Keynote Address by Prof. Takashi Shiraishi, President of IDE-JETRO; President of National Graduate Institute for Policy Studies (GRIPS) at the 13th API Regional Workshop in Hiroshima on November 9, 2014

Good evening.

As one of the founding members of API, the Asian Public Intellectual Program, I would like to welcome all of you to the API community. You will know, if you have not learned this yet, that there is a strong sense of community among API fellows, as witnessed by constant and transnational communications among fellows.This network will be an important asset for you when you want to organizeactivities on a regional scale in the years to come. I hope you remain active as API fellows and maintain contact and communication among your cohortwhile developinglinks with other batches of fellows.

This is the 13thand final API workshop, but I still remember the kind of discussion we hadwhen all of us got together on a fine spring day in the year 2000, in a hotel near Shinjuku, Tokyo, to discuss what to do as part of the new Nippon Foundation initiatives to support public intellectuals in this region and promote transnational networking among them. I also remember that I argued for the need for our intellectuals to have space and time away from home, to think, write, and most important to learn from each other and develop trust among all of us, trust built on mutual respect andintellectual honesty and humility. Over these past fourteen years, some of us who were present in that initial brain-storming meetinghave remained active in the API community. Some have gone on to do something else. Some people, including Prof. Ishak Shari, former director of Ikmas-UKM (Institute of Malaysian and International Studies, National University of Malaysia), who was most instrumental in getting the API program off the ground, have passed away and are very much missed. But looking back now, it is also clear that many things have happened, and the kind of conditions that had convinced us to give the API initiative a try are no longer there. So, let me dwell on the kind of things that I believe were crucialto the birth of API and on why I now think we really need to stop and think through what to do from now on for our common and hopefully better future.

It may no longer be that easy to recall what this region was like in the year 2000. Some of the countries in Southeast Asia – especially Indonesia, Malaysia and

Thailand – were devastated by the 1997-1998 economic crisis. The so-called Asian Financial crisis began in Thailand in 1997.   Many of us already knew that things had gone seriously wrong in Thailand, in light of the huge bad loans accumulated by Thai non-banks, the large number of empty spaces in commercial real estate, the worsening trade balance, and others.   But many of us thought it was not as bad as it turned out to be, and that it was a Thai problem, not a regional problem. A senior Indonesian technocrat told me in the fall of 1997 that Indonesia should welcome this mini-crisis because it represented an opportunity that Indonesian technocrats could seize to persuade President Suharto to address the many distortions his family members and cronies had caused in the Indonesian economy.   And having emerged as a major base for Japan's electronic firms, Malaysia looked just fine.

And yet the crisis proved contagious, and Indonesia followed Thailand toward the end of 1997. As a result of the economic crisis, the call for reformasi gained momentum, anti-Chinese riots spread from one city to another, culminating in the massive riots in Jakarta, and soon thereafter President Suharto was gone.   The call for reformasi also gained ground in Malaysia.   Anwar Ibrahim challenged Dr. Mahathir Mohamad, unsuccessfully, and was ousted and jailed shortly thereafter. I met Dato Anwar a week ago, and he is on trial yet again on trumped-up charges and may be brought back to prison any time.   In Malaysia, the 1997-1998 crisislingers on.

The crisis caught the great majority of people in these Southeast Asian countries by surprise.   Not surprisingly, people became frustrated and scared.   They were also angry at the way the United States had intervened in the crisis management, seizing the opportunity to push for structural reform and, in the case of Indonesia and Malaysia, political reform.   And people were struggling to figure out what had gone wrong, what to do so as not to repeat the mistakes, to restore stability,and to protect themselves and others.   Old ways had to go, but it was not clear what the new ones would be like and what their impact would be on the most vulnerable sectors of society.

The crisis was also a huge shock for us here in Japan.   As a matter of fact I was personally in transition in those days.   I had been teaching at Cornell University in New York since 1987, but decided to accept the offer from Kyoto University to come back home.   I left Ithaca on June 30, 1997, watched the return of Hong Kong to China on TV in the airline lounge at KennedyAirport, got on board the plane, and arrived in Kyoto on July 1.   The next day, July 2, the crisis started in Bangkok.   I decided to

come back here for reasons too complicated to explain here. But one of the reasons was my own frustration at the very marginality of area studies, including Southeast Asian studies, in the U.S. – a friend of mine who is now a towering figure in political science once referred to Southeast Asian studies as a "ghetto within the ghetto," Asian studies being itself a ghetto to begin with.

But this marginal status of area studies is certainly not the case in Japan. Southeast Asia was and still is of strategic importance for Japan, both geopolitically and economically. Even if area studies in general were to follow the fate of area studies in America and undergo terminal decline, Southeast Asian studies and for that matter Chinese studies will survive, simply because Japan cannot afford to be ignorant of the regionand of our own neighbors close by, whose politics, economies, cultures, and societies have become increasingly intertwined with ours. And as a matter of fact, Southeast Asia hasbecome even more important since the 1980s and 1990s in Japan. Japanese firms have invested in a major way in some of the Southeast Asian countries since the mid-1980s, in the wake of the Plaza Accord in 1985, which led to the appreciation of Japanese yen vis-à-vis the American dollar. Japan's foreign direct investment has contributed in a significant degree to the economic transformation of the economies and societies in this region.

The Malaysian and Thai economies grew on average at more than nine percent a year from 1986 to 1996, while Indonesia's growth rate was 7.7 percent and the Philippines 3.8 percent. The GDP shares of the manufacturing sector in Malaysia and Thailand in 1985 were 20 and 22 percent respectively, but expanded to 34 and 32 percent by the year 2000, while Indonesian's manufacturing share in its GDP grew from 16 percent to 26 percent from 1985 to 2000. Japanese firms were very much part of those transformations and Japan has come to have a huge stake in Southeast Asia, especially in the ASEAN-5 countries of Indonesia, Malaysia, the Philippines, Thailand and Singapore.And as I argued in a book published in early 1997, a few months before the start of the crisis, the expanding and deepening transnational production networks of Japanese and other multinationals are knittingthe area covering Japan and Korea, China's coastal regions, and Southeast Asia into one region through de facto economic integration that is taking place with "East Asia" as a regional framework.

The 1997-1998 crisis thus posed a big threat as well as a big opportunity. There wasserious disagreement between Japan and the US, not only about what to do to

overcome the crisis, but also the kind of reforms as well as the sequence of reforms that the Southeast Asian countries needed introduce.   The Japanese government proposed the establishment of an Asian Monetary Fund, which was immediately shot down by the Americans.   But the government used the Miyazawa initiative 1998 to provide funding for economic stimulus, while paving the way to create a new regional mechanism for liquidity support, now known as the Chiangmai initiative.   The Japanese government also started to negotiate the first ever free-trade agreement with Singapore.   Clearly policy makers understood that Japan was already deeply embedded in the region. In other words, "Japan *in* Asia," and not "Japan *and* Asia" informed Japanese engagement with ASEAN and individual Southeast Asian countries, especially in finance, investment, and trade.

I also learned, back then, that there was not much being done in the field of Southeast Asian studies to help us to locate the crisis in a larger regional context and understand its policy implications without discounting the importance of the national context.   Economists did their share, making important contributions to our understanding of thecrisis and to policy responses.   They had their own transnational networks of economists and technocrats.   But area experts were conspicuous for their absence in the regional and transnational debate.   Thai public intellectuals – with disciplinary backgrounds of economics, political science, political economy, history, sociology, anthropology, and others – were discussing the crisis in Thailand. Indonesian intellectuals were talking about their own crisis.   And Japanese Southeast Asianists were talking about their countries of study among themselves and with their respective counterparts, but not beyond their own limited personal networks. Clearly there was something missing, and oddly enough, for all the hype about Asianismas ideology over many decades, what was missing was the regional picture, precisely at the moment when the crisis required a concerted regional response, rather than individual national response.

It was also clear to me that Japanese Southeast Asianists were unaware of the kind of problems that had led to the decline of American Southeast Asian studies – the challenges, on the one hand, coming from traditional social science disciplines such as political science and economics which aspire to be "hard" sciences at the expense of empirically grounded knowledge, and the challenges, on the other hand, coming from the strong emphasis on "going native" which entails spending years acquiring the

language, living in the country and acclimatizing to the society, and in so doing, happily believing that wisdom and insights come naturally from the ground. I will not dwell at length on the problems that the social-science disciplines have posed for area studies. Suffice it to say that there is something deeply wrong if you think you can talk about Indonesian politics without bothering to learnBahasa Indonesia and other Indonesian topolects. And yet I still remember my colleagues at Cornelltalking about the need to let students learn "exotic languages," such as Chinese, Japanese, Thai and Indonesian in quite patronizing ways. I believe we don't have this problem here in Japan, except in the fields of international relations and economics.

But just as seriousis the notion that all we need to do to be Southeast Asianists is to go to the field, learn the language, live there, hopefully for many years, fall in love and get married even, and come back to write. This somewhat naïve notion of going-native-is-all-you-need-to-be-an-area-specialist is very deep-seated here in Japan. It is obvious that however much you try, you most likely won't have the kind of command that your friends and colleagues who were born and raised in Southeast Asia have of their own languages, cultures, literature, mores, and so on. Besides, by the 1990s quite a number of first-class intellectuals have been very active in Southeast Asia, and these are intellectuals who were trained in top-class American, British, and their own national universities, with very good command of the debates in the social science disciplines, combined with profound knowledge and understanding of their languages, histories, cultures and societies, and a deep commitment to trying to make things better in their own countries.

This is not to say that Southeast Asians should only study their own countries. I believe that intellectuals should be strongly encouraged to learn more about their neighbors because only then can we gain the perspective that allows us to take a more critical distance from our own countries and at the same time start asking questions with broader implications for our own countries as well as others.

But clearly, given this changing context where American universities no longer have a monopoly on knowledge production about Southeast Asia, and given a context in which knowledge and power are shifting to and within the region itself, there is a need for knowledge to be shared in order to better address common problems and challenges together, and we need new ways of engaging each other intellectually.

API to my understanding was designed as a platform to enable our region's

best and brightest to gather together, study, and exchange views and insights on the issues and challenges that are relevant to the region. API, in other words, was meant to create both space and time for public intellectuals to have conversations among themselves and in the process create robust and expanding intellectual networks, while asking new questions and embarking on new and transnational and regional projects. And I am pleased to say the program has done a good job in translating this vision into reality. But at the same time, all of us are getting old. Many of the founding members of API are retiring. The network is already in place, but it is now the time to pass the initiative on to the next generation. Observing Indonesian and Thai politics, for example, I have come to the conclusion that generational shift is the key to maintaining the dynamism in these countries. This holds true as well for intellectuals and activists in the region. The kind of vision we had fourteen years ago has already come to pass, and we are no longer in any position to tell you what needs to be done next. Every program must come to an end because it is hubris to think that something you dreamed up fourteen years ago remains the best method and means to tackle the challenges that the new generation of public intellectuals is facing today. Fifteen years, after all, is already one generation. I expect that you, the new generation, will take over and think of your own new initiatives, build a new network, come up with new ideas and new questions, and of course meet the new challenges that arise in the region.

Thank you very much and have a good evening.