

GO ITO

A New Pro-Asia Doctrine? Japan's Approach to East Asian Regionalism

The rivalry between China and Japan has influenced their respective relationships with ASEAN. This is seen in their involvement in a number of ASEAN-related regional diplomatic processes. With the change of leadership in Japan, will the possibility of a new pro-Asia doctrine redefine the relationship with China?

Though policymakers and intellectuals in the region have recognized the ASEAN+3 as a valid regional group, the future of East Asian regionalism is uncertain. The ASEAN+3 is remarkable because it is the first example of the institutionalization of regionalism among East Asian countries. It is however intrinsically part of the ASEAN regime, which constitutes numerous frameworks and dialogues constructed among the ASEAN countries and their political-security extension, the ASEAN Regional Forum (ARF). Besides, the ASEAN+3 is not the only regional organization in the area. The Asia Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), the ASEAN Regional Forum (ARF) and others have also been created.

ASEAN's Delicate Balance

While Japan and China cooperate with ASEAN in the ASEAN+3 and other frameworks, they are in a sense rival nations for pre-dominance in East Asia. Both China and Japan are respectively

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trying to tighten their economic and political ties with ASEAN countries. To accomplish this purpose, they are promoting free trade agreements (FTAs) both with ASEAN as a whole and with its member countries individually since the end of 1990s.

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In this situation, ASEAN recognizes that the excessive tension between China and Japan can be burdensome since the regional grouping does not want to be involved in the China-Japan rivalry. They argue that they are not the political means both for China and Japan to attain their national interests. However, ASEAN also contends that if China-Japan relations become too close, ASEAN may lose its leverage in the making of the regional framework, since the wider cooperation between the two major powers in Asia will dilute ASEAN's presence. In this sense, ASEAN needs to keep a delicate balance in East Asian regionalism.

The China-Japan Rivalry and Regional Frameworks

China's rapid economic growth as well as its increasing influence on regional politics in East Asia became obvious to some Japanese policymakers since the end of 1990. They were shocked at the announcement in November 2001 that China and ASEAN agreed to the establishment of FTA just a year after Chinese Prime Minister Zhu Rongji proposed it. The anxiety that Japan was being left behind by China and the eagerness to catch up with China's bold approach to ASEAN countries led to the proposals for the "Initiative for Japan-ASEAN Comprehensive Economic Partnership, and the Initiative for Development in East Asia", that is, an "Extended East Asia Community," by Prime Minister Koizumi Junichiro in Singapore in January 2002.

The Japan-ASEAN Summit in November 2002 in Phnom Penh adopted a joint declaration. This declaration stipulated that ASEAN countries and Japan should work in a framework of Comprehensive Economic Partnership to be fully realized within 10 years. Then Prime Minister Shinzo Abe's visit to Southeast Asia in August 2007 also stated that Japan and ASEAN should seek a broad-based economic partnership covering such areas as (i) liberalization of trade and investment; (ii) trade and investment promotion and facilitation measures, including, standards and conformance, non-tariff measures; and (iii) cooperation in

other areas, including financial services, information and communications technology, science and technology, human resource development, small and medium enterprises, tourism, transport, energy and food security.

Chinese policymakers in Beijing thought that China had to counter Japan's move to examine bilateral FTAs with some Asian countries, namely Singapore and South Korea. In short, policymakers in China and Japan have been very conscious of each other's moves and intentions.

In the China-ASEAN Summit held shortly before the 2002 Japan-ASEAN Summit, a Framework Agreement on Comprehensive Economic Cooperation was signed. It declared that China and ASEAN would embark on trade liberalization and facilitation in goods and services; liberalization and facilitation of investment; and five other areas of economic cooperation. The agreement had a list of some 600 products, mostly agricultural, targeted for "early harvest" in tariff reduction by the following year. In addition, it included a commitment to complete negotiations on tariff reduction for 5,400 other products.

In that Summit, Chinese and ASEAN leaders also signed an agreement aimed at preventing an escalation of tension over the hotly-contested Spratly Islands in the South China Sea. They began to strengthen not only economic but also security cooperation and coordination. Furthermore, China will accede to the Treaty of Amity and Cooperation, a fundamental document for regional cooperation, at their summit in Bali in October 2003. China has been seeking to consolidate its political and economic ties with ASEAN countries and gain more leverage over them.

The Japanese government rushed to catch up with China's efforts to initiate the community-led regionalism. But the purpose behind this hastiness was predicated on the idea that Japan cannot be delayed by the rise of China. The entire actions by Japan stemmed from the need for a balance of power against the rise of China.

ASEAN's Autonomy

Facing the China-Japan rivalry, however, ASEAN countries are not just "passive" subjects over which China and Japan has competed for predominance. They are also "active" actors searching for their independent diplomacies. ASEAN countries try to balance both China and Japan.

Many ASEAN policymakers recognized that Japan is a key country for their countries' economic revitalization because its economic presence in Southeast

Asia is still unchallenged despite its prolonged economic recession. Its US\$4.7 trillion economy is almost five times larger than the Chinese economy. Japan is the top ODA aid donor to all ASEAN members and China. Even after a decade of stagnation, Japanese firms invested about US\$2 billion in ASEAN economies every year for the past decade.

However, ASEAN countries have complained about Japan's reluctance to promote freer trade, especially in agricultural products. They are eager to open up the Japanese market of agricultural goods so as to vitalize their economies. ASEAN countries have pointed out repeatedly that enhancing economic linkages without the liberalization of agricultural goods would be meaningless for them. Japan's liberalization of its agricultural market is regarded as indispensable to the strengthening of economic linkages between ASEAN and Japan. In Japan, however, the Ministry of Agriculture, Forestry and Fisheries, some politicians and pro-agriculture pressure groups have strongly resisted the opening of the agricultural market. Japan's stubborn attitude against freer agricultural trade is hampering its "recapture" of the initiative towards Southeast Asia.

In ASEAN countries, supporters for the China-ASEAN FTA argue that an FTA could make China's huge market accessible for exports from ASEAN countries. In addition, they expected it to contribute to efficiency in various industries in ASEAN through competition in the larger China-ASEAN market. They also welcomed China's voluntary attitude concerning agricultural goods and expected the access to China's huge market in other sectors to become easier. Singapore, for example, is eager to enhance ties between ASEAN and China because it considers the huge Chinese market to be indispensable for further economic growth of the ASEAN countries.

On the other hand, sceptics of China's benevolence and the effects of the China-ASEAN FTA are concerned with the possibilities that economies of China and ASEAN are actually more competitive than complementary. They argue that manufacturers of such products as textile, toys, and television sets in ASEAN countries would suffer from an inflow of cheaper "Made in China" goods. They also argue that China and ASEAN compete for foreign investment in the manufacturing sector. The sceptics perceive that China rushed into a deal because the Chinese government acts not only for economic reasons but also political ones, such as the ambition to outmanoeuvre Japan for regional leadership. The misgivings about the China-ASEAN FTA and China's influence are strong particularly in Indonesia, Malaysia and the Philippines.

East Asia is today a significant region, as reflected by various trends: competition between China and Japan over political and economic ties with ASEAN through FTAs and other collaboration schemes; optimism and scepticism in ASEAN countries about China; ASEAN's strategy to strengthen ties with both China and Japan to revitalize their economies; and ASEAN's intention to prevent any major powers from dominating Southeast Asia.

The future development of East Asian regionalism will be strongly influenced by the triangular relationship among Japan, China and ASEAN countries. It is, however, unclear how it will be affected and how it will change. To strengthen ties between China and ASEAN and between Japan and ASEAN is not equivalent to the promotion of regional cooperation in the East Asian "region". It is uncertain whether these two individual partnerships will merge to enhance a single East Asian regionalism.

Possibility of a New Pro-Asia Doctrine?

I have argued that both China and Japan have employed the "balance of power" logic towards the making of the entire East Asian regional framework. It partly stemmed from Premiers Koizumi and Abe's penchant for the United States as well as their disregard for Asia. Abe seemingly wanted to ameliorate Japan's relations with China and Asia, but his efforts did not grow out of the series of summit meetings in the region.

When Abe resigned because of corruption-related scandals, Yasuo Fukuda became Japan's prime minister in late September 2007. China, ASEAN and other Asian countries welcomed his rise as he is seen more as a liberal Asianist than a hawkish, conservative "pan-American". Political leaders in Asia now expect Tokyo to announce a new framework for Japan's attitude towards the making of the "East Asian community".

The possibility of a "New Fukuda doctrine", assuming the new premier lasts a full term in office, should be predicated on the following three principles. First, Japan needs to change the "balance-of-power" logic against China into a region-wide framework building process. In this context, ASEAN cannot be the political means for Japan to enhance its national interests against China; Japan needs to address China and ASEAN as equal partners.

Second, as the Fukuda doctrine in 1977 employed the term "heart-to-heart communication" with Asian countries, Japan also needs to create a new conception for the making of a regional framework. More specifically, 10 years after

the Asian Financial Crisis, and 10 years since efforts to build the “East Asian Community” began, Japan needs to address key terms associated with “Asia as one world”. For instance, the new key terms can be like “Mutual Trust”, “Mutual Prosperity (or Mutual Development, or 共生)”, “Sustainability”, “Generosity”, “Plurality” and so forth.

Finally, the more consolidated Asian countries are, the more attentive they will be towards the U.S., which has been concerned that its presence might weaken as the Asian countries become more cohesive. Ten years ago, Japan’s initiative for the Asian Monetary Fund (AMF) was turned down by the U.S. that was concerned the proposed AMF might lessen its stake in the region. Any regional framework in the 21st century, like the EU and the North American Free Trade Area (NAFTA), cannot be closed to others as “open regionalism” will be mutually beneficial.

The U.S. Factor

The posture of the U.S. towards East Asian regionalism has significantly affected, and will affect East Asian regionalism. American attitude towards East Asian regionalism at present is, at least on the surface, not as antagonistic as it was in the past, as demonstrated in such cases as the AMF proposal and the idea of an East Asian Economic Group, or later referred to as the East Asian Economic Caucus (EAEG/EAEC).

The U.S. even proposed the Enterprise for ASEAN Initiative (EAI) in October 2002, offering the prospect of FTAs between it and ASEAN countries. The EAI proposal reflected U.S. eagerness to strengthen its relationship with ASEAN countries. Other reasons for this proposal were the expectation of economic interests in Southeast Asia and the need for anti-terrorist cooperation.

East Asia now faces market-driven regionalism, but economic issues will not be the only issues for the region. It is a region with various natural disasters, serious piracy crimes, human trafficking and smugglings, and so forth. We need various kinds of cooperation that will go beyond functional, economic issues. Serious efforts should be made by the Japanese government to address these region-wide problems. *SC*