s consistent peripheral diplomatic policy since opening up. Due to geopolitical factors explained above, only the ASEAN comprising of small to medium-sized developing nations posed no threat to China. Hence, China enthusiastically built relations with the ASEAN, forming the positive situation of collaboration within East Asia today. To China, the ASEAN is not the competitor, much less an enemy. In fact, the ASEAN is a neighbor and friend that China can collaborate long term with.
After reforms and opening up, the first regional cooperative organization that China participated in was the Asia-Pacific Economic Cooperation (APEC). China became its official member in 1991. ASEAN+3 was formed in 1997, but the East Asian cooperative organization took over to become the focus of China’s regional cooperative participation, strengthening China’s notion of regional cooperation in a significant way. Geographically situated within East Asia, China used to be the centre of the East Asian body. For the past thousands of years, East Asia remained an area of China’s core interest where regional relations and movements directly influenced China’s survival and development. Up to this modern day, East Asia remains an important region for China to achieve political, economical, diplomatic, and security benefits. After opening up, the revival of the Chinese nation became very closely tied to the development of the region. East Asia being the region with greatest potential for growth cannot be more important to China’s development. This was the exact force behind China’s participation and active push to materialize East Asian regional cooperation. Creating a stable environment with its surroundings would allow China to focus on rebuilding its economy. To realize this goal, besides continuing the deepening of diplomatic relations with neighboring countries, China has to partake in regional cooperatives, share in the benefits of regional development and attain win-win situations.

Japan, Korea and the ASEAN are important neighbors to China in the areas of politics, economics, and security. Participating together in regional cooperation in East Asia would aid China in implementing the above diplomatic policies in the aim to create a stable environment with its surroundings countries. The “East Asian Community” is the long term goal of East Asia’s regional cooperation. Besides market division, enforcing
diplomatic policies of collaboration with East Asia is another positive factor contributing to regional integration.

11 Sino-Japanese Relationship

Sino-Japanese relationship plays a very important part within the East Asian regional cooperation. Both countries can cooperate in many aspects such as politics, economics and diplomacy. They are both members of APEC and ASEAN+3, so the bilateral ties between China and Japan are of utmost importance in both countries’ foreign policies. China–Japan relations are frequently analyzed either in the light of disputes about different interpretations of history, the consequence of a strategic power shift in the Asia-Pacific resulting from the rise of China or as a conflict between Chinese and Japanese national identities. Though they should enhance cooperation on both Asian and international affairs, both countries are fraught with historical issues. One of the central controversies centered on visits made by the Prime Minister of Japan to Yasukuni Shrine. Yasukuni is a shrine which houses the spirits and souls of the dead. It is dedicated to the spirits of soldiers and others who died fighting on behalf of the Emperor of Japan. It also houses one of the few Japanese War Museums commemorating the Second World War. There were about fourteen class-A war criminals enshrined in the War Museum inclusive of Hideki Tojo, Prime Minister of Japan (1941-1944). These criminals had been
executed after trial by the International Military Tribunal for the Far East in Tokyo.\textsuperscript{33} The Asian community views visits paid to the shrine as paying visits to the war criminals and denial of the crime committed during the Second World War. On the other hand, the Japanese politicians themselves see this as paying respects to over two million Japanese who sacrificed during several wars. During the period Junichiro Koizumi was prime minister of Japan, he made controversial formal visits to Yasukuni Shrine. The relationship between the two countries during his tenure hit rock bottom since the establishment of diplomatic ties in 1972.

Right after Yukio Hatoyama took on role of Prime Minister of Japan, he spoke publicly about having no intention to pay visits to Yasukuni Shrine. China reacted positively, and arranged for a meeting in New York between Hu Jintao and Hatoyama five days after Hatoyama sworn in as the Prime Minister of Japan. After the meeting, Ministry of Foreign Affairs of China released a press article saying that the cooperation and bilateral exchanges between China and Japan “reached unprecedented levels in a variety of fields since the two countries normalized relations 37 years ago (1972)”.\textsuperscript{34} The improvement and development of bilateral relations has not only brought major benefits to China and Japan, it also has contributed positively to peace, stability, and prosperity in Asia and the world. This is very important for Asia and the world. At this point, after the meeting between the two leaders, both countries should enhance high-level


communication so as to improve political trust. The leaders of the two countries should maintain contact and continuously add political impetus to the development of bilateral ties which has reached a new high. As Hu Jintao said, “This is the first time that the two sides made positioning and planning of bilateral relations on a strategic level.”

Japan has been striving towards being an economic and political powerhouse not just regionally but internationally. China has been a victim of wars waged by international powers, including Japan. Yet today, China has emerged as one of the strongest economic powers internationally. However, China has proposed a peaceful and harmonious rise. China often iterated that its focus was on internal growth over the next generation or so, and not to take on leadership both regionally and internationally. As a matter of fact, in the early 1990s, Deng Xiaoping had already articulated the maxim for how China should approach international affairs. Since then, “observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; and never claim leadership,” have been guidelines for China’s foreign policy. Besides China’s own internal policies of attaining a peaceful and harmonious rise, the current positive state of bilateral relations can be attributed to Yukio Hatoyama openly expressing not paying formal visits to the Yasukuni Shrine. Due to the rapid rise of China, Yukio Hatoyama’s increasing friendliness towards China and similar inherent traditional cultures, which we will expound later in this thesis, will bring about


36 Bergsten 209.

37 Bergsten 209.
deepening of cooperation between both countries. Only with enhanced relations will both countries achieve a win-win relationship.

12 China's Collaboration with Other Countries within East Asia

Currently, the official mechanisms of East Asian cooperation encompass ASEAN+1, ASEAN+3 and Trilateral Leaders’ Meeting of China, Japan, and Korea. From a policy point of view, the mechanism of ASEAN+3 takes centre stage to drive other secondary regional cooperation mechanisms, igniting both official and non-official regional cooperation mechanisms, and taking multiple routes to progress East Asian regional cooperation.

China at the same time proposes that East Asian regional cooperative mechanisms should constantly be in-sync with other international multi-lateral mechanisms. These mechanisms could draw lessons from each other, mutually optimize and develop in tandem. Since the commencement of East Asian regional cooperation, China has always been a firm participant and supporter. China has adopted a positive attitude in participation towards these regional cooperative mechanisms. An example was the Boao Forum for Asia (BFA). The founding of BFA was driven by China and founded by 27 Asian nations in 2001. Its fixed site of the forum though is in Boao, Hainan, China, the Secretariat is based in Beijing. The BFA is a high-level annual forum targeted at
government and business leaders as well as scholars, with the focus of discussions on economics, integration, cooperation, society, and environment.38 Furthermore, China steadily pushed forth the establishment of the East Asian Free Trade Zone and also took the lead in setting up the China–ASEAN Free Trade Area. China did not only bring about economic cooperation within East Asia, but also proposed embarking on political and security collaborations, resulting in China becoming a major force in moving forth East Asian cooperation. China’s positive attitude is reflected in the strengthened economic and trade relations between the ASEAN and China in recent years. Total trade between them reached US$ 192.5 billion in 2008 which placed China as the ASEAN’s third largest trading partner accounting for 11.3 per cent of the ASEAN’s total trade of US$ 1,710.4 billion. Despite the global economic crisis, China is the ASEAN’s ninth largest investor, with investments of more than US$ 1 billion in 2008.39 This underwrites the tremendous potential of China for the region’s future growth.

As to why China has been enthusiastically participating and supporting the materialization of East Asian cooperation, it is in the hope of being part of regional economic integration. As a result, ASEAN+1 has become the third largest free trade area in the world on the first of 2010. Only when integration of the whole East Asian region materializes will China be able to develop quickly. Prof. He Liping, in his presentation on the “Global Financial Crisis and Its Impact upon China’s Economy” said that over the period 2001-2008, the average annual growth in Chinese exports to the ASEAN or in


Chinese imports from the ASEAN is above 20%. China and East Asia are highly interdependent, and only through cooperation can they achieve a win-win solution for growth and contribute towards East Asian development and ultimately its renaissance.

13 China’s Role within East Asian Regional Cooperation

China’s role within East Asia’s regional cooperation has been increasingly deepening. Mark Leonard commented that the first thirty years of the People’s Republic reform program have been mainly about China joining the world, while the story of the next thirty years will be about how China reaches out and shapes the world. Therefore, China should establish a good and stable relationship with East Asia. At the same time, China’s rise signifies a definite change in the international and regional systems which would definitely bring about conflicts amongst the traditional and new powers. All things occur from integration; once all stars are aligned, all conditions are fulfilled; China would naturally play its rightful role within East Asia’s regional cooperation, to build a stable East Asian environment.

During the recent years, “Rise of China” has evolved into a hot topic of discussion. Some third world countries wish that China would take lead. However, China

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41Bergsten 12.
must never, should not and do not have the strength to take lead. Taking lead has absolutely no benefits as we would lose a lot of opportunities of initiative. China will never take lead. These are words of wisdom found in Deng’s Selective Works.\(^{42}\) Another related saying Deng made was “Hide our capacities and achieve great results”.\(^{43}\)

Rationalism is an historical concept which covers a whole world of different aspects. By adequately managing the pace of China’s rise through history can conflicts that accompany it be managed well to build a rational contemporary East Asian community and harmonious regional system. Only by avoiding the creation of “the other” which would lead to self-Orientalism, can a stable foundation for East Asia’s renaissance, harmonious society and harmonious world be established. This is the most arduous task China faces at this moment in time and likely for some time to come.

U.S-dominant foreign policy is a force within East Asia that casts a shadow of biasness on several matters such as the North Korea Nuclear issue, Sino-Japanese relations, Mainland China and Taiwan conflicts and tensions in the South China Sea, etc. Under such a background, the USA would definitely not allow China to take lead in East Asian matters. On the other hand, the USA has many old allies in East Asia. Japan would try all ways and means to prevent China from taking lead, and the ASEAN countries worry that a large country taking lead would dilute cohesion. Within the mechanism of East Asian cooperation, the ASEAN would not give away the role of being leader to any

\(^{42}\) Deng Xiaoping, *Deng Xiaoping wenxuan* 邓小平文选 Volume 3 (Renmin chubanshe 人民出版社, 1993) 363.

\(^{43}\) 8 words extracted from China’s strategy of foreign policy after the USSR was dissolved as put forward by Deng Xiaoping - “Observe calmly; secure our position; cope with affairs calmly; hide our capacities and bide our time; be good at maintaining a low profile; never claim leadership; and achieve great results.” (冷静观察，稳住阵脚，沉着应付，善于守拙，决不当头，韬光养晦，有所作为)
other country. Considering the past Sino-Korean relations and wariness against China, Korea would not agree to let China take charge. Hence, judging from all external factors, China must possess enough intellect to manage all conflicts arising from its rise and at the same time avoid all discordance within East Asia’s renaissance.

In fact, China’s rise could pose both challenges and opportunities to the USA and the world. Clearly and objectively understanding the nature and implications of China’s emergence will be crucial for the other countries to handle those challenges and tap those opportunities. Unfortunately, there were various versions of the “China threat theory” created by the USA. They included the “China military threat”, “China economic threat” and “China soft power threat”. It was only after the 2008 financial crisis, after financial help was sought from China, were policies of containment against China’s rise silenced temporarily. However, the world should see that China has been rising through peaceful means. Joseph Nye’s concept of soft power is an area of particular strategic interest and tactical focus for today’s China. Consistent with its desire to enhance its international image, reassure nations of its benign nature as it rises, and prevent the formation of counterbalancing coalitions, China has paid attention to the concept since the early 1990s and in recent years has explicitly stated in public and private the priority it places on developing and cultivating soft power through its action and policies.

44 Bergsten x.

45 Nye defines soft power as the “ability to get what one wants through attraction rather than coercion or payments,” through “the attractiveness of a country’s culture, political ideals, and policies”; Joseph S Nye, Jr., Soft Power: The Means to Success in World Politics (New York: Public Affairs, 2004)

example of how deeply the concept of soft power is reaching into the mindset of the Chinese elite was a quote from the director of China’s new National Center for Performing Arts, who commented that the new center represents “a concrete example of China’s rising soft power and comprehensive national strength.”

Complementary to the push in soft power, China places emphasis on hard powers such as economic and military strength. China has expressed that boosting such traditional concepts of powers will increase the appeal of one’s cultural and intellectual contributions.

China has recognized the importance of focusing on both hard and soft power in its development of “comprehensive national power”.

China should continue its current policies and support the ASEAN in its growth but at the same time actively push forth collaborative mechanisms, building a harmonious regional system. This system must be achieved through discussions and agreements reached by East Asian countries, allowing countries to benefit from it. In other words, the new East Asian system should be built upon common interests of all countries, reflecting a common goal aimed to be attained by all countries. In causal interpretation, a harmonious state of Asian regional cooperation is an integration of all forms of power. Neither China, Japan nor the ASEAN, can be the sole ruler power in the region. In other words, a state of sole power would not be a harmonious one. Hence, China’s role within the mechanisms of East Asian regional cooperation should ideally be one of a motivator.


48 Hard power is the basis of the growth of soft power...when hard power is weakening, the appeal of soft power will also decline, and when the growth of soft power lags behind, the expansion of hard power will be hindered.
and not a leader, much less a hegemonic power. This is conforming to the foreign policies of China and the ideology of *Samagri* which we will expound further.
Chapter 4

The Emergence of an Asian Ideology (Samagri)

14 Oriental Ethics and the Spirit of Capitalism

For the past decades, modern economic growth in Asia, in particular East Asia, could either be mere incidental occurrences within the evolution of human civilizations, or there could be explainable logics and causal integration behind these occurrences. Worthy to explore are the reasons behind continuous sustainable economic development in some of these countries in modern world history.

As expressed by E. Roy Weintraub, Professor of economics in Duck University, neoclassical economics rests on three assumptions. One of them is “individuals maximize utility and firms maximize profits”. In economics, utility is a measure of the relative satisfaction from, or desirability of, consumption of various goods and services. As Weber has described, the desire to maximize profits is entirely transcendental and absolutely irrational. Man sees money making as the main purpose in life and has been made subordinate to such a goal. This is seen as a reversal in roles between man and the act of money making which is irrational. Hence, such irrationality is definitely a leading principle of capitalism. However, in the study of everything, rationalizing life should

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50Weber 18.
be from different viewpoints as rationalism is a historical concept which is made up of a combination and aggregation of various differing elements in the world.\textsuperscript{51} Due to the endless desires of mankind, the “Invisible Hand”\textsuperscript{52} reached out to the Western world which embraced Protestant ethics, leading to the rise of capitalism. Weber wrote in the book \textit{Die Protestantische Ethik Und Geist Des Kapitalismus}, that the Protestant ethic was a force behind an unplanned and uncoordinated mass that influenced the development of capitalism. The Protestants merged their ethics into the secular life, provided the spiritual premise for modern economic rationalism, giving rise to capitalism. This was the causal relation between spirit ethic and capitalism. This also resulted in the Western civilization establishing itself in a universal position. However, other ancient civilizations in the world (inclusive of ancient Greek, Egyptian, Indian and Chinese civilizations) were not only transformed into colonies of the Western powers, but also did not instantly form modern economic systems of their own. This invoked great investigative eagerness within worldwide academia.

Thereon, the spiritual motivation behind Capitalism became a hot topic of discussion for economists and scholars from other fields of social sciences. Weber completed \textit{Die Protestantische Ethik Und Geist Des Kapitalismus}, which was later translated by Talcott Parsons to English titled \textit{The Protestant Ethic and the Spirit of Capitalism}, from between 1904-1905 and its proposition provoked intense responses from scholars all over the world. From Max Weber to Talcott Parsons and to Jurgen

\begin{enumerate}
\item Weber 38.
\item In economics, the invisible hand, also known as the invisible hand of the market, the term economists use to describe the self-regulating nature of the marketplace, is a metaphor first coined by the economist Adam Smith in \textit{The Theory of Moral Sentiments}.
Habermas, Western scholars generally have affirmed that the modernization and modernity of the West encompasses the relativity and indivisibility amongst politics, economics and culture, hence modernization and modernity in reality means Westernization and has characteristics of universalism. “Deculturalization” from theories of modernization holds on to such a view.

15 East Asian Culture and Economic Modernization

Since the Opium War in 1840, the Chinese have been undergoing debates on the optimal process of modernization, amongst which some have raised ideas such as total Westernization and a Westernized Chinese system. A Westernized Chinese system is defined as one which rests its foundations on Chinese culture and utilizes Western science and technology in its processes. The late Samuel P. Huntington who passed away in December of 2008 used a graph to explain the relationship between modernization and Westernization. In reference to the figure 2 he wrote.

To the extent that any general pattern of modernization and Westernization exists in the responses of non-Western societies to the West, it would appear to be along the curve A-E (see Figure 2 below). Initially, Westernization and modernization are closely linked, with the non-Western society absorbing substantial elements of Western culture and making slow progress toward modernization. As the pace of modernization increases, however, the rate of Westernization declines and the indigenous culture goes through a revival. Further modernization then alters the civilizational balance of power between the West and the non-Western society and strengthens commitment to the indigenous culture. Obviously, in the early phases of change, Westernization thus promotes modernization. In the later phases,
modernization promotes de-Westernization and the resurgence of indigenous culture in two ways.\textsuperscript{53}

**Figure 2 Alternative Responses to the Impact of the West**

He then concluded that the world is becoming more modern and less Western.\textsuperscript{54} Liah Greenfeld, professor of Political Science and Sociology at Boston University, wrote *The Spirit of Capitalism: Nationalism and Economic Growth* in 2001 in which she reinvestigated the “Spirit of Capitalism” and arrived at a conclusion similar to Huntington. She stated that nationalism was the source of the spirit of capitalism.\textsuperscript{55} and the sustained growth characteristic of modern economy is not self-sustained; it is


\textsuperscript{54} Huntington 78.

\textsuperscript{55} Greenfeld 58.
stimulated and sustained by nationalism. Subsequently, the exponential growth of the East Asian region into the newly emerged industrialized zone got scholars interested in "Asian Capitalism", hence forming expositions such as "New Confucianism or Post-Confucianism and the Spirit of Capitalism". Oriental scholars have been looking into the occurrence of economic development and capitalism in East Asia. It is hence important to go back to the basics of genesis and origination. These scholars have been attempting to work out and explain based on genesis and origination the special peculiarity of Oriental rationalism and economic development in East Asian.

The theory of Orientalism originated from Edward Said in the Middle East, which played an important role during the post-colonialism era. Subsequently, further East in China, Wang Yuechuan, Professor of Peking University, discovered that the word "China" appeared less than 10 times in the book *Orientalism* and was only mentioned for the purpose as a noun. *Orientalism* was a study of the East from a Western point of view. However, even in the eyes of a great thinker like Said, the "Oriental" only consisted of the Middle East. Hence, there is an imperative for the West to accurately understand the East and vice versa. Only when two-way interactions occur would both the West and East increase contact with each other. Wang proposed further that Orientalism should then be interpreted as discovery of the Oriental, and "the subject of discovery should be the

56 Greenfeld 23.

57 The following are examples of scholars who have been examining the topic of "Confucianism and the Spirit of Capitalism"—Roderick McFarquhar, "The Post-Confucian Challenge," in The Economist (Feb. 9, 1980) and Du Weiming, ed., The Triadic Chord: Confucian Ethics, Industrial East Asia and Max Weber (Proceedings of the 1987 Singapore Conference on Confucian Ethics and the Modernisation of Industrial East Asia) (Singapore: Institute of East Asian Philosophies, 1991)
Chinese people.”58 This approach of appointing the Chinese people themselves as the subject of discovery reflects the ideology of “self-examination” described by Confucius’ Golden Mean59 and Sakyamuni’s “self-consciousness” and Socrates’ “knowing thyself”. 60 Only when one reversely seeks within oneself can we avoid the creation of “the other” and binary-oppositions61, only then can we avoid situations like when Japan took the path of Militarism during the Second World War.

Japanese scholars since the start of the Meiji period have always viewed their civilization as a particularity relative to Western universalism. It also treated surrounding civilizations with the attitude of a universal civilization. Thus in collusion with the Western Orientalism, Japan rendered other Asian civilizations such as the Chinese and Southeast Asian civilizations as particularities. Japan in turn suggested theories that other countries were in need of “improvement” and used theories such as “modern liberation” as the basis for multiple wars waged since the 1930s. In the series of these conflicts, Japan attempted to prove that its ethics were universal and that of other Asian countries were particular. Japan also sought to “assist” these Asian countries from ridding themselves of Colonial rule, with the aim of forming the Greater East Asia Co-Prosperity Sphere. Japan viewed these conflicts waged as “Just Wars”. Japan assumed the role of the

58Wang Yuechuan, Faxian Dongfang. (Beijing Tushuguang Chubanshe December 2003)

59 The Doctrine of the Mean is a text rich with symbolism and guidance to perfecting oneself, equivalent in meaning to Socrates’ “not too excess”.

60 As legend had it, ‘know thyself’ γνώθι σεαυτόν (gnothi seauton) was one of the three phrases carved onto the Phoebus Apollo in Delphi. One of the other phrases was ‘nothing in excess’ μηδέν ἄγαν (meden agan). This embodies the meaning of Socrates’ Golden Mean. Socrates teaches that a man must know how to choose the mean and avoid the extremes on either side, as far as possible.

61In critical theory, a binary opposition (also binary system) is a pair of theoretical opposites. In structuralism, it is seen as a fundamental organizer of human philosophy, culture, and language.
reformer and the countries of Asia the recipients of their leadership. This way, Japan created a form of “Japanese Orientalism”—self-Orientalism—targeted at transforming other Asian countries to “the others”, and this theory originated from Western modernism.

Hence, Naoki Sakai pointed out that Japan ultimately lives in the shadow of the West. Criticizing the West should start from Japan (as mentioned above: “self-examination”, “self-awareness” and “knowing thyself”). Likewise, the critique of Japan necessarily entails the radical critique of the West. This is also the excuse why the Japanese civilization is still unable to face the realities of history today. For a long time Occidentalists have been “practicing” Orientalism, and been treating the development of Asia with a certain extent of gloat and viewed themselves with unexplainable feelings of hegemony, as if they have been ordained.

Let’s go back to the discussion of the integration of China and East Asia. Resistance to the integration of China and East Asian countries originated mainly from Western countries and in particular the USA. Relations between China and the West took a fundamental turn in the 19th century. Stemming from a certain level of mutual understanding, China and the West started to view the other with animosity and hate. During the first half of the 20th century, the West led by the USA adopted more

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sympathetic understanding towards China, but following the Chinese communist victory in 1949, confrontation between both countries escalated and continued till 1972 when the formal Sino-American diplomatic relationship was formed. Since 1989, “China threat” theories have been raised by Occidentalists to this day. The best way to exterminate all “China threat” theories according to C. Gred Bergsten is by deepening the world’s understanding of China. Nonetheless, the Chinese government is clearly concerned about trends in the region and the impact they are having on its soft power strategy around the world. To allow the world to understand China, the country would have to continue its “going out” (zou chuqu) policy. Attention has to be paid to “localization” —respect for local customs, safety standards, and labor, instead of “cultural hegemonism”. This is similar to Wang Yuechuan’s viewpoint of discovering the Oriental, and the subject of discovery should be the Chinese people.

16 Confucian Ethics and the Spirit of Capitalism

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64 USA sent the first American Volunteer Group air force army, Flying Tiger, commanded by Claire Lee Chennault to fight with Chinese against Japanese during the World War II.

65 Bergsten 214.

66 Bergsten 215.

67 Hegemony is the political, economic, ideological or cultural power exerted by a dominant group over other groups, regardless of the explicit consent of the latter. While initially referring to the political dominance of certain ancient Greek city-states over their neighbours, the term has come to be used in a variety of other contexts, in particular Marxist philosopher Antonio Gramsci’s theory of cultural hegemony.
It will aid in the study of the history of East Asian Culture and Economic Modernization to first understand the causal relationship of the rationality of the East Asian ethic and the spirit of capitalism. In the past, many Eastern and Western scholars have put forward two completely different views about the origin of capitalism in East Asia. There were those who agreed with Weber and those who did not. Those who objected to Weber mostly were Marxist followers. Karl Marx took the approach of analysis towards the most common commodity in a capitalist society, material goods, and suggested that through the process of production, surplus value would be derived from the act of labor of workers. Capitalists accumulate wealth from the exploitation of this surplus value derived from workers. After the European Industrial Revolution, production capabilities rose and resulted in the fast growth of capital which led to the emergence of a new bourgeoisie class. As the bourgeoisie class grew in influence, it eventually overthrew feudalism and established a capitalist society. Marxists came up with social-economics based on the contradictions between productivity and production relations and were of the opinion that Capitalism replaced Fuedalism.68 This approach differed from that of Weber’s spiritual analysis and was coined as the materialist approach. Robert Bellah, student of Talcott Parsons, saw that religious beliefs in the Tokugawa era displayed elements of rationalism similar to the capitalist spirit of Western Europe as described by Weber.69

68 Karl Max, Capital

Capitalism leads to world modernization. In view of the modernization of East Asian culture and economy, it is of interest to understand the spiritual drive of the relationship between East Asian culture and economy as well as the origin of East Asian capitalism. Let’s put aside Marxism for now. In a series of articles on religion and sociology, Weber studied the relationship between the origin of Western capitalism and Protestantism, and suggested that since the Protestant spirit was absent in non-Western countries like China and India, contemporary capitalism would not emerge. Weber intended to review and prove the uniqueness of the Western origin of capitalism genetically.\(^70\) Weber’s approach of analysis based on dependent origination and causal interpretation is a rational form of analysis.

Weber was of the opinion that, as compared to the West, China failed to develop capitalism despite various external conditions that favored the origin of capitalism. In this respect, China was no different from the West and the East during ancient times, or India or Islamic countries.\(^71\) However, it can be expected that the Chinese can learn well, perhaps better than the Japanese do, the capitalism that has received full development technically and economically in the realm of modern culture. It definitely was not an issue of the Chinese being incapable of achieving capitalism.\(^72\) In order to understand in more detail how capitalism achieved full development in East Asia including China, we first differentiate and compare capitalism during the early stage of birth and after its triumph, as well as its relationship with Protestant ethics, so as to obtain a clearer

\(^{70}\) Weber xxxix.

\(^{71}\) Weber 248

\(^{72}\) Weber 248.
analysis. Capitalism in its infancy did need the catalysis of Protestant ethics. However, “victorious capitalism, since it rests on mechanical foundations, needs its support no longer.”73 In other words, once the spirit of capitalism ignites the mechanical foundations, the machinery of the capitalist system will revolve itself. Protestant ethics and the social system are in actual fact two separate factors, one belongs to the realm of religion and the other belongs to the realm of socioeconomic systems. Protestant ethics and social system need an appropriate circumstance before they could effect the meaningful integration of capitalism. According to Marxism, the emergence of industrialization and a large group of capitalists also known as the bourgeoisie class, were the two main factors or circumstances. It was due to the force of Samagri, that these two factors, spiritual and material, were aggregated to push forth the start of world capitalism. After the spirit of capitalism ignited the machine, the spirit will wither and the capitalist machine will run by itself. Any non-West countries can handle this machine with different ethics.

This analysis enables us to recognize the possibility that Western religious culture and material capitalism can be mutually separated and analyzed. It provides a theoretical basis for us to explore the relationship between the origin and development of capitalism in East Asia. From the perspective of the theory of dependent origination, East Asia, in particular China did not possess the culture and other conditions of social structure to produce Western rationalism and capitalism. However, East Asia was able and likely to make successful replicas of the established system of capitalism. This was due to the

73 Weber 124.
characteristics of Confucian rationalism which meant rational adjustment to the world, hence possessed the ability to adopt Capitalism. ‘Rationalism’ was embodied in the spirit of both the Confucian and Puritan ethics. Confucian rationalism meant rational adjustment to the world; Puritan rationalism meant rational mastery of the world. Generally speaking, the range to which Weber’s statement mentioned above is applicable can be extended to countries and regions such as Japan, Korea, and Vietnam etc. with close ties to the Chinese civilization and all lie within the circle of countries with Confucian culture in their history.

When Japan and smaller East Asian countries were developing capitalism, they already had a template which they could model themselves after. At the same time, the initial motivations for these countries to develop capitalism came from the economic pressures of the Western world; hence these countries have established the necessary response strategies for survival. The main challenge for East Asian economic development was how to transfer, learn and absorb Western capitalism. As mentioned above, the birth of capitalism required the new Protestant ethics as a catalyst, but victorious capitalism, since it rests on mechanical foundations, needs Protestant ethics support no longer. Hence, by deduction, Weber did not deny the possibility of East Asia developing capitalism. The generation and development of East Asian capitalism is undoubtedly imported and introduced from external sources. It differs from Western society where capitalism was created through the transformation of spiritual aspects within the society. In other words, the cause of the occurrence of capitalism in the West

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74 Weber 124.
was due to the Protestant spirit, while in East Asia, Western capitalism become the cause of East Asian modernization. Without modernization of both the West and East Asia, the realization of globalization will be delayed.

**17 The Fate of Asian Ethics in the Development of Capitalist Societies**

Due to the lack of support and cooperation from the spirituality of the internal mechanisms of East Asian traditional societies, the contemporary transformation in East Asian societies displayed great political instability and uncertainty. With the lack of capitalism generated by the internal spirituality, the question of how to transfer and introduce Western capitalist political systems has ignited theoretical and practical conflicts in East Asian countries for more than a century. After several decades of rapid economic growth, East Asian capitalist countries and regions have internally nurtured a powerful and large middle class. Economically, East Asian countries have basically overcome the hurdles posed during the early stage of industrialization. Concurrent with the advanced development of industrialization, they were also evolving towards the post-industrialization era. The inhumane and extensive management methods of the early industrialization stage which depended on hard labor and large scale mobilization of social resources have become obsolete in the post-industrialization era, which is now characterized by a dependence on inspiration and innovation. The growth method for East Asia which depended on large investments, inclusive of labor and capital, as well as a
push from government, had come or was coming to an end.\textsuperscript{75} The Japanese economic recession since the 1990s coupled with corruption, extensive cronyism, and under the table dealings lacking transparency demonstrated in the 1997 East Asian financial crisis have naturally resulted in scholars raising statements similar to Krugman’s.

Moving into the 21\textsuperscript{st} century, the social functions for Confucian ethics did not remain rigid, but presented tremendous room for flexibility. Confucianism was the leading ideology in East Asian traditional societies for two thousand years. With the accelerating pace of modernization in various East Asian countries, Confucian ethics lost the support of traditional political and economic systems but begun to demonstrate effectiveness in the new framework of political and economic systems. Japanese capitalism was established at the end of the 19\textsuperscript{th} century and other East Asian countries followed suit. Especially after the Second World War where traditional political systems were abolished and political and national independence were achieved subsequently. Confucian ethics, which were stripped from the old systems, began to be developed by the machinery of modern nations into an important tool for achieving modernization. Values of Confucian ethics which include respect for authority, diligence and thriftiness etc. underwent an integration process with political, economic and other powerful social elements. Hence has enabled traditional culture to display increasing applicability in modern social systems.

Contemporary Japanese and emerging East Asian industrial societies together with East Asian traditional cultures (Confucianism inclusive) have been fully integrated

with capitalist political and economic systems, and have become organic components of the East Asian path of capitalist modernization. Transformed Confucianism was able to serve the authoritarian capitalist regime, and was also able to survive under communist ideology-based regimes like China and Vietnam. This shows that after experiencing early industrialization development and full contact with the modern democratic political system, Confucianism can still be integrated and grafted into different political systems. For China, in the 21st century, the development of a capitalist economic model was even more buoyant.

After experiencing more than two thousand years of growth and development phases closely related to traditional agricultural societies, Confucianism has achieved integration with industrialism and nationalism since the middle of the 19th century, forming what is known by some Eastern and Western scholars as Confucian capitalism. This was one of the first major transformations of the social function of Confucianism in history, which was a functional transformation from placing emphasis on agriculture and rejecting commerce to industrialization and adaptation towards a modern nation. This was an example of Confucian rationalism having the ability to adjust to the world. It transformed China from physiocracy to industrialization. However, as East Asian economies moved into a stable growth phase and gradually connected with the international economy, it was said that Confucian culture did not achieve integration with Western democratic political ideologies. Hence, elements of conflict, such as cronyism,

\[76\] Weber 248.

\[77\] Cronyism is partiality to long-standing friends, especially by appointing them to positions of authority, regardless of their qualifications. Hence, cronyism is contrary in practice and principle to meritocracy.
with the rules of the market economy surfaced. Therefore, after the July 1997 Asian financial crisis, more vocal criticisms of the East Asian economic system being built on backward values and systems began to appear. Accusations were dished out against undesirable Asian values such as bureaucracy and emphasis on the family unit. The interaction of these values was blamed for the formation of a corrupt structure and crony capitalism, which eventually led to the economic crisis.

When commenting on the East Asian financial crisis, many observers blamed crony capitalism, Paul Krugman being one of them. One of the causes of crises was due to the neoclassical economic basic assumption that man have unlimited desire. Such behavior appears absolutely irrational. Unfortunately, such irrational behavior was the exact spirit that ignited capitalism and was also one of the causes of crony capitalism.

Soon after the 1997 East Asian Financial Crisis, China’s rise led to the rebound of the East Asian economic development. More than a decade later, the 2008 financial crisis sparked by the collapse of a global housing bubble, caused the values of securities tied to real estate pricing to plummet. This led to damage of financial institutions globally. Once again, China’s rise led to rebound of the East economic development more rapidly. This has hence raised interests amongst scholars to find answers behind these occurrences. Many different answers were used to explain and describe these issues, and amongst them, the topic of “East Asian Awareness” was brought up.

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18 Core Ideology of East Asian Culture (*Samagri*)

Before we go further to expound the concept of “East Asian Awareness”, we would like to define the concept of East Asia. As a matter of fact, the concept of East Asia is not purely geographical, but is a structural ideology integrating politics, economics and culture. In particular, East Asia encompasses historical and spiritual aspects and develops dynamically, varying with changes in economics, politics and culture. The collective concept of East Asia includes the Confucius, Taoist, and Buddhist cultural regions in Northeast Asia and Southeast Asia. For the purpose of this paper’s discussion, other cultural values besides the abovementioned will not be within the exposition.

Since East Asia is dynamic in terms of its policies and the structure of its economics, politics and culture, not only should we focus on the correlation between Confucian ethics and economic growth, but also on cultural elements of other religious and non-religious ethics, folk beliefs and values. After the 1997 Asian financial crisis, Confucian capitalism suffered criticisms. However, the Asian economic growth was revived and catalyzed by the rapid development of China. Coupled with the growing strength of economic elements is the growth of the regions’ corresponding culture. Huntington made such a description in *The Clash of Civilizations*. 
A universal civilization requires universal power. (…) The growing power of non-Western societies produced by modernization is generating the revival of non-Western cultures throughout the world.  

Due to such growth in economic strength and culture, increasing focus was placed on other cultural values in Asia. Particular attention has been paid to how Buddhism, which can be found in all parts of East Asia, impacts the economic growth of East Asia.

Entering the twenty first century, especially during this period when the U.S is facing the Subprime Financial Crisis, scholars and politicians have all hoped to provide a new route of transformation for the people, expecting great new revolutions. Scholars have been casting focus on civilizations outside of Confucian societies, once again allowing mankind to look back on history. Amidst the process of looking back in time, focus has been placed on Sakyamuni (also known as Siddartha Gautama), hoping that his wisdom could perhaps reignite the spark. An important event took place in Singapore on April eleventh 2006 in the form of the International Symposium on Nalanda: Buddhist Cultural Links between Southern and Eastern Asia. The Symposium was jointly organized by the East Asia Institute, Institute of Southeast Asian Studies, Institute of South Asian Studies and the National University of Singapore Faculty of Arts and Social Sciences, and supported by the Singapore Buddhist Federation and its affiliates, and the Ministry of Foreign Affairs, Singapore.

Singapore’s Minister for Foreign Affairs, Mr. George Yeo, a very devoted Roman Catholic, gave a speech titled *The Asian Renaissance* which reiterated the importance of the role of Buddhism, this ancient traditional ideology, in modern world.

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80 Huntington 91-92.
This is not a symposium about the Buddhist religion as such, but about Buddhist values and philosophy which have become an integral part of East Asian civilization. Whether consciously or not, Buddhist values and philosophy influence the daily actions of hundreds of millions of East Asians, helping to shape a persistent pattern of social interactions which makes East Asia an identifiable civilizational area. Yeo says.

The keynote address of the Symposium was delivered by the President of India, His Excellency Dr A.P.J. Abdul Kalam, via live videocast. He is a Muslim nuclear scientist and a great humanist. Underscoring the Indian government’s commitment to the development of enlightened citizens, President Kalam outlined the idea of a project that would draw inspiration from the historical traditions of Nalanda, Bodhgaya and other Buddhist sites, so as to create a new framework, in the modern context, to generate, share and disseminate knowledge and skills to bring about this enlightenment among citizens, not just in India but also the wider region. This would serve to underpin long-term peace in the region and world. The participants noted that as Asia re-emerged on the world stage, many would be interested in its civilizational origins. The new dynamism in Southern and Eastern Asia augured an Asian renaissance in cultural understanding and exchanges throughout the region. The participants agreed that the recovery and celebration of the religious heritage and historical linkages are an important part of the Asian renaissance.

More than two hundred scholars and politicians from all over the world participated in the symposium. These are the people, institutes and countries which are

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82 Among them, from host country Singapore, there were: Professor Gungwu Wang, Director, East Asian Institute, National University of Singapore, Professor Mohan Rao, Director, Institute of South Asian Studies, National University of Singapore and Venerable Seck Kwan Phing, Secretary-General cum
advocating Buddhism which encompasses Samagri. In his paper Our Global Civilization the Nobel Economic Prize winner Professor Amartya Sen concluded that: “Since China has been such a major contributor to world civilization, I thought I should (...) discuss the importance of global understanding of civilizations in which Chinese intellectuals can play a leading part.” In April 2006, China held the “First World Buddhist Forum” and following that, in March, 2009, held the “Second World Buddhist Forum” in Wuxi and Taipei. On December 10 of 2008, the National University of Singapore established the Asian Centre for Buddhist Studies in hope of congregating experts and scholars from all over the world for the research of the great thoughts of these great thinkers. These sequences of events represent the increasing importance place on this major contributor to world civilization.

Weber, at the start of his work The Protestant Ethic and The Spirit of Capitalism, said: “A product of modern European civilization, studying any problem of universal history, is bound to ask himself to what combination of circumstances the fact should be attributed that in Western civilization, and in Western civilization only, cultural phenomena have appeared which (as we like to think) lie in a line of development having universal significance and value.” For the past thirty years, the growing power of East

Chairman, Cultural Committee, and Singapore Buddhist Federation. Foreign participants included: Professor Sugata Bose, Gardiner Professor of History Department of History, Harvard University, Professor Yoneo Isii, President, National Institute for the Humanities, Japan, Professor Stanley Tambiah, Professor of Anthropology Faculty of Arts and Sciences Harvard University.


84 Weber xxxix.
Asian societies is generating the revival of East Asian cultures through the word. We are also bound to ask, to what combination of circumstances the fact should be attributed that in East Asian civilization. In fact, the word “combination” mentioned by Weber is the answer.

It is hence my first concern to work out and to explain genetically the special peculiarity of Oriental rationalism, and within this field that of the modern Oriental form. *Samagri* expresses the uniqueness of East Asian rationality from the approach of dependent origination. This “combination” mentioned by Weber is in reality at the core ideology of East Asian culture, *Samagri*, which originated from Buddhist philosophy.

19 The Ideology of *Samagri* and the Three Religious Philosophies of East Asia

Three great value systems undergird East Asian civilizations—Confucianism, Taoism and Mahayana Buddhism. Confucius and Lao Zi were contemporaries of Buddha. Both Confucianism and Taoism were adopted very early on by Korea and the Taoist *Yin Yang* symbol is at the centre of the South Korean state flag. During the Nara and Heian Periods, Confucianism from China took hold in Japan and its influence is still evident in Japanese society today.

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85 The Doctrine of Prajñāparamitā (Chinese: 緣起), also translated as "conditioned genesis".

86 From 710 to 784 the capital was at Nara. After a short stay in the suburbs, the capital was moved, in 794 A.D., to Heiankyo (a.k.a. Kyoto) which was to remain the imperial city until 1868. The Heian Period didn't
Mahayana Buddhism reached China about 2000 years ago, but did not become widespread until it was thoroughly Sinicized\textsuperscript{87}, a process which took centuries. Buddhism had to first become Chinese in its expressions, invocations and iconography. Different Buddhist sects spread from China to Korea and Japan with relative ease. Chan Buddhism and Taoism melded in China, and this evolved form of Chan was popularized in Japan, giving Zen Buddhism its present character. By deduction, Taoism reached Japan through Chan Buddhism. In the course of their dissemination and development in East Asian societies, Confucianism, Buddhism and Taoism ultimately have come into integration (\textit{Samagri}) after collisions and assimilations. The ideology of \textit{Samagri} not only forms the main value of these three East Asian religions, but also played a fundamental role in their social and economic development. As a result, the ideology of \textit{Samagri} has become a primary methodology for studying the essence and social and economic developmental trends of these three East Asian religions.

Chinese ideologies originate from the search and understanding of the universe and nature. The ideology of \textit{Samagri} is a common occurrence in the universe and nature; all occurrences and ideologies encompass and are nurtured by integration (\textit{Samagri}). All things, from those as mighty as the universe, space and to the smallest of beings such as plants and particles, have been through the process of conflict and integration, creating an end result of integration (\textit{Samagri}). Everything in the universe changes according to a

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\textsuperscript{87}Erik Zurcher, \textit{The Buddhist conquest of China: the spread and adaptation of Buddhism in early medieval China} (Leiden: Brill, 2007)
particular order, and in turn creates its original character, nature, fate and position in the world. Every object not only experiences constant development and variation, but also integrates (Samagri) internally and externally. The process of integration (Samagri) is ubiquitous and omnipresent; all integrations and conflicts exist in the form of Samagri. The ideology of Samagri is a type of principle of values, and the relationship between this principle and the three religions prevalent in East Asia can be regarded as a sort of cultural law. This principle can be divided into two levels: first, the pragmatic level, which includes equality, justice and rationality; and second, the transcendent level, including truth, goodness, and beauty. It constitutes the main body of East Asian culture as well as its cultural spirit and the standards of values.

19.1 The Ideology of Samagri in Buddhism

To gain a deeper understanding to Samagri which was touched on earlier in Chapter 1, there is a need to first understand Buddhism. The central philosophy of Buddhism does not rely on ontological or metaphysical speculation. Buddhism does

88 Ontology is the philosophical study of the nature of being, existence or reality in general, as well as the basic categories of being and their relations.

89 Metaphysics is a branch of philosophy that investigates principles of reality transcending those of any particular science.

not favor speculative and religious thought in general. One of the core ideologies of Buddhism is that the world must be thought of in procedural terms, not in terms of specific things or substances, and that the world is made up of dependently originated phenomena. Samagri is derived from the Doctrine of Pratītyasamutpāda (Sanskrit), also known as 缘起论 yuanqi lun in Chinese, which is a cardinal doctrine within Buddhist philosophy. The Doctrine of Pratītyasamutpāda has been referred to as "dependent origination", "conditioned genesis", "dependent co-arising", "interdependent arising", or "contingency". Adequately defined by Frank J. Hoffman, he said "suffice it to emphasize that the doctrine of dependent origination is not a metaphysical doctrine, in the sense that it does not affirm or deny some super-sensible entities or realities; rather, it is a proposition arrived at through an examination and analysis of the world of phenomena ...

Phenomena arise together in a mutually interdependent web of cause and effect. Dependent origination means that any phenomenon exists only because of the existence of other phenomena in an incredibly complex web of cause and effect covering time past, time present and time future. Ken H. Jones was of the opinion that the concept of this

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92 Kalupahana 26.


94 Frank J. Hoffman and Deegalle Mahinda, Pāli Buddhism (Routledge, 1996) 177.
web was symbolized by Indra’s net\textsuperscript{95}, a multidimensional spider's web on which lies an infinite amount of dew drops or jewels, and in these are reflected the reflections of all the other drops of dew to infinity.\textsuperscript{96} To put it in another way, it means that everything depends on everything else. It can be interpreted as a human being's existence at any point in time to be dependent on the condition of every other matter in the world. Similarly, everything matter in the world depends on the condition of that human being’s existence. Everything in the whole world can be understood as being interconnected through the web of cause and effect and being interdependent on each other though they may seem to be entirely unrelated.

Because all things are thus conditioned and transient, they have no real independent identity and thus do not truly exist, though to ordinary minds this appears to be the case. All phenomena are therefore fundamentally insubstantial and empty. A general formulation of this concept, found in over a dozen canonical discourses, is:

When this is, that is.
From the arising of this comes the arising of that.
When this isn't, that isn't.
From the cessation of this comes the cessation of that.\textsuperscript{97}

\textsuperscript{95}Indra's net (also called Indra's jewels or Indra's pearls) is a metaphor used to illustrate the concepts of emptiness, dependent origination, and interpenetration in Buddhist philosophy. The metaphor of Indra's net was developed by the Mahayana Buddhist school in the 3rd century scriptures of the Avatamsaka Sutra, and later by the Chinese Huayan school between the 6th and 8th century.


\textsuperscript{97}Tang Xuanzang 唐玄奘. Yuanqi jing 缘起经, trans.
The ideology of *Samagri* can be interpreted as the Buddhist Law of Causality, which expresses many phases of cause and effect as well as the interdependency and universal connection among things. Hence, it produces everything in the world. *Samagri* (Law of Causality) explains that all matter and all occurrences in the world exist because of interactions and mutual dependence; they come into being due to integration (*Samagri*) while playing interchangeable roles of causes and conditions.\(^{98}\)

The Law of Causality can also be found in Western philosophies. Imanuel Kant (1724-1804) and Arthur Schopenhauer (1788-1860) were both proponents of causality. The latter was greatly influenced by Kant. Schopenhauer’s work, *On the Fourfold Root of the Principle of Sufficient Reason*, was centred on his idea that “the world is my representation.” He explained that anything that occurs is in relation to a subject of knowing. Also, in any form of existence, there exists a question of ‘why?’ to be addressed. In one of the four classes of explanations (Becoming), he expounds the Law of Causality: Only with the combination of time and space does perceptual actuality become possible for a subject, allowing for ideas of perception, and this provides the ground of becoming to judgments.\(^{99}\) Many Europeans in the 1830s and 1840s found correspondence between Schopenhauerian thought and the Four Noble Truths of Buddhism.\(^{100}\)

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\(^{98}\) Zhang Liwen 张立文, “Hehe xue gailun 和合学概论” 21 shiji wenhua zhanlue de gouxiang 21 世纪文化战略的构想 First Volume 499, 504.

\(^{99}\) “On the Fourfold Root of the Principle of Sufficient Reason” was originally published as a doctoral dissertation in 1813. The German philosopher Arthur Schopenhauer revised this important work and republished it in 1847. According to Schopenhauer’s *On the Fourfold Root of the Principle of Sufficient Reason*, there are four distinct forms, becoming/knowing/being/acting, of the principle. Throughout all Schopenhauer’s later works he consistently refers his readers to this short treatise as the necessary beginning point for a full understanding of his entire system.

\(^{100}\) Peter Abelson, “Schopenhauer and Buddhism”, *Philosophy East and West* Volume 43, Number 2, April 1993 255-278.
Similarities centered on the principles that life involves suffering, that suffering is caused by desire, and that the extinction of desire leads to salvation—fully representing the Law of Causality. As put forth by Christopher Janaway, three of the four "truths of the Buddha" correspond to Schopenhauer's doctrine of the will.\textsuperscript{101}

Buddhist philosophy is based on rationalism and as Friedrich Max Müller has expounded it:

(1) For example, “right view” (Sanskrit: Samma Ditti) is the first of the Noble Eightfold Path.\textsuperscript{102} It means having a right view of the world. Samma Ditti is to know reality rightly, free from superstition, ignorance, illusions, etc. It is to know truth as truth and untruth as untruth, to know the world as it is and not as it appears to our eyes. It is opposed to is opposed to nescience; hence, it supports right understanding of the world based on scientific method.

(2) According to the Buddha there are three characteristics of existence (tilakkanā), namely, impermanence (Sanskrit: anicca; Chinese: Wuchang 无常), suffering (Sanskrit: dukkha; Chinese: ku 苦) and no-self (Sanskrit: anattā; Chinese: kong 空) and that by observing them, suffering is brought to an end (Sanskrit: dukkha nirodha; Chinese: Kumie 苦灭). He taught that all things conditioned by causes are impermanent and suffering while he said no-self characterizes all dharma meaning there is no self, soul or permanent entity in the conditioned as well as the unconditioned (i.e. Nibbāna).\textsuperscript{103}

To further elaborate on rationalism in Buddhist philosophy, it strongly believes in impermanence. Impermanence refers to the fact that all conditioned things are in a constant state of flux which would naturally result in “crisis awareness”. In reality, there


\textsuperscript{102}The Noble Eightfold Path is one of the principal teachings of the Buddha, who described it as the way leading to the cessation of suffering (dukkha) and the achievement of self-awakening.

\textsuperscript{103}Fridrich Max Müller, \textit{Three Lectures on the Science of Language, etc., with a Supplement, My Predecessors}, (Chicago, 1899) 5.
is nothing that ultimately stops to exist; only the surface stops to exist as it changes from one form to another. For example, a leaf drops to the ground and decomposes. While the leaf’s form ceases to exist in the world, its components contribute to the formation of other new plants. Buddhism propagates the Middle Path or Middle Way, avoiding the extreme views of eternalism and nihilism.

19.2 The Ideology of **Samagri** in Taoism

According to Taoist philosophy thought, all matter is generated by the integration (**Samagri**) of three major elements: *Yin*, *Yang*, and *道 Dao*. Lao Zi said, "道 Dao is the Mother of the Whole. The Whole splits into Yin and Yang. From these two comes three; from three comes all life."¹⁰⁴ "Yin is form, the container. Yang is essence, the contained. One Yin and one Yang make up Dao."¹⁰⁵ *Dao* contains *Yin* and *Yang* and is the basis of the creation of all matter. This is similar to dependent origination, where *Yin* and *Yang* are the determining conditions in the process of the integration.

The concept of *Yin Yang* often referred to in the west as *Yin and Yang* is used to explain how clearly disconnected and opposing elements are interdependent and interconnected in the world which in turn gives rise to the each other’s existence. The philosophy resides in the heart of many schools of thoughts in Chinese philosophy.

¹⁰⁴ Daode jing 道德经.

¹⁰⁵ Daode jing 道德经.
Many natural dualities for example, dark and light, female and male, low and high, cold and hot, are viewed in Chinese thought as manifestations of *Yin and Yang*. *Yin Yang* is complementary opposites within a greater whole. Everything has both *Yin* and *Yang* aspects.

*Yin and Yang* are thought to arise together from an initial quiescence or emptiness (无极 wují often symbolized by an empty circle), equivalent to Buddhist philosophy’s “no-self”, and continue moving in tandem until quiescence is reached again. For instance, dropping a stone in a calm pool of water will simultaneously raise waves and lower troughs between them. This alternation of high and low points in the water will radiate outward until the movement dissipates and the pool is calm once more. *Yin Yang*, thus, always has the following characteristics:

1. *Yin Yang* are opposing

2. *Yin Yang* are rooted together

3. *Yin Yang* transform each other

4. *Yin Yang* are balanced

*Yin Yang* is a dynamic equilibrium. Because they arise together, they are always equal: if one disappears, the other must disappear as well, leaving emptiness. However, this is rarely immediately apparent, because *Yang* elements are clear and obvious, while *Yin* elements are hidden and subtle. *Yin Yang* constantly interacts, never existing in

106 Wuji 无极 – “No ultimate”, a concept in Chinese philosophy and Taoism, as opposed to Taji 太极 – “Great ultimate”.


absolute stasis. *Yin Yang* is not an actual substance or force, the way it might be conceived in western terms. Instead, it is a universal way of describing the interactions and interrelations of natural forces that occur in the world. It applies as well to social constructions such as value judgments (good and evil, rich and poor, honor and dishonor, etc.), yet it is often used in those contexts as a warning, since by its principles extreme good will turn to evil, extreme wealth to poverty, extreme honor to dishonor. The concept of "unity in duality" arises in many faiths and philosophies, from the philosophy of Heraclitus, to the non-dualistic philosophies of Hinduism, Sikhism, Taoism, and Buddhism, to Gnosticism, Zoroastrianism and New Thought. *Yin Yang* is unique, however, both in its dynamic nature and its broad application to the natural world.\textsuperscript{107}

It is impossible to talk about *Yin* or *Yang* without some reference to the opposite, since they are complementary opposites within a while. For example, generations of mankind exists only due to the existence of both men and women. Existence of just any single gender would cause the cessation of mankind. The interaction and integration (*Samagri*) of the two gives birth to all things. Ideologies of Taoism can be seen as rational and encompasses the ideology of *Samagri*.

19.3 The Ideology of *Samagri* in Confucianism

Confucianism states that when “equilibrium and harmony are realized to the highest degree, heaven and earth will attain their proper order and all things will

\textsuperscript{107} Enrique Ruiz, Discriminate or Diversify (Positivepsyche.biz Corp, Mar 2009) 348-351.
flourish.” It is clear that the ideologies of Confucianism embody the concept of integration (Samagrī): “equilibrium and harmony” are necessary for the realization of “proper order” and for “all things to flourish”. Compared with Taoism and Buddhism, Confucianism is a religion focused on positively living a secular life. Secularism is the political expression of Rationalism. Its primary concern has been to assist in the coordination and integration (Samagrī) of society and nature. Weber concluded it as: “Confucius rationalism meant rational adjustment to the world.”

Confucianism’s unique ethos is 内圣外王 neisheng waiwang, which means possessing inner sage so as to rule the outer world. It is reflected on its focus on cultivating inner virtues similar to that of a sage 内圣 Neisheng—a form of kindness and beauty belonging to traditional ethics of value-rationality; and to cultivate external merits similar to a king, 外王 waiwang—responsibility ethics of instrumental rationality. However, there needs to be an instrument to transform traditional ethics into responsibility ethics in order for inner virtues to be transformed to external merits. To do so, one needs to cultivate one to possess inner sage on the basis of neisheng and by using practice as mechanism to attain the goal of waiwang and rule the world. Practice is

108 Zhong yong 中庸.
109 Weber 248.
110 Value rationality: Rational action (or value-rational action) is a social action which is taken because it leads to a valued goal, but with no thought of its consequences and often without consideration of the appropriateness of the means chosen to achieve it (‘the end sanctifies the means’).
111 In social and critical theory, instrumental rationality is often seen as a specific form of rationality focusing on the most efficient or cost-effective means to achieve a specific end, but not in itself reflecting on the value of that end. Thus, to the extent that rationality is concerned with critically evaluating actions, instrumental rationality tends to focus on the 'hows' of an action, rather than its 'whys'.
the sole criterion for testing truth. Hence, when those who possess inner sage aim to rule the outer world will use the strength from one’s morals to avoid creating “the other” and prevent the situation of taking the path of hegemonism. This was the exact opinion of Wang Yuechuan, professor from Peking University, who was of the view that during the study of Orientalism, the subject during the discovery of the East should be oneself. This was a clear representation of Confucianism’s unique ethos, neisheng waiwang and in turn the basis of the Chinese ideology of attaining a harmonious world which also is the ideology of Samagri.

If this transformation does not take place, progress will stagnate at the stage of a traditional society. This might be one of the reasons why the capitalism could not be initiated in China in the first place. It was because China implemented reformation and its “going out” policy\textsuperscript{112} as well as accepted the mechanisms of capitalism thirty years ago to spur economic growth did it bring about such exceptional results today. In 1978 when China took the shape of a socialist market economy,\textsuperscript{113} it was exactly the cultivation of “inner virtues and external merits” that prevented China from treating neighboring countries as “the others.” This cultivation also prevented China from following the footsteps of Japan, which not only self-Orientalized, but ultimately headed for militarism after the Meiji Period (1868-1912). To quote Mao Zedong, “never seek hegemony”\textsuperscript{114}

\textsuperscript{112}Bergsten 215.

\textsuperscript{113}The socialist market economy is a concept first proposed by Deng Xiaoping in order to incorporate the market into the then planned economy in the People's Republic of China.

was and is the strategic foreign policy of China,\textsuperscript{115} which is the consequence of Confucianism’s unique Samagari ethos.

In the course of dissemination and development in the East Asian societies, Confucianism, Buddhism and Taoism ultimately have come into assimilation after collisions. The ideology of \textit{Samagri} not only forms the main value of these three East Asian religious philosophies but also play a fundamental role in their development. As a result, the ideology of \textit{Samagri} has become a methodology for studying the essence and developmental trends of these three East Asian religious philosophies.

### 20 \textit{Samagri}—an East Asian Way of Thinking

The main ideology (\textit{Samagri}) within Confucianism, Buddhism and Taoism, the three main ideologies of East Asia, is significantly different from creation myths of Christianity and Judaism. The most sacred and religious texts of Christianity and Judaism were derived from the Book of Genesis of the Hebrew Bible.\textsuperscript{116} Creationism is their widely accepted ideology, and people are of the view that all is of God’s creation.\textsuperscript{117} In


\textsuperscript{116}The Book of Genesis (Greek: Γένεσις, "birth", "origin") is the first book of the Hebrew Bible. The narrative runs from the creation of the world to the descent of the children of Israel into Egypt and culminates with the death of Joseph, and it contains some of the best-known biblical stories, including Adam and Eve, Cain and Abel, Noah’s Ark, the Tower of Babel, and the patriarchs of the Jewish people.

\textsuperscript{117}Chapter 1 of the Bible describes God’s creation of the world by divine speech, culmination the sanctification of the seventh day as the Biblical Sabbath, the divinely-ordained day of rest. Man and woman
China, there are also the creation myths of Pan Gu, who separated the sky from the earth, and Nu Wa, who created mankind. However, the Chinese people do not regard the couple as God (single ultimate being), but simply as one of the many immortals in the realm of heaven. The Chinese thinking is characterized by dependent origination or the ideology of *Samagri*, believing that any phenomenon exists only because of the existence of the other phenomena in a complex web of cause and effect covering time past, present and future. Because all things are thus conditioned and transient or impermanent, they have no real independent identity. In other words, all matter, inclusive of substances and stream of consciousness, on earth are generated due to endless process of integration (*Samagri*). There does not exist an ultimate being or spirit.

The West advocates creationism while people in East Asia, for instance in China, are of the common view that denies the existence of God or Genesis. Confucius said: "Heaven does not speak; yet the four seasons run their course thereby, the hundred creatures, each after its kind, are born thereby. Heaven does no speaking!" Confucius believed that heaven said nothing, nor did it want to control anything. He also believed that it is a natural occurrence that four seasons evolve and a hundred things grow.

*Dao contains Yin and Yang* and is the prerequisite condition of the creation of all matter. That is to say, Chinese has its unique way of thinking and its concepts are created to be God’s regents over this new creation. Chapter 2 recounts God’s planting a garden in which he places the first man, and from whose rib (or side) he fashions the first woman.

different from those of the creationism. This is a belief that all matter is created through integration (Samagri) of various differing elements which is quite different from the Western belief of a single absolute being, God, who created the world.\textsuperscript{119} We can draw parallels to the position China has taken towards its role in Asia: “never seek hegemony.” Understanding that all matters exist and morph due to Samagri, the Chinese believe that there no single absolute being exists for eternity, therefore will not seek to play the role of one.

The unique way of thinking/ethos, or we could term it “East Asian Awareness” is a kind of awareness inherent in the East Asian Region dominated by China, Japan and Korea. It is also a form of cultural awareness. “One of the great advances in modern cultural theory is the realization, almost universally acknowledged, that cultures are hybrid and heterogeneous and, that cultures and civilizations are so interrelated and interdependent as to beggar any unitary or simply delineated description of their individuality.”\textsuperscript{120} Therefore we can deduce that “East Asian Awareness” did not come into being naturally, and its awakening is also not a natural process. “East Asian Awareness” was not ordained by Heaven or God, “East Asian Awareness” was the result of the integration (Samagri) of thoughts. It was a stream of consciousness towards East Asian history, culture and realities which was influenced by ever-changing development in contemporary materiality and technology. \textsuperscript{121}

\textsuperscript{119} Zhang 73-74.

\textsuperscript{120} Edward Said, Orientalism, (London: Penguin, 2003), 347

\textsuperscript{121} Lu 197.
The East Asian Cultural Community developed centered on the Chinese Civilization. The long-standing Chinese civilization has not only been nourishing Chinese people, but also enshrouded neighboring countries. People from the Korean Peninsula and the Japanese Archipelago, when accepting Chinese culture, made modifications according to their traditions and their understanding of Chinese culture, resulting in cultures and civilizations with characteristics of their ethnicities and regions. One of the great advances in modern cultural theory was the realization, that cultures are hybrid and heterogeneous and, that cultures and civilizations are so interrelated and interdependent as to beggar any unitary or simply delineated description of the individuality. 122

Without doubt, Confucianism, Buddhism and Taoism form the gel that link the East Asian Community together, and their in-depth connotations represent the unique ethos of “East Asian Awareness”. Such ethos is closely related to national religious philosophy, inclinations of values, modes of thinking and behaviors of East Asia. Though various nations reflect different characteristics, such ethos undoubtedly exists in the hearts of each East Asian nation. It forms the inseparable, not to be transferred and not to be replicated “tacit knowledge” 123 which is integrated with the history, psychological feelings and life experiences of East Asia.

122 Said 347.

123 Michael Polanyi’s Theory of Tacit Knowledge. Tacit knowledge, as opposed to formal or explicit knowledge, is knowledge that is difficult to transfer to another person by means of writing it down or verbalizing it.
Chapter 5
Reclaiming Centrality

21 “East Asian Awareness”

Since the second half of the 19th century, both the Near East and the Far East have been incorporated into the Western sphere of influence, and started their irreversible processes of Westernization and modernization. Ancient Eastern civilizations (the Middle East and East Asia) were both faced with the same challenge of Western cultural hegemony, as well as the crisis of preserving and continuing traditional culture. Many of the same factors Edward Said described as effecting the Middle East were also present in East Asia, such as the attraction by young people to American popular culture, secularization and materialism, the boom of young students studying aboard in Western countries, and intellectuals acting as compradors for Western colonial powers. Therefore, this led to self-Orientalism, in which local intellectuals in the East viewed their own native cultures from the Western Orientalist points of view, deeply lacking introspection or the ability to reflect on oneself. The 20th century was an era when Western-centric theory prevailed. The relationship between Occident and Orient was a relationship of
power, of nomination, of varying degrees of a complex hegemony.\textsuperscript{124} The form of this cultural leadership was what Gramsci identified as cultural \textit{hegemony}.\textsuperscript{125-126}

By using a set of complex language and rhetorical strategies, cultural hegemony sets up a series of binary oppositions\textsuperscript{127}, such as civilized versus uncivilized, rational versus irrational, advanced versus backwards and science versus superstition to describe the world. Just as Said said, the East is irrational, fallen, childish and ‘different’, while the West is rational, moral, mature and ‘normal’, and the West uses this dominating stance to contain and reproduce the East.\textsuperscript{128} Through above mentioned methods of a series of binary oppositions like this, the process of the world integration seems like a history comprising of conflicts between the “civilized” and “uncivilized,” and the narrator of this history belongs to the supposed “civilized” party. The most representative country, the U.S took on the role of the “civilized” party. After the Second World War, USA used uncivilized militarism to export self-proclaimed “universal values which led to clash of the civilizations. Consequence of such behavior could be seen in the wars still happening in Iraq and Afghanistan.

\textsuperscript{124}Said 5.

\textsuperscript{125}Gramsci has made the useful analytic distinction between civil and political society in which the former is made up of voluntary (or at least rational and non-coercive) affiliations like schools, families, and unions, the latter of state institutions (the army, the police, the central bureaucracy) whose role in the polity is direct domination. Culture, of course, is to be found operating within civil society, where the influence of ideas, of institutions, and of other persons works not through domination but by what he calls consent. In any society not totalitarian, then, certain cultural forms predominate over others, just as certain ideas are more influential than others; the form of this cultural leadership is what Gramsci has identified as hegemony, an indispensable concept for any understanding of cultural life in the industrial West

\textsuperscript{126}Said 11.

\textsuperscript{127}In critical theory, binary opposition is a pair of theoretical opposites.

\textsuperscript{128}Said 11.
However, since the 1950s, the colonial system began to disintegrate. After globalization, the countries of East Asia entered the post-colonial stage. That is to say, previously colonized non-Western countries gradually became independent and underwent development. Non-Western countries began to realize that there were many other paths to development in addition to imitating the West. That meant the Western-centric theory with strong and imperious characteristics of European colonialism was negatively impacted and deconstructed. Therefore, people began to explore the development mode of East Asia and “East Asian Awareness” was henceforth awakened. “East Asian Awareness” was the spiritual power behind the East Asian renaissance. Therefore, the 20th century was an era when the Western-centric theory was deconstructed\textsuperscript{129} and when “East Asian Renaissance” began.

In order to prevent hegemonism, Asia must transmit to the rest of the world those Asian values that are of universal worth. The transmission of this ideal means the export of the social system of Asia. Samuel Huntington suggested that it is necessary for Japan and other Asian countries to promote “pacific globalism,” to “globalize Asia,” and hence to decisively shape the character of the new world order.\textsuperscript{130} The proposition of “East Asian Awareness,” does not only refute Western-centric theory and Japan’s form of self-Orientalism. Self-Orientalism and Orientalism are in fact similar. Because, both approaches treat “the others” with particularism and look upon themselves as universal. Emphasis is still placed on the domination of one culture over another, refuting the

\textsuperscript{129} Lu 197-198.

\textsuperscript{130} Huntington 41
diversity of people and cultures. Both self-Orientalism and Orientalism would definitely lead to a new form of “cultural hegemony.”

The prerequisite of “East Asian Awareness,” or in other words the prerequisite condition for the deconstruction of Western-centric and Eastern-centric (self-Orientalism) theories, is to stress on the diversity of people and culture and acknowledge the harmonious development of various matters in this world. Thereby, “East Asian Awareness” essentially is a form of diverse and multi-faceted awareness that is in constant development through the integration (Samagri) of various different economic and cultural aspects.

22 Reclaiming Centrality through the “East Asian Awareness”

The East Asian “crisis awareness” was derived from the ideology of Samagri which was derived from the Doctrine of Dependent Origination and reinforced by the realities of East Asia economic and cultural change and development over the last century. These realities include the adaptation of capitalism and the integration and regionalization of the Asia/East Asia. Other examples include the financial crises in 1997 and 2008. These realities are manifestations of the Doctrine of Dependent Origination and Law of Causality. For example, the 1997 Asian financial crisis started in Thailand

\[131\] Said 11

\[132\] Lu 198.
with the financial collapse of the Thai baht caused both internal and external factors such as foreign debt and decision of the Thai government to float the baht. The crisis then spread to the rest of Asia.\textsuperscript{133} The financial crisis in 2008 was linked to reckless and unsustainable lending practices resulting from the deregulation and securitization of real estate mortgages in the USA.\textsuperscript{134} The situation was then exacerbated by the collapse of major financial institutions and factors such as sharp increase in oil and food prices. The crisis then spread towards the East and impacted Asia subsequently. East Asians are fully aware from the above experiences throughout history that all things are impermanent, hence there would be a need to be prepared, resulting in “crisis awareness”.

“East Asia Awareness” involves a sense of responsibility and “crisis awareness.” That is to say, it is a sense of responsibility and “crisis awareness” for the country and the people of East Asia. This sense of responsibility and “crisis awareness” allow people to realize that their fate and responsibilities are connected to the prosperity and future growth of their country, so that they can actively overcome and resolve issues.

Representations of “crisis awareness” in East Asian societies can be seen in the way in which the Koreans overcame crises. Once the Korean population was aware of the crisis, all preparations were made to reduce spending. Du Wei-Ming, Professor at the Harvard University, having witnessed the “crisis awareness” the Koreans possessed, expressed that, in the face of a crisis, the entire nation demonstrated unity, right down to


the average housewives who were able to collectively donate USD20mil worth of gold. Though it might seem like a small amount relative to the scale of the crisis, the spirit involved was admirable. Such methods and attitudes were representations of unique Asian models.  

Conversely, casting aside diligence and personal financial prudence, key concepts of “crisis awareness,” are main causes of a crisis. As pointed out by the Former Managing Director of IMF, Michel Camdessus, the past success of Asia was not dependent on monopolies and corruption, but built on diligence, personal financial prudence and large investments in education. One of the reasons the financial crisis occurred was because some East Asian countries were overwhelmed by the success of the “East Asian Miracle” and indulged in overspending, ignoring possible pitfalls and problems. They were unaware that “all things are conditioned and transient and impermanent.” Miracles are not sustainable, and overspending will eventually lead to a financial crisis. The most recent financial crisis in Dubai was another example: dumping large amounts of money towards monstrous developments.

On 12 October 1997, during the financial crisis, the Washington Post commented that traditional Asian values included personal financial prudence, diligence, thriftiness, placing importance on savings and the family. However, since the early 90s, Asia underwent major changes; urban dwellers in South East Asia started spending on a rampage, resulting in the 1997 financial crisis. Today, twelve years after the 1997 crisis, 

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135Du Wei-Ming 杜维明, Shinian jiyuan dai ruxue: dongya jiazhi zai pingjia 十年机缘待儒学：东亚价值再评价 (Hong Kong: Oxford University Press, China, 1999) 88.
after Obama visited China, Bill Powell of Time Magazine published an article on 12 November 2009, emphasizing “Five Things the U.S. Can Learn from China.” One of the points was “Save More.” “President Obama will no doubt make the point publicly when he gets to Beijing: the Chinese need to spend more; they need to consume more; they need — believe it or not — to become more like Americans, for the sake of the global economy. And it's all true. But the other side of that equation is that the USA needs to save more.” As demonstrated by the above differing opinions towards whether the USA should save more or China should spend more, rationalism is subjective. To save more, appears absolutely irrational to Obama. From Obama’s viewpoint, man is dominated by the pursuit of money and spending on acquisitions as the ultimate purpose of his life. As Weber has described, “in fact, one may rationalize life from fundamentally different basic points of view and in very different directions. Rationalism is a historical concept which covers a whole world of different things.”\textsuperscript{136} To the East Asian community, the ideology to save more is rational and is the result of East Asian “crisis awareness” which was derived from \textit{Samagri}. China, like many other East Asian countries, is a society that has esteemed personal financial prudence for centuries. There is no chance that will change anytime soon, even if the government creates a better social safety net and successfully encourages greater consumer spending. If Americans became a bit more like the Chinese — if they saved more and spent less, consistently over time — they wouldn't have to worry about all that.\textsuperscript{137}

\footnotesize{\textsuperscript{136}Weber 38.}

\footnotesize{\textsuperscript{137}Bill Powell, “Five Things the U.S. Can learn from China”, \textit{TIME}. 12 Nov. 2009, 13 Nov. 2009 <http://www.time.com/time/world/article/0,8599,1938671,00.html>
As can be seen, the financial crisis was not the result of the failure of “East Asian Awareness.” In fact, it was the reverse; it was the negligence of diligence, prudence and thriftiness as embodied by “East Asian Awareness.” Advocating “co-existence awareness” will allow East Asian economies to learn the mistakes of developed nations, taking steps toward adjusting and perfecting the “East Asian Model.” History has proven that “East Asian Awareness” has enabled East Asian societies to survive the crisis and is currently showing signs of normalizing and in turn “reclaiming centrality”.

23 Conclusion

In conclusion, rational integration of East Asian culture will be able to counter binary opposition. Since the birth of Orientalism, Orientalism has always possessed the notion of binary opposition. The dualism or East/ West binary opposition has separated the world into two parts: West and non-West, universalism and particularism. According to Naoki Sakai:

Possibly certain provincialism and the aspiration toward universalism are two sides of the same coin, particularism and universalism do not form an antinomy but mutually reinforce each other….And after all, what we normally call universalism is particularism thinking itself as universalism, and it is worthwhile doubting whether universalism could ever exist otherwise.\(^{138}\)

East Asians with “crisis awareness” should be able to take on the responsibility of resolving various issues and challenges that the region is facing and in addition contribute

\(^{138}\) Sakai 98.
to the cause of world’s peace. During a dialogue between Arnold Joseph Toynbee, a Christian, and Daisaku Ikeda, a Buddhist Japanese scholar, Toynbee summed up into eight areas how East Asia could drive the development of the entire mankind:

Eastern Asia preserves a number of historical assets that may enable it to become the geographical and cultural axis for the unification of the whole world. These assets are, as I see them: (1) the Chinese people’s experience, during the last twenty-one centuries, of maintaining an empire that is a regional model for a literally worldwide world-state; (2) the ecumenical spirit with which the Chinese have been imbued during this long chapter of Chinese history; (3) the humanism of the Confucian Weltanschauung; (4) the rationalism of both Confucianism and Buddhism; (5) the sense of the mystery of the universe and the recognition that human attempts to dominate the universe are self-defeating (to me, the most previous intuitions of Taoism); (6) the conviction (shared with Buddhism and Shinto by Chinese philosophy of all schools, except perhaps the now extinct Legalist school) that, far from trying to dominate nonhuman nature, man’s aim should be to live in harmony with it; (7) the demonstration, by the Japanese people, that it is possible for East Asian peoples to beat the Western peoples at the Westerners’ own modern game of applying science to both civilian and military technology; (8) the courage shown by both the Japanese and the Vietnamese in daring to challenge the West. This courage will, I hope, survive but be dedicated, in the next chapter of mankind’s history, to the constructive enterprise of helping mankind to put its affairs in order peacefully.\footnote{Arnold Toynbee and Daisaku Ikeda, \textit{Choose Life, A Dialogue} (ed. Richard L. Gage, Oxford University Press, 1989) 249.}

The current situation in international relations is heading towards regional collaboration. Many regional and international political and economic associations advocating “community awareness” have formed under such a structure. In a region with history and culture as rich as East Asia, promoting “East Asian Awareness” is aimed at achieving equality, justice and reasonable value standards; aimed at developing ways to advocate East Asian ideals and values through the process of globalization as well as integrating factors of stability through the growing affluence of the region, inspiring the world, driving world peace.
Ideologies of Sakyamuni (Also known as Siddartha Gautama), Socrates and Confucius such as “Middle-path”\textsuperscript{140} “know thyself,” “nothing in excess”\textsuperscript{141} and the Doctrine of the Golden Mean\textsuperscript{142} could bring new inspirations and start a new trend for this era and even possibly become the “Third Axial Age”.

Karen Armstrong analyzed this period in her work \textit{The Great Transformation}\textsuperscript{143} and her theory has been the focus of academic conferences.\textsuperscript{144} Usage of the term has expanded beyond German philosopher Karl Theodor Jaspers' original intention. Karen Armstrong argued that the Enlightenment was a "Second Axial Age," including thinkers such as Isaac Newton, Sigmund Freud, and Albert Einstein,\textsuperscript{145} and that religion today needs to return to the transformative Axial insights.\textsuperscript{146} In contrast, it has been suggested

\textsuperscript{140} Known also in Sanskrit as \textit{madhyamā-pratipad} which is the Buddhist practice of non-extremism, which was derived from the ideology of \textit{Hetupratyaya Samagri}.

\textsuperscript{141} The Ancient Greek aphorism “Know thyself”, (Greek: \textit{γνώθι σεαυτόν} gnōthi seauton ), was inscribed in the pronaos (forecourt) of the Temple of Apollo at Delphi - according to the Greek periegetic (travelogue) writer Pausanias (10.24.1). The saying “Know thyself” may refer by extension to the ideal of understanding human behavior, morals, and thought, because ultimately to understand oneself is to understand other humans as well. However, the ancient Greek philosophers thought that no man can ever comprehend the human spirit and thought thoroughly, so it would have been almost inconceivable to know oneself fully. Therefore, the saying may refer to a less ambitious ideal, such as knowing one's own habits, morals, temperament, ability to control anger, and other aspects of human behavior that we struggle with on a daily basis.

\textsuperscript{142} According to the Encyclopaedia Brittanica, the Doctrine of the Mean can represent moderation, rectitude, objectivity, sincerity, honesty and propriety (Encyclopaedia Brittanica, 2008). The guiding principle of the mean being that one should never act in excess.

\textsuperscript{143} Karen Armstrong, \textit{The Great Transformation: The Beginning of our Religious Traditions} (New York, Knopf: 2006)


\textsuperscript{145} Armstrong 356.

\textsuperscript{146} Armstrong 390-399.
that the modern era is a new axial age, wherein traditional relationships between religion, secularity, and traditional thought are changing.\textsuperscript{147} Therefore, only with the emergence of new East Asian economies could the curse of Western hegemony be broken, escaping antimony; it is only then could the similar situation of “self-Orientalizing” in Japan after the Meiji Reformation be avoided. Only then will East Asia be able to reignite its traditional cultures and not follow blindly behind Western rationalism. Western rationalism is based on the basic assumption of utility maximization or endless desires. Over saving and over spending are both irrational for the development of contemporary capitalism. Adopting the middle-path will be the wise solution.

During the course of writing this thesis, the world has been undergoing tremendous change following the worldwide economic downturn ignited by the USA subprime crisis. To list but a few: In Europe, Iceland’s government collapsed in January 2009;\textsuperscript{148} next came the unfolding of Dubai’s debt woes in November 2009;\textsuperscript{149} most recently, Greece fell into a debt crisis in December 2009.\textsuperscript{150} Despite these challenges, East Asia has been exerting its international influence strongly and more decisively. The establishment of the world’s third largest free trade area by China and 10 ASEAN


countries was evidence of the exertion of East Asia’s influence. From the dependent origination point of view, that was the consequence of efforts made by China and the ASEAN nations for the past fourteen years.

It has been unrealistic to keep track of every one of the latest development, but the trend has been obvious and in line with the discourse of my thesis: the age of Asian renaissance is here. It is of course not my aim to substitute the casual interpretation of culture and history by neither one-dimensional theories of materialism by Karl Marx’s *Capital* nor equally one-dimensional theories of spiritualism such as Max Weber’s *The Protestant Ethic and the Spirit of Capitalism*. Each has equal possibilities of existence. However, if both serve as the findings of an investigation, it achieves equally little in the topic of historical truth. Instead, it should be treated as elements of preparation and dependently originated phenomena. This was the exact reason why I introduced the ideology of *Hetupratyaya Samagri*, for the purpose of finding a third alternative of a middle-path solution, in other words, reclaim centrality. If I have seen further it is by standing on the shoulders of giants. They are Sakyamuni, Confucius, Lao Zi and Socrates.

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