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**“Japan in East Asia”**

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Session 1

The Effects of Leadership Changes on International Relations in East Asia:  
National Security and Economic Issues

**“Japan in East Asia”**

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Introduction

The Japanese lower house general elections held on November 9 produced entirely a new generation of Japanese politicians whose average age is 53. This phenomenon is more significant than the fact that the Democratic Party increased their seats in the lower house from 137 to 177, while the number of the Liberal Democratic Party's law-makers decreased from 247 to 237, making the Japanese political system more like a two-party system.

After all, the issues to be fought between the two major parties will be re-defined and re-formulated in the coming years with the generational change of political leaders, which could trigger a gradual re-shuffling of political parties over time, if not in the immediate future.

Perhaps the most critical aspect of the generational change in political leadership, not only in Japan but across East Asia, is that their values, and ways of defining challenges and policy issues are different from the previous generation.

In the case of Japan, implications of changes are mixed, indicating the younger generations' growing awareness of national security and greater readiness to cope with security and other challenges in realistic terms. Equally important, however, are the strong awareness and interest in “contribution” to the task of international security beyond national borders and the growing commitment to common values connecting civil societies in East Asia.

These changes are important particularly against the backdrop of deepening economic integration in East Asia and the development of civil society networks uniting like-minded middle classes in Asia. Although Japan's image in these domains is not entirely positive, Japan's role has nonetheless been significant. Japan's engagement could help build an East Asian community if Japan can form a consensus on this long-term strategic goal, sustained by its economic and soft power.

With this larger picture in mind, this paper will examine the meanings of Japan's domestic changes during the last decade, overview the changing security landscapes in East Asia by highlighting the catalytic role played by the Bush strategy, and discuss recent developments toward regional integration with a primary focus on the roles of Japan and China.

## **Japan's Domestic Changes and Foreign Policy**

### Multi-dimensional Changes

The end of the Cold War and the demise of the 1955 regime have changed the mode of Japanese debate and policy making in a fundamental way, although the substance of security policy has been changing only slowly and not very substantially. The changes have taken place in four areas, including international security, the US-Japan alliance, national security, and regional strategy.

First, the 1991 Gulf War became a critical turning point awakening the government to the new realities after the end of the Cold War. The absolute humiliation resulting from the Japanese government's incapacity, other than through "checkbook diplomacy," to contribute to multinational efforts to defeat Iraq was a central driving force behind the enactment of the International Peace Cooperation Law (PKO Law) in June 1992.

The passage of the law enabled the Japanese government to dispatch its Self-Defense Force (SDF) to the peace-keeping operations under the United Nations Transitional Authorities in Cambodia (UNTAC), which was followed by a series of dispatches of the SDF troops to a number of other UN PKO such as in Zaire, the Golan Heights, and East Timor<sup>1</sup>.

As Japan was making this significant engagement in the domain of

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<sup>1</sup> L. William Heinrich, Akiho Shibata and Yoshihide Soeya, *United National Peace-keeping Operations: A Guide to Japanese Policies* (Tokyo, New York, Paris:

international security for the first time after the end of the World War II, the monopoly of power by the LDP was broken in August 1993 with the birth of the Morihiro Hosokawa government as an anti-LDP coalition.

When the desperate LDP came back to power with the Socialist Party head Murayama as Prime Minister of an LPD-led coalition government in June 1994, Murayama recognized the constitutionality of SDF and the legitimacy of the US-Japan alliance, thus destroying his party's long-standing *raison-d'être*. This led to the catastrophic demise of the Socialist Party, and the collapse of the so-called 1955 regime.

The demise of the leftist-pacifist political forces in domestic politics has changed the context of political discourse on security matters in a somewhat fundamental manner. It was particularly significant that an overall change in the domestic atmosphere lifted long-standing taboos on national and international security including the issue of the Article Nine of the Japanese postwar constitution.

This phenomenon, however, was not necessarily an indication of Japan becoming "nationalistic" or "rightist" as many in Asia worried. The initial change of significance had to do with Japanese growing awareness of the importance of international peace-keeping efforts. Opinion polls indicate, for instance, that in the 1990s many Japanese have come to support the revision of Article Nine because they have felt that it prohibits Japan from "international contribution" such as participation in UN PKO.<sup>2</sup>

Second, new regional and global security challenges caused the re-affirmation of the US-Japan alliance. The Clinton administration engaged in major re-adjustment of the US strategy toward the Asia-Pacific as exemplified by the so-called "Nye initiative," and Japan responded by the adoption of the revised Defense Program Outline (new *Taiko*) in November 1995.

New *Taiko* stressed, among other things, a new role for the SDF in international peace-keeping efforts, and the important role of the US-Japan alliance in these endeavors: it stated that "this close cooperative bilateral relationship based on the Japan-US Security Arrangements, facilitates Japanese efforts for peace and stability of the international community, including promotion of regional multilateral security dialogues and cooperation, as well as support for various United Nations

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United Nations University Press, 1999).

<sup>2</sup> Yoshihide Soeya, "Japan: Normative Constraints Versus Structural Imperatives," Muthiah Alagappa, ed., *Asian Security Practice: Material and Ideational Influences* (Stanford: Stanford University Press, 1998), p.

activities.”<sup>3</sup>

Along this line of logic, the “US-Japan Joint Declaration on Security,” signed by Prime Minister Ryutaro Hashimoto and President Bill Clinton in April 1996, declared that “the Japan-US security relationship ..... remains the cornerstone for achieving common security objectives, and for maintaining a stable and prosperous environment for the Asia-Pacific region as we enter the twenty-first century.”<sup>4</sup>

It is equally important to note that the re-affirmation of the alliance took place against the backdrop of the North Korean crisis in 1994. The crisis came on the verge of military conflict, which was saved by the Carter visit at the last minute, leading to the Geneva agreement which established the Korea Energy Development Organization (KEDO) in exchange for the North Korean commitment to freeze its nuclear programs<sup>5</sup>.

This crisis led to the subsequent revision of the 1978 Guidelines for Defense Cooperation between the United States and Japan, which materialized in 1997. The new Guidelines meticulously delineated what Japan constitutionally and legally can and cannot do in the form of cooperating with the United States in the event of a regional contingency. The nightmare at the time for both Washington and Tokyo was Japanese inaction toward a possible Korean contingency, in which event, many Americans argued, the alliance would be over. The drafting of the new Guidelines, therefore, was in essence an attempt to save the US-Japan alliance.

Third, the subsequent security threats posed by a series of North Korean provocations, such as intrusion by spy ships, the launch of the Teapodon missile, and the abduction of Japanese citizens, have steadily aroused many Japanese peoples’ consciousness about the country’s own national security.

As a result, nationalist or even somewhat rightist voices, which used to stand on the defensive against the dominant pacifism, have become louder. The net effect of this phenomenon, however, is mixed at best. The case can be made that this represents a phenomenon that former taboos have now ceased to be taboos. More importantly, this situation indicates that the political context of national security debate has shifted from the 1955 regime to something new.

Here, the recent passage of the domestic emergency laws is indicative of a future

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<sup>3</sup> “National Defense Program Outline in and after FY 1996,” (November 28, 1995). Available at: [http://www.jda.go.jp/e/policy/f\\_work/taikou/index\\_e.htm](http://www.jda.go.jp/e/policy/f_work/taikou/index_e.htm)

<sup>4</sup> “Japan-US Joint Declaration on Security: Alliance for the 21st Century” (April 17, 1996). Available at: <http://www.mofa.go.jp/region/n-america/us/security/security.html>

<sup>5</sup> Don Oberdorfer, *The Two Koreas: A Contemporary History* (New York: Basic Books,

framework of political debate. For the Japanese, this is by no means a case of Japan shifting toward the right. Japan, like any other democratic sovereign state, should have been equipped with the laws a long time ago. It is revealing that protection of civil and human rights under the emergency laws was the central point of contestation between the largest opposition party, Democratic Party, and the LDP coalition government.

New domestic debate would be eventually tested over the issue of the revision of Article Nine of the constitution. A consensus is now forming among politicians that Article Nine has increasingly become a liability for Japanese participation in multilateral security as well as for effective national security. A real debate would occur when they begin to present alternative revision proposals with competing strategies and national goals.

Fourthly, in recent Japanese attitudes toward regional engagement, there is new enthusiasm toward regional integration and community building. These efforts naturally entail structural adjustment to new regional dynamics centering around the rise of China and its various overtures toward East Asia. This will be elaborated on further in the final section.

#### Response to 9.11 and After

As discussed, domestic changes in Japan's foreign policy parameters during the last decade have accelerated Japan's participation in international security including the United Nations PKO.

The development in this direction has been systematic and steady, while responses in the domain of traditional national security have been sporadic. After all, the emphasis in Ichiro Ozawa's theory of Japan as a "normal country" was also placed more on Japan's participation in international peace-keeping efforts than anything else.

The terrorist attacks on the United States on September 11, 2001 (9.11) have opened up a new chapter for Japan's coping with international security. Soon after 9.11, the support of the international community for the United States was unmistakable. China agreed to the UN Security Council resolution allowing the US-led multinational forces to engage in a war in Afghanistan, which became the first instance where China

voted for the use of force by UN members against a sovereign state.<sup>6</sup>

Japanese Prime Minister Junichiro Koizumi also supported the United States unequivocally. This was a natural act from the standpoint of Japanese engagement in international security whose momentum has been steadily on the rise in the 1990s. In fact, the anti-terrorism measures law, enacted speedily to dispatch Japanese SDF to logistical support in the Indian Ocean, was legitimized in the name of the United Nations Charter and the relevant UN Security Council resolutions, and not the US-Japan alliance.<sup>7</sup> Invoking the US-Japan security treaty was impossible because the Japanese government has not recognized the right of collective self-defense as constitutional.

Here, the lesson from the 1991 Gulf War experiences was clearly at work. The nightmare for the Japanese government was to repeat “checkbook diplomacy.” Politically, the US factor was not insignificant in the minds of central decision-makers, particularly Prime Minister Koizumi. In the end, it was fortunate for the Japanese government that the support for the United States did not contradict contribution to international security at the time of the war in Afghanistan. This was not necessarily the case regarding a war against Iraq, as discussed below.

## **Bush Strategy and Northeast Asia**

### Transforming the World

The Bush strategy basically defines the US national interests as the core, with the assumptions that the promotion of US national interests would lead to a better world and that the end of the Cold War has given the United States an opportunity to transform the world. The US would carry out this mission with available and effective means including the unilateral use of its dominant power. This conceptualization of global strategy has not fundamentally changed since Condoleezza Rice presented the argument in her article in *Foreign Affairs*<sup>8</sup>.

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<sup>6</sup> David Shambaugh, “Sino-American Relations since September 11: Can the New Stability Last?” *Current History*, (September 2002), pp. 243-244.

<sup>7</sup> “Special Measures Law Concerning Measures Taken by Japan in Support of the Activities of Foreign Countries Aiming to Achieve the Purposes of the Charter of the United Nations in Response to the Terrorist Attacks Which Took Place on 11 September 2001 in the United States of America as well as Concerning Humanitarian Measures Based on Relevant Resolutions of the United Nations,” November 2, 2001)

<sup>8</sup> Condoleezza Rice, “Promoting the National Interest,” *Foreign Affairs*

Arguably, US strategic objectives have been constant since the end of the Cold War. The maintenance of a new global order after the Cold War has been of primary concern, and Washington's determination not to allow any rising power to challenge the United States, either regionally or globally, has been strong. The 1991 Gulf War represented the first manifestation of such US global strategy in the post-Cold War era.

Since the end of the Cold War, the United States has also regarded terrorism and the proliferation of weapons of mass destruction (WMD) as main sources of threat to global stability as well as to its national security. Throughout the 1990s, the US forward-deployed military presence has often become a target of terrorist attacks, many of which allegedly by the Al Qaeda.

And yet, 9.11 proved to be a historic turning point because it gave the Bush administration a clear goal and a mission in a war against terrorism and those who harbor terrorism. In this war against terrorism, which is likely to continue for several years or even longer, there are three distinct aspects influencing Bush strategy.

First, deep-seated in the mind of the Bush administration is the impulse of homeland defense and the determination not to allow another 9.11 at any cost.

Second, the theater for homeland defense is nonetheless global. Also, counter-proliferation against WMD continues to constitute the central component of US strategy on the global theater. This continues to fuel the Bush administration quest for the Missile Defense (MD) programs both globally and regionally.

Third, the Bush administration has been pursuing US strategy with undisguised missionary zeal. Political rhetoric, pronounced primarily by President Bush himself, is universal, appealing to the basic cause of democracy and freedom as the core guiding principles for transforming the world.

In applying these three components of strategy, the Bush administration in effect makes a conceptual distinction among three categories of states: allies, strategic competitors, and rogue states. These categories were explicit in the initial formulation of foreign policy of the Bush administration, and Northeast Asia embraces all three categories of states.

A strategic competitor for the United States is a state having an alternative orientation to an international system including value issues, which have the innate inclination to challenge the system of US predominance. In essence, Chinese long-term thinking and geopolitical orientation make it such a competitor to the United States.

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(January/February, 2000).



Under normal circumstances, however, strategic competitors are interested in strategic co-existence, while remaining determined to defend their own core values and related interests. The current state of U.S.-China relations is characterized by such co-existence, which is likely to be sustained for some time to come.

Allies are close friends of the United States sharing basic values and overall objectives of creating an international order with the United States as the central agent. In Northeast Asia, Japan's alliance-based strategy provides the cornerstone for US regional strategy.

Rogue states, unlike strategic competitors, do not have the capability nor the intention to provide for an alternative international system, but could threaten the national security of the United States in various conventional and unconventional ways. Rogue states are also sources of global instability when connected with the proliferation of WMD. North Korea represents such a threat in Northeast Asia.

#### New Dilemma in the US-Japan Alliance

The initial attempt by the core people in the Washington policy community, many of whom later assumed important positions in the Bush foreign policy team, was the so-called Armitage report, titled "The United States and Japan: Advancing Toward a Mature Partnership"<sup>9</sup> Although the reality falls far short of the American expectation, the message was explicit in calling for a US-Japan alliance more closely modeled on the US-UK relationship.

Implicit in the distinction between a strategic competitor and an ally was a frustration shared by the Bush foreign policy team about the Clinton administration's lack of conceptual clarity in its policy toward the two critical countries in Northeast Asia. Most problematically for the Bush team, the Clinton administration often confused a competitor for a partner, as exemplified by the declaration of a "strategic partnership" with China, at the cost of an alliance relationship with Japan. This conceptual clarity in the US strategy under the Bush administration is an important source of the good state of the alliance between the United States and Japan, which is often called the best since the end of the World War II.

In the Bush global strategy, however, the expected role of allies has undergone a significant transformation. The Bush strategy basically defines the US national

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<sup>9</sup> "The United States and Japan: Advancing Toward A Mature Partnership," Institute for National Strategic Studies Special Report (October 2000).

interests as the core, with the assumptions that the promotion of the US national interests would lead to a better world and that the end of the Cold War has given the United States an opportunity to transform the world. Allies are expected to support and join this US mission.

This redefinition of the alliance for the Bush global strategy has changed the modality of the US-Japan alliance. Prime Minister Koizumi's performance with President Bush has been quite effective under this new US definition of the alliance relationship. Koizumi in effect has been a cheerleader for the Bush global strategy. This is why the chemistry between Bush and Koizumi is so good.

The question remains, however, to what extent Koizumi is aware of this. Perhaps not much. If he were, he could have responded differently to the war in Afghanistan and the war against Iraq. While the war in Afghanistan was a clear case of international security, the case of the Iraq war was complicated at best.

In one sense, opposition voiced by France and Germany voiced against the Bush policy to attack Iraq was meant to encourage the US to behave prudently according to the norm of international cooperation. The attack on Iraq was not the exercise of such leadership by the United States. France and Germany could engage in such diplomacy because they have their own forums of multilateral diplomacy based in Europe, as well as at the United Nations.

In contrast, Japan does not have effective alternative tools with which to deal with the United States. The Japanese government, too, was deeply annoyed by the unilateralism of the Bush administration to go to war against Iraq. It, therefore, hoped that some U.N. resolution would be passed justifying the US action. When time ran out, however, the Japanese government did not have any other means but to go along with the United States.

Beneath the surface, therefore, the implications of the Japanese support for the war in Afghanistan and the support for the US war against Iraq are significantly different. The former was a clear case of international security recognized as such by the majority of the international community, whereas the latter was not. The case of the Iraq war has revealed that when and where there is a gap between the role of the United States and the cause of international security, Japan would in the end have to follow the United States.

The aftermath of the war against Iraq has thus revealed a basic dilemma for Japan's participation in international security. This dilemma, in turn, informs a motivation shared among Japanese policy makers toward community building efforts

in East Asia, as argued below.

## US-China Strategic Co-existence

As stated, the Bush administration in principle conceptualizes China as a “strategic competitor.” It, however, stopped calling her as such soon after its inauguration. Secretary of State Colin Powell for instance said in July 2001 on his way to Canberra from Beijing that “the relationship is so complex with so many different elements to it that it's probably wiser not to capture it with a single word or a single term or a single cliché.<sup>1 0</sup>”

The 9.11 incident proved to provide a yet further foundation for strategic coexistence between the United States and China. China played a critical role in the passage of the UN Security Council Resolution 1368, legitimizing a war in Afghanistan. The United States does need a cooperative working relationship with China for the fight against terrorism, as well as concerning the North Korean problem.

China, on its part, has stopped challenging the US predominance in the Asia-Pacific and the world in the late 1990s. This has basically been the bottom-line of Chinese regional strategy since after the Taiwan crises in 1995 and 1996, when both Beijing and Washington sought to restore the relationship with the mutual visits by Jiang Zemin and Bill Clinton in 1997 and 1998.

In principle, Chinese regional and global strategy is founded upon its economy-centered orientation, making the most of its economic weight, both real and potential. As a consequence, the Chinese government has been keeping a low profile toward the US security presence in the region, including the Taiwan question and the US-Japan alliance. There is reasonable evidence to believe that China has also readjusted its policy toward Japan with the same strategic considerations in the summer of 1999, perhaps upon re-examining the effect of Jiang Zemin's trip to Japan in 1998.

The strategic coexistence between Washington and Beijing, therefore, means that the most critical great powers in the Asia-Pacific region are having different dreams in the same bed. They have different strategic orientations, and they need each other precisely for the pursuit of their own strategies.

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<sup>1 0</sup> Secretary Colin L. Powell, “Remarks to the Press En route to Canberra, Australia,” (July 29, 2001), <http://www.state.gov/secretary/rm/2001/4347.htm>

The Taiwan question is now an object of such strategic coexistence. Beijing basically maintained a low key against some of the initial provocative statements by President Bush, as well as the US policies of arms sale or allowing stopovers in the US by Taiwanese leaders including Chen Suibien himself.

In order not to exacerbate the problem, the Bush administration has also re-committed itself to the principle of “one-China” and non-support of Taiwan “independence,” as President Bush himself has now come to pronounce<sup>1 1</sup>.

In principle, the Taiwan question still remains a wild card for US-China relations, which could upset their strategic coexistence. Now, the Chinese economy-centered strategy appears to be working. Taiwan’s economic dependence on China is ever deepening, which in turn gives confidence to Beijing which has been advancing its “united front” policy toward “comrades” in Taiwan.

The Chen Suibien administration, however, has been taking mixed responses, legislating necessary measures for facilitating mutual trade, investment and travels, while increasing political concerns over the ever-deepening economic dependence on China. The prospect for stable cross-strait relations could be clouded over the plan announced in November this year to hold national referendum in 2006.

#### North Korean Problem

In the State of the Union Address on January 29, 2002, North Korea, Iran and Iraq, formerly labeled as rogue states, were upgraded to “an axis of evil.”<sup>1 2</sup> The nature of North Korean threat as an “evil” is three-dimensional, in line with the three aspects of the US strategy after 9.11 as seen above.

The first aspect has to do with the homeland defense of the United States. Here, a potential threat posed by the Taepodon missile is relevant. Other than this, however, North Korea has yet to represent a direct threat to the US homeland security, and perhaps this would account for the Bush administration’s different approaches between Iraq and North Korea. In this sense, commitment to the six-party talks is not necessarily the ultimate choice for the Bush administration.

Second, on the global theater, the proliferation of WMD is an urgent issue in dealing with North Korea. Here, multinational endeavors, most notably the PSI, to

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<sup>1 1</sup> “President Bush, Chinese President Jiang Zemin Discuss Iraq, N. Korea,” <http://www.whitehouse.gov/news/releases/2002/10/20021025.html>

<sup>1 2</sup> “The President’s State of the Union Address,” <http://www.whitehouse.gov/news/releases/2002/01/20020129-11.html>

stop inflows and outflows of nuclear-related materials and technology into and out of North Korea, are important.

Third, a missionary zeal, often pronounced by President Bush, makes the leadership regime in Pyongyang totally unacceptable for Washington, particularly for President Bush himself. In this vein, President Bush has often expressed his sympathy and the need of massive assistance toward the people of North Korea. This aspect of the US North Korean policy creates an impression that the Bush administration should be aiming at regime change in Pyongyang.

This last aspect of the Bush policy toward North Korea, compounded by the rhetoric of an “axis of evil,” would have naturally aroused a strong sense of crisis for the leadership in Pyongyang. This perceived deep crisis for the regime survival even caused Kim Jong-il, the supreme leader of North Korea, to engage in a surprising move to accept Japanese Prime Minister Junichiro Koizumi to Pyongyang in September 2002. The determination on the part of Kim Jong-il to seek helping hands from Japan was unmistakable in Kim himself confessing and apologizing for the abduction of Japanese citizens and the spy ships<sup>1 3</sup>.

When the gamble to normalize diplomatic relations with Japan stalled, however, Kim Jong-il once again faced, or did not have any other choice but to face, the United States squarely in order to get the guarantee of the regime survival in one way or another. In the face of President Bush, whose stance has been uncompromising to begin with, however, Pyongyang had to employ unusually provocative measures, playing a chicken game by climbing step by step up the ladder of nuclear escalation.

Against these escalation tactics of Pyongyang, the Bush administration once became inclined to go to the United Nations for sanctions. Perhaps this move alarmed China, which would account for the timing of Chinese shift in its diplomacy toward North Korea from the emphasis on bilateral talks between Washington and Pyongyang to a multilateral framework. On top of this, worsening of the security environment and its apparent impact on the changing nature of security debate in Japan, as well as the nuclear programs of North Korea, are not welcome developments for Beijing.

Pyongyang thus agreed to the six party talks held in Beijing in late August. Under this framework, however, the US determination to demand Pyongyang to scrap its nuclear programs is still strong. Accordingly, US expectations on China as a mediator could also wane depending on Chinese responses.

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<sup>1 3</sup> Yoshihide Soeya, “Japanese Diplomacy and the North Korean Problem,” *Japan Review of International Affairs*, Vol. 17, No. 1 (Spring 2003).

Whatever would turn out to be the case, the determination of Washington and Pyongyang to pursue their own agenda head-on appear unchanged, and it may well be the case that a solution, if any, could only be found out of bad choices<sup>1 4</sup>.

## **Toward Building an East Asian Community**

### From Fukuda Doctrine to ASEAN 10

In retrospect, the initial policy of the Japanese government, advanced with a view to building a regional order, was the so-called Fukuda Doctrine, announced in 1977 as a policy toward Southeast Asia. Prime Minister Takeo Fukuda announced a three-point policy toward Southeast Asia in Manila in August 1977. First, Japan is committed to peace and is determined not to become a military power. Second, Japan will establish a “heart-to-heart” relationship of mutual trust with Southeast Asia beyond economics and politics. Third, Japan will cooperate with ASEAN’s efforts to strengthen solidarity and resilience, nurture relations of mutual understanding with the Indochinese states, and thus would contribute to peace and prosperity of the entire Southeast Asian region.

The essence of the Fukuda Doctrine was the third point, aspiring to serve as a bridge between ASEAN and Indochina for peace and prosperity of the Southeast Asia region. This principle remained to form the core thinking of Japan’s Southeast Asia policy during the subsequent years, which was revitalized at the time of the Cambodian peace process in the early 1990s, where Japan actively sought to play a political role<sup>1 5</sup>.

Arguably, with the realization of ASEAN 10, the expressed political goal of the Fukuda Doctrine was achieved on ASEAN’s own initiative, sustained by substantial economic input by the Japanese ODA and private trade and FDI. In early 1997, anticipating the birth of ASEAN 10, Japanese Prime Minister Ryutaro Hashimoto proposed the Japan-ASEAN summit to further accelerate the integration of ASEAN as well as Japan’s relations with the ASEAN countries.

### From ASEAN+3 to Koizumi Proposal

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<sup>1 4</sup> Victor Cha, “Tighten the Noose around North Korea,” *Financial Times*, July 28, 2003.

<sup>1 5</sup> Yoshihide Soeya, “Vietnam in Japan’s Regional Policy,” James Morley and Masashi Nishihara, eds., *Vietnam Joins the World* (New York: M.E. Sharpe, 1997).

The realization of ASEAN 10, however, coincided with the Asian financial crisis, forcing ASEAN countries to go through a series of difficult efforts to restructure domestic economies and politics as well as regional arrangements. Also, at about the same time, China has shifted its main strategic focus from high politics to low politics. ASEAN, following its usual instinct to carefully balance relations with external powers, turned the Hashimoto proposal into its own initiative leading to the establishment of ASEAN+3 at the end of 1997.

These developments have ushered in a new momentum toward deepening regional integration. Singapore took an important initiative to officially propose a free trade agreement (FTA) with Japan in December 1999 when Prime Minister Goh Chok Tong visited Japan. Japanese economic ministries, most notably the Ministry of Economy, Trade and Industry (METI), which had already started to study such arrangements with several countries including South Korea, responded positively and the negotiations gained momentum.

In the meantime, observing the momentum of a series of bilateral FTA initiatives and having achieved the goal of joining the WTO, China also came up with its own FTA initiative, as most symbolically indicated by the Chinese proposal of a free trade agreement with ASEAN at the occasion of the ASEAN+3 summit meeting in November 2000. In the following year, Chinese and ASEAN leaders reached a basic agreement that they would achieve a free trade area within the coming 10 years. This was quickly followed-up in November 2002, when the leaders signed a comprehensive framework agreement to carry out the plan.

These China-ASEAN initiatives have prompted the Koizumi administration of Japan to develop its own regional strategy built upon the ongoing process of FTA negotiations. In Prime Minister Koizumi's policy speech delivered in Singapore in January 2002<sup>16</sup>, Koizumi proposed an "Initiative for Japan-ASEAN Comprehensive Economic Partnership," built upon the "Japan-Singapore Economic Agreement for a New Age Partnership," the so-called Japan-Singapore FTA, which Koizumi signed prior to the speech.

More importantly, the Koizumi proposal included an ambitious reference to an East Asian community. Koizumi said to the audience in Singapore that "our goal should be the creation of a community that acts together and advances together." Koizumi

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<sup>16</sup> Speech by Prime Minister of Japan Junichiro Koizumi, "Japan and ASEAN in East Asia: A Sincere and Open Partnership," (January 14, 2002). Available at

expressed his expectation that, starting from Japan-ASEAN cooperation, “the countries of ASEAN, Japan, China, the Republic of Korea, Australia and New Zealand will be core members of such a community.”

To substantiate such partnership with ASEAN, Koizumi’s speech advanced a new approach to Japanese diplomacy with ASEAN. While stating his basic stance to promote policies of the Fukuda Doctrine, Koizumi mentioned that “in the quarter-century since the ‘Fukuda Speech,’ the global situation has undergone tremendous change.” He then continued:

In Southeast Asia, peace has progressed with the resolution of conflicts in Indochina, resulting in the expansion of ASEAN to ten countries. Democratization and a market economy are also progressing in Asia. The People's Republic of China and Taiwan have joined the WTO. Furthermore, as a result of the terrorist attacks on the United States, we've seen a paradigm shift in security concepts, making patently clear the importance of working together for the sake of peace and stability.

In a nutshell, although Koizumi’s speech took the form of addressing Southeast Asian nations, it has made clear a comprehensive design of Japan’s regional engagement. What was quietly implied in this presentation of policy approach is the weight of ASEAN as an equal partner for Japan’s regional role.

### **Concluding Remarks**

In December this year, there will be a bilateral ASEAN-Japan summit meeting held in Tokyo. This is the very first occasion when the ASEAN countries agreed to hold such a meeting outside of Southeast Asia. Previously, any bilateral summit meeting between ASEAN and its non-member country used to be held in conjunction with the ASEAN leaders meetings or the ASEAN+3 meetings, which as a rule take place only in the Southeast Asian region.

ASEAN has long been known for its balancing act vis-a-vis non-member external powers. The fact that the ASEAN leaders have now agreed to meet with their Japanese counterpart outside of Southeast Asia is an indication of their trust in Japan as well as the decreasing weight of Japan particularly as compared to that of China.

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<http://www.mofa.go.jp/region/asia-paci/pmv0201/speech.html>



For ASEAN, the presence of China has become so prominent that the holding of a bilateral summit with Japan would not upset its balanced diplomacy with outside powers.

No matter what the motivation on the part of ASEAN, this is a golden opportunity for Japan to move toward a community building as an equal partner with ASEAN, without excluding China.

It has long been argued in the Japanese policy community that Japanese policy-makers feel most at ease with the ASEAN counterparts in Asia. ASEAN people also now say that they feel most comfortable with Japan among the external countries. This is clearly the result of extensive and rich contacts between the two during the last decades.

The grounds of such optimism, however, could not be turned into assets unless approached strategically. As argued in this paper, important domestic changes have happened in recent years for Japan's regional and global policies, which have accelerated the momentum of Japanese engagement in international security and regional economic integration.

Reportedly, the Ministry of Foreign Affairs will increase its staff people in charge of FTA negotiations from 30 to 90. The METI minister, Shoichi Nakagawa, is an active member of the agricultural tribe of the LDP, but is now committed to strengthening Japan's engagement in FTA negotiations. After all, the FTA drive will provide useful momentum for the re-structuring of agricultural policy in line with the broader regional strategy of community building propelled by FTA and other economic measures.

It is high time now that Japan move strategically by raising the creation of a stable and prosperous regional community as a long-term goal. Eventually, such a community could and indeed should have elements of a security community, where the use of force as a means of settling international disputes could be regarded as legitimate only in multilateral forms and like-minded peoples are connected by common values.

The United States as well as China should be a member of such a community. Ironically, however, the current unilateral tendency of the Bush administration is a catalyst for East Asian countries to come closer, if not to counter the American predominance but to prepare for the misuse of its power. China could pose the same problem, particularly with regard to the use of force against Taiwan. Ultimately, prudence on the part of the United States and China is a necessary condition for

building an East Asian community.

Needless to say, Japan should prove itself to be a credible promoter of such a strategy by creating a sensible alternative framework of policy debate and policy making replacing the 1955 regime.