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TOWARD COMMUNITY BUILDING

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Japan's Policy Agenda for East Asia

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Japanese foreign policy faces a crucial test in the coming years as the international system comes to be increasingly defined by multipolarity and multilateralism. The poster child for the emergence of this new global order is none other than East Asia itself, where rapid economic growth, a gradual redistribution of power, and the increasingly important role of multilateral cooperation and regional institutions are dramatically transforming the region. Despite having proceeded relatively smoothly to this point, this metamorphosis continues to lack a clear long-term vision to guide policy. What follows is a series of policy proposals through which to ensure the long-term peace, stability, and prosperity of East Asia.

The Evolving Shape of East Asia

It goes without saying that one of the most important developments in Asia in recent years has been the incredible economic growth throughout the region, manifest most clearly in the rise of both China and India. While such economic expansion has no doubt had a number of positive effects on the region, it also brings with it a fair share of challenges.

Although the global ramifications of the economic growth of both China and India may seem

to be similar at first glance, global perceptions of the potential impact of each country's rise vary. China's pursuit of a benign—yet increasingly assertive—foreign policy, which has been characterized by double-digit and nontransparent annual increases in its defense expenditures, is coupled with elements of rising nationalistic tendencies, thus giving rise to concern in some circles about the uncertainty of its future course.

On the other hand, while India also seeks a more assertive role in international affairs commensurate with its growing economic strength, Japan and other nations tend to see India as a collaborative partner. There are three main reasons that this perception differs from that toward China: India's status as an established democracy; its history as one of the founding members of the Non-Aligned Movement during the Cold War; and its strengthening ties with the West, as clearly demonstrated in its improving relationship with the United States.

A few hundred kilometers west of Tokyo lies North Korea, a country with a population just one-sixtieth the size of China or India. Nevertheless, it is one of the most important factors affecting the future peace and stability of the region. Although

there are signs that an end to its nuclear weapons program may be possible in the near future, it is an unfortunate reality that the challenges on the Korean Peninsula do not stop with the shutdown of the Yongbyon nuclear reactor. Even if all of the goals delineated in the Six-Party Joint Statement of February 13, 2007, are achieved successfully, continued economic and energy assistance, as well as the eventual reunification of the peninsula, guarantee that North Korea will remain an important issue for years to come.

No commentary on the region would be complete without mention of ASEAN and the challenges Southeast Asia continues to face. While annual GDP growth rates in the subregion have averaged a very respectable 5 percent in recent years, ASEAN countries continue to struggle for better governance, as corruption, environmental degradation, and an expanding gap between the rich and poor remain serious issues—not only in their own right but also as substantial threats to sustainable development.

Japan's Vision for East Asia

There is no doubt that Japan's policy toward East Asia is inextricably linked to its role outside the region. However, despite political rhetoric to the contrary, the reality is that Japan's influence within the international community is in relative decline. The rise of China and India point to a day in the near future when Japan will no longer enjoy status as the world's second largest economy. Nevertheless, this development need not be seen in zero-sum terms; rather, it provides an opportunity for Japan to reinvent itself as a global and regional leader in areas outside the economic sphere.

Japan is one of a select group of countries with the capacity to have an impact on events far beyond its borders. When one takes recent structural changes in the international system into account, it becomes clear that the only way for Japan to increase this influence is to reinforce its role as a global democratic power. To this end, Japan must strengthen its policy tools and reinvigorate its policy toward the region. While Japan's relative economic strength may be on the decline, enhanced diplomacy and soft power can

supplement that loss and make sure that Japan's best days are ahead of and not behind it.

Official Development Assistance

Throughout the postwar era, official development assistance (ODA) has been one of Japan's most important diplomatic tools in East Asia. Henceforth, Japan would be well served to expand its ODA program and improve its standing in the region. The unfortunate reality, however, is that current policy seems to be headed in an entirely different direction. In spite of the various pledges made in recent years by Japanese leaders to significantly expand Japan's ODA program, the ODA budget continues to shrink, having fallen by 40 percent over the past decade. The top ODA donor nation throughout most of the 1990s, Japan now ranks third after the United States and Britain, and if budget cuts continue, it will soon find itself out of the top five.

These recent cutbacks are largely the result of government efforts to address Japan's massive public debt. While such a policy makes sense from a budget perspective, it comes in the context of leaders calling for Japan to adopt a more "normal" and assertive role in global affairs. If leaders truly wish for Japan to be considered a regional leader, then its East Asia policy needs to place greater emphasis on developing its soft-power resources. ODA is arguably the most important of these diplomatic tools.

Article 9

The time has come for Japan to update its interpretation of Article 9 of the constitution to more accurately reflect global realities. Although all nations are afforded the right to collective self-defense under international law, the Japanese government's current interpretation of Article 9 forbids Japan from exercising this right. Consider the following cases, all of which are unconstitutional under the government's current interpretation of Article 9: 1) The Japanese Self-Defense Forces (SDF) cannot use force to repel an attack on a US warship on the high seas, even if an SDF vessel is in the immediate vicinity. 2) Japan cannot shoot down a missile launched by a hostile nation unless Japan itself is under direct attack. (In other

words, Japan can do nothing even if it knows that the missile is headed for the United States.) 3) SDF officers participating in UN peacekeeping operations (PKO) cannot return fire against hostile targets that have fired on friendly PKO personnel from other nations, even if they are in the immediate vicinity. 4) Even if not actually engaged in hostilities, the SDF is not allowed to provide logistical support to US military forces or forces operating under a directive from the UN Security Council unless such support occurs in a clearly designated “noncombat area.”

The scenarios described above make it clear that a reinterpretation of Article 9 is a prerequisite for Japan to be able to make a sincere contribution to international peace and stability.

The Japan-America Security Alliance

The Japan-America Security Alliance, along with America’s other security partnerships in the region, will continue to serve as a guarantor of regional stability for the foreseeable future. Despite the dramatic global transformation manifest in the post–Cold War world, these traditional “hard” security alliances continue to play a role as a hedge against unpredictable future threats. States throughout the region, even China, have acknowledged the contribution that the US military presence in East Asia makes to regional stability.

Japan’s relationship with the United States should continue to function as the foundation of its diplomacy. Nevertheless, the scope of the alliance must be redefined to make regional and global challenges a core aspect of the bilateral relationship. As East Asia enters into a critical transition period in the community-building process, it is incumbent upon these two democratic powers to expand cooperation and dialogue on how best to realize the emergence of a stable regional order. It is Japan’s responsibility to make every effort to ensure that the United States remains actively involved in the region.

China

China’s economic rise and increasing influence in global affairs is more or less a historic inevitability, and efforts to contain China at this stage would

do little more than upset regional development and stability. Japan and others must instead encourage China to become a responsible player—i.e., to enjoy the benefits of inclusion in, while faithfully observing the norms of, the international system. Japan’s basic policy toward China should be oriented toward two primary goals: hedging against uncertainties relating to China’s future course while simultaneously engaging China in “inclusive multilateralism.”

The first layer of this policy calls for a strengthening of strategic ties among the region’s four largest democratic states (Japan, India, Australia, and the United States) as well as an increased emphasis on US bilateral security alliances and security partnerships in the region. Since such a policy, if pursued in isolation, risks either ostracizing or antagonizing China, the most sensible way forward must instead have as its primary focus inclusive multilateralism. This second layer calls on Japan to actively engage China in regional and global rules-based communities, bringing it into multilateral dialogue on everything from macroeconomic policy to talks on energy and the environment. The most effective way to achieve this goal is to increase support for regional community-building processes already underway.

North Korea

The ultimate goal in the Six-Party Talks is a comprehensive solution to the North Korean nuclear issue that not only guarantees that the North Korean regime disbands its nuclear program but also ensures that Pyongyang thoroughly transforms its policies and begins to actively engage the international community. Such a solution will undoubtedly mandate that the other five parties be willing to learn from past mistakes and at all times present a united front. If they are able to do this, North Korea will be left with no choice but to make a strategic decision and fully honor its commitments to the February agreement.

Japan’s decision to opt out of the initial oil shipment to North Korea and demand a resolution to the abductees issue as a prerequisite for more active participation in the negotiations invited a great deal of criticism from overseas, with some individuals going so far as to suggest that Japan has isolated itself from

the four other nations. Japan's apparent "hard line" demands a brief explanation.

There are two primary reasons for Japan's basic stance. First, the past two decades of negotiations with Pyongyang have made it abundantly clear that the North Korean nuclear issue can only be permanently settled through a comprehensive solution. In this context, the Japanese government is merely insisting that the abductees issue be treated as one aspect of this agreement. Second, the six parties made clear in the February agreement that any comprehensive solution to the North Korean nuclear issue has as one of its core elements progress in normalization talks between Japan and North Korea. The abduction of Japanese citizens is an affront to Japan's national sovereignty and the government has an obligation to guarantee the safety and wellbeing of its people. Normalization talks will proceed once the North Korean regime shows a sincere commitment to resolving this issue.

East Asia Community

The continued expansion and deepening of multilateral dialogue throughout East Asia in recent years reveals a growing desire among states to consolidate regionalism and move further along the path toward the establishment of an East Asia Community (EAC). Not only would the spread of a supra-national "East Asian" identity be a means to move beyond the confrontational, nationalistic sentiment that has been on the rise in recent years, but further community building could reduce economic disparities and create a more stable and secure region. Despite the enormous potential benefits of regionalism, however, there continues to be insufficient dialogue in Japan about its merits outside of the economic sphere. While the proliferation of economic and financial ties no doubt plays a fundamental role in the community-building process, policymakers must realize that "regionalism" is much more than just economic interdependence, and Japan has an obligation to adopt a more active role.

Some critics argue that a European-style regional superstructure in East Asia is an unrealistic goal given that East Asia has a diverse array of political

and economic systems, cultures, religions, and ethnicities and lacks the history and common values of a continent like Europe. However, such a mindset fails to realize that it is not the formal creation of a particular institution but the process of community building itself that is the main goal of regionalism. An emphasis on action-oriented regionalism, through which actors are bound together by rules and operations, rather than (necessarily) values, religion, or political systems, will go far in pushing the process forward.

Other critics express concern that an EAC would merely be a façade for China's pursuit of regional hegemony. However, these critics fail to realize three key points. First, while China's leaders indeed seek greater influence on regional affairs, "greater influence" may be relative rather than absolute. Second, as mentioned above, the fundamental aim of community building is not the creation of the institution itself but the process. That process would engage China at every step along the way, consolidate trust and confidence among regional states, and make clear to China the immense benefits of multilateralism. Third, in light of the issues that need to be addressed in the region, such as energy efficiency and the environment, capacity building, and public health, it is clear that the country with the greatest resources, and therefore most qualified to lead community building, is in fact Japan, not China.

One final point is the fact that the continued presence of the United States is of integral importance for the lasting peace, stability, and economic development of the region. Japan must campaign more actively for the United States to stay involved in the region and to more clearly articulate an American vision for Asia's future.

A Rules-Based Regional Economic System

Community building in East Asia will undoubtedly begin with intraregional economic and financial cooperation. This economic community must go beyond the scope of the WTO and address not merely trade in goods and services but also investment, standards, and the movement of people. A regional (ASEAN+6) economic partnership agreement

would go far toward achieving these goals and laying the groundwork for the future establishment of a broader Asia Pacific/APEC free trade zone. This community should be linked to global institutions such as the WTO and observe the rules and obligations of the global system. The same holds true for the establishment of a regional monetary fund.

East Asia may be well known for its near double-digit GDP growth rates in recent years, but what is often overlooked is the appalling degree of disparity between rich and poor within the region. The average per capita GDP in Singapore remains more than 50 times that of Laos, Cambodia, and Myanmar, three countries whose people live on an average income of only US\$1.11 per day. In order to alleviate these economic disparities and create more balanced growth in the region, Japan must place greater emphasis on human development and support for economic and institutional capacity building. Targeted ODA investments to develop physical infrastructure in Southeast Asia will be an integral aspect of this policy. Following the success of its programs in Vietnam and Laos, the government should also expand its intellectual ODA program.

East Asia Security Forum

One of the most pressing areas demanding expanded regional cooperation is security. East Asia is in need of a new regional body capable of taking proactive steps on security issues such as human and drug trafficking, infectious disease, resource scarcity, maritime piracy, and WMD proliferation, all of which continue to pose a threat to regional stability.

The creation of a multilateral institution to tackle such nontraditional and transnational security issues would foster a more secure environment for continued economic expansion and—through joint

action on issues of common concern—would also function as an effective confidence-building measure, setting the stage for still deeper community building in the future. The membership of an East Asia Security Forum would consist of a small core of nations, such as ASEAN+6 and the United States. The forum would have as its mandate a proactive and operational approach to handling regional security, cooperatively addressing threats in a manner similar to the American-led Proliferation Security Initiative.

In addition to the valuable role that the ARF continues to play as a forum for ministerial dialogue on security issues, the Six-Party Talks format has also emerged as an important framework for multilateral cooperation on threats to regional stability. Despite its originally ad-hoc nature, this novel subregional forum should continue to function as a confidence-building measure even after final resolution of the North Korean nuclear issue.

Conclusion

Given the increasing importance of the region to global stability, policymakers must continue to keep a close eye on the changes taking place in East Asia. As the most powerful democracy in the region, Japan must not only clarify its long-term vision for the region but also develop a clear policy through which to achieve its goals and make an active contribution to the long-term peace, stability, and prosperity of East Asia. There has been no other time when Japan's policy toward East Asia has been of greater importance.

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