

6 Japan in the foreign relations of the ASEAN states

Tang Siew Mun

Southeast Asia's relations with Japan have experienced high and low points in the last century. Japan's military success over Russia in the 1904–1905 Russo-Japanese War inspired and fueled Asian nationalism, helping to dispel the myth of Western invincibility and its concomitant Asian weakness and subordinate status. Meiji Japan's successful westernization and rise to great power status was the one bright spot in a region savaged by imperialism and instability. The abrogation of the Anglo-Japanese alliance and the subsequent unraveling of the Washington Treaty system left an indelible imprint on the Japanese strategic outlook. In its quest for acceptance and efforts to consolidate its position as an Asian power, Japan embarked on an expansionist path in the 1930s. Japan's conquest of Southeast Asia and subsequent defeat by the Allied Powers effectively severed Tokyo's ties with the region. From the master of Asia, Japan became a pariah. This was the low point in Japan's Asian diplomacy.

The newly independent Southeast Asian countries—with memories of the Pacific War still fresh—viewed Japan with suspicion. Postwar Southeast Asian engagement with Japan proceeded cautiously, but by the turn of the century Southeast Asian states warmly embraced Japan's role in regional affairs. The outpouring of support and aid from all walks of life across Southeast Asia to the victims of the Great East Japan earthquake clearly demonstrates the strength and depth of that relationship. However, this passage was far from smooth. The riots that broke out during Prime Minister Tanaka Kakuei's visit to Thailand and Indonesia in 1974 shocked the political establishment. Effigies of Tanaka were burned, as were Japanese cars. Calls were placed to boycott Japanese goods. The outpouring of pent-up frustration were—in part—motivated by domestic politics. Nevertheless, the negative reception received by the Japanese delegation was linked to several issues.

Foremost was the perception that “Japanese investments and aid were part of a larger scheme to control Southeast Asia by creating economic dependence on Tokyo.”¹ Related to this, Japan was perceived to be enriching itself at the expense of the Southeast Asians. There were also resentment at Japan's attempt to strong-arm the Southeast Asian states to agreeing to base the newly formed Asian Development Bank in Tokyo, and Japan's initial indifference toward the formation of ASEAN. Other than economic interest, Japan was deemed to be unconcerned

with the socio-economic and political conditions in the region. These ill-feelings manifested in the anti-Japanese riots during Prime Minister Tanaka's Southeast Asia visit. Japan was compelled to rethink its approach to the region, and on August 18, 1977 Prime Minister Fukuda Takeo mapped out Japan's new approach which contained three tenets:

- 1 Japan rejects the role of a military power;
- 2 Japan will do its best to consolidate the relationship of mutual confidence and trust based on "heart-to-heart" understanding; and
- 3 Japan will be an equal partner of ASEAN, while attempting to foster mutual understanding with the nations of Indochina.²

These tenets—collectively known as the Fukuda Doctrine—became the cornerstone of Japanese diplomacy toward Southeast Asia ever since. This chapter examines how Japan is perceived by ASEAN states and societies in the wake of the Fukuda Doctrine. It argues that the Fukuda Doctrine has been well-received and instrumental in improving ties with Southeast Asia. The first three sections of the chapter examine Southeast Asia's perception of Japan in the areas of military power, trust, and historical legacy. The next section studies the acceptance and consumption of Japanese culture in Southeast Asia. The fifth section focuses on the application of overseas development aid (ODA) in assisting the implementation of the Fukuda Doctrine. The last section asks whether the Fukuda Doctrine still informs Japan's approach to Southeast Asia.

Military power and Japan's regional engagement

That Japan—through the Fukuda Doctrine—needed to reassure the region that it will not be a military power is a testament to the degree that the Pacific War continues to factor in Japan's foreign policy. Assurances that Japan eschews a military role were an important factor to calm the fears of Japanese "revival of militarism." Singapore's former premier Lee Kuan Yew—who is known for his cautious views on Japan—once said that allowing Japan a military role in regional affairs is like giving "liqueur chocolates to a reformed alcoholic."³ At the other end of the spectrum, then Malaysian premier Mahathir Mohamad had pointedly advised Japan to stop apologizing for World War II and to play a more active role in regional affairs. Indeed, there is no consensus on Southeast Asia's views on Japan's militaristic past. To be sure, the dwindling and passing of the "old" generation with memories and experiences of the Japanese Occupation have an impact on how Japan is perceived. In a 2008 survey commissioned by the Ministry of Foreign Affairs, an average of 68 percent of respondents from six Southeast Asian states acknowledged that "Japan did some bad things, but there is not an issue now."⁴ Views on Japan from a new generation of society and political leaders with scant or no knowledge of the war is more sanguine and objective vis-à-vis Japan's expanding role in the region. The region's positive view of Japan, according to Lee Poh Ping, is due to

the increasing South-East Asian perception that the Japanese had played a constructive role in their region since the war. Through their aid, investment, and trade, the Japanese played a very big part in the economic development of the region. It is unlikely, given this record, that a Japanese military role in the region will be a resurrection of the past. Moreover, there is a South-East Asian perception that given Japanese weight in the region and American pressure, some Japanese security role will be inevitable.⁵

Nevertheless, the Fukuda Doctrine—by reaffirming Japan’s pacifist orientation in international affairs—effectively took the Japanese “military threat” issue out of the equation in most Asian national security outlooks. Concomitantly, the exclusion of a military dimension from Japan’s relations in regional affairs helped to dampen the fear of Japanese militarism from Asia’s national consciousness.

Reversing his famous alcoholic analogy, Lee Kuan Yew opined that the development of the postwar economic and political structures had reduced the incentive for Japan to pursue its national interests militarily:

Rationally, it is unlikely that the geopolitical situation in the world will deteriorate to a point where, as in the 1930s and 40s, Japan will consider military force as the solution for her problems. In the 1930s the world was divided into empires and spheres of influence. The Europeans restricted Japan’s access to their empires. So long as the present system of GATT, IMF, [and the] World Bank prevails, even if the free-trade system is not functioning at optimum levels, Japan will not find military aggression either necessary or profitable. So by all reason and logic, there should be no fear of a Japanese return to military aggression . . . Therefore, fear of Japan’s remilitarization is more *emotional than rational*.⁶

From a strategic perspective, Southeast Asian states do not consider “advancing South” militarily by postwar Japan a possibility. These states have grown accustomed to Tokyo’s strategic posture of keeping the Japanese Self-Defense Forces (JSDF) within its territorial waters. Furthermore, the assuring presence of US forces in the region dampens any lingering perception of security dilemma between Southeast Asian states and Japan. In fact, Japan’s participation in the UN Transitional Authority in Cambodia (UNTAC) from 1992 to 1993 and assistance to Timor Leste were warmly applauded as a positive contribution to regional peace and security. Similarly, when Japan dispatched naval ships to the Indian Ocean in support of the American-led war against terrorism, Southeast Asia responded calmly and expressed their “understanding” for Tokyo’s actions. This is undoubtedly a sea change from the charges of “revival of militarism” often heard in the 1970s and 1980s.

Through the decades, Southeast Asia’s views on postwar Japan is less rhetorical and alarmist than China and the two Koreas. It was the manner in which Japan deployed its military power that helped it gained acceptance among ASEAN states. Heretofore, all JSDF involvement in regional peace operations was sanctioned by

the United Nations or supported by ASEAN. As long as Japan continues to apply its military power multilaterally, it will continue to be welcomed as contributing to international security. Clearly, Southeast Asian states see a distinction between military power as a means for national aggrandizement and a positive tool to enhance regional order and stability.

In a similar vein, ASEAN was receptive toward the Fukuda Doctrine's intent to engage Vietnam, in spite of the organization's avowed isolationist stance and "bleed Vietnam white" policy. Japan provided a link between ASEAN and Vietnam. The good offices of Japan were also put to varying effect in the Aceh, Mindanao, Cambodian, and the East Timor conflicts. The fact that Japan was allowed to serve as a mediator is an indication of the high degree of respect and trust the Southeast Asian states have for Japan, considering ASEAN's uncompromising stance on the norm of non-interference. In short, Japan had carved a niche role in Southeast Asian affairs as a trusted mediator (and perhaps peacemaker) and, as the examples mentioned above, showed Japan's commitment to regional stability and order.

How the region's coastal actors responded to great power overtures in enhancing maritime security in the Straits of Malacca is indicative of Japan's standing in the region. Singapore has taken positively to the Japanese initiative to establish the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP), which is based in the city-state. Singapore is particularly interested in cooperating with the Japanese anti-piracy initiatives as a tool for securing Japanese commitment to regional security.⁷ Indonesia is generally opposed to the physical presence of external forces for maritime security on political grounds, but Japan seems to be the candidate least feared by the Indonesian security elite⁸—compared to other great powers. For states wary or perhaps uncertain with China's regional designs, Japan presents an alternative besides the US to hedge against negative eventualities. China's growing security cooperation with Thailand's neighbors and coastal states of the Indian Ocean, such as Burma, Cambodia, Maldives, Pakistan, and Iran, urges Thailand to seek closer cooperation with Japan.⁹ Reasons for the success of Japan's anti-piracy initiatives could be attributed to its enormous financial resources, institutional capability (the Japan Coast Guard) or its value as an asset to balance off another great power. The fact that Japan is a leading actor in combating piracy in the region is evidence that Tokyo has gained the trust and acceptance as a regional security partner.

Perceptions: trusting Japan?

The end of the Cold War led to a paradigm shift in the region's strategic outlook. The military withdrawal of the US from Vietnam and the Philippines and Soviet forces from the region led to fears of a strategic vacuum in the region, and eyes turned nervously to either Tokyo or Beijing filling in the gap vacated by the former Cold War enemies. More than two decades after the fall of the Berlin Wall, the perceived strategic vacuum has yet to materialize. Granted that the US had scaled down its military presence in the region in the wake of its defeat in Vietnam and withdrawal from the Philippines, it remains a pivotal actor in the region's

security—a fact underpinned by Washington’s bilateral security arrangements with Thailand and the Philippines, and Singapore’s hosting of the Commander, Logistics Group, Western Pacific (COMLOG WESTPAC). Evelyn Goh’s study of the region’s hierarchical regional order with the US at the apex suggests that the region is comfortable with the US’s continued presence and commitment to the region’s security:

The Southeast Asian states’ post-Cold War strategy of involving in regional security affairs all the major powers that have a stake in East Asian security has helped to facilitate a hierarchical regional order that approximates the following preferred power distribution: (1) superpower overlay: United States; (2) regional great power: China; (3) major regional powers: Japan and India; and (4) major regional players: ASEAN, Australia, and South Korea.¹⁰

The regional order depicted by Goh places Japan at the third tier after the US and China. It is arguable whether Japan is merely a third tier power today despite its membership in the G7, considerable economic and technological capabilities, and “cultural cool.” What is certain is that as the Chinese star shines ever so brightly, some Southeast Asian states view Beijing with suspicion. In contrast, according to a 2006 poll conducted by the Chicago Council on Global Affairs and WorldPublicOpinion.org, “there is substantially more confidence in Japan [than other great powers], which is trusted to act responsibly in 10 of the 16 countries.”¹¹ In this survey, three Southeast Asian countries were polled—Indonesia, the Philippines, and Thailand. More than three-quarters of the Indonesian public (76 percent) trust Japan to act responsibly in world affairs, while more than two-thirds (67 percent) of the Philippine respondents shared the same opinion. These positive feelings were not uniformly shared throughout the region. The majority of the Thais (60 percent) registered feelings of distrust toward Japan. However, it must be noted that Thai distrust toward Japan is part of a systemic pattern of behavior towards major powers and is not peculiar to Japan. More than half of the Thais noted their distrust against China (59 percent) and the US (56 percent).¹²

Positive sentiments of Japan were also borne out in a 2008 survey by the Chicago Council on Global Affairs on Soft Power in Asia. The two Southeast Asian countries that participated in this survey gave top marks to Japanese companies. “Thirty percent of Indonesians and 31 percent of Vietnamese believe Japanese companies make a very positive contribution to their countries.”¹³ The poll results affirmed Japan as a trusted actor in the region, and one seen to be a key driver of regional economic growth and prosperity.

The “unfinished business” of history

The Pacific War was the albatross in Southeast Asia–Japan ties. On the one hand it would be erroneous to downplay the saliency of war memories in the region’s perception of Japan. On the other hand, it would be wrong to exaggerate the degree in which Japan’s militaristic past colors and informs contemporary attitudes and

official policy toward Japan. To be sure, it remains a salient issue among Southeast Asians of Chinese ethnicity, especially among the “Chinese-educated” segment of society, and those with first-hand experience of Japanese military atrocities. Japan’s failure to atone for its military transgressions in the 1930s and 1940s and hesitant acceptance of full responsibilities, is an irritant that occasionally sours the otherwise stable and warm bilateral ties between Japan and Southeast Asia.

The anti-Japanese demonstrations in China in 2005 were given sustained coverage in the Malaysia’s Chinese vernacular presses. In the Philippines, the issue of war memories presents a thorny problem to the government and continues to garner political sympathies and support among civil society and politicians. In 1993, the Task Force on Filipino Comfort Women persuaded about 150 women to share their traumatic experience on national radio. The Philippines, is perhaps, the country where war memories resonate clearest in the region. Following domestic pressure, President Gloria Macapagal-Arroyo in 2001 appealed unsuccessfully to the Japanese government for tangible commitment regarding “the payment of direct compensation to former Filipino comfort women who were forced to work as sex slaves for the Japanese army during World War II.”¹⁴ Momentum to improve the plight of the victims gathered through 2007 when lawmakers filed a resolution in the House of Representatives. The resolution urged the Japanese government “to formally acknowledge, apologize and accept its responsibility over the sexual slavery of young women commonly known as comfort women by the Japanese Imperial Army during WWII” and to “provide compensation to the victims.”¹⁵

Clearly, war memories remain a salient issue in Southeast Asia, especially in the Philippines, Malaysia, and Singapore, where Japanese war crimes were more pronounced. Although Asians continue to remonstrate against Japan’s failure to own up to its past, these sentiments are generally contained and is not representative of Southeast Asians’ general attitude toward Japan. To be sure, the pockets of anti-Japanese sentiments exist in Southeast Asia but the intensity of angst commonly found in China and Korea are absent. Southeast Asia’s collective memory of the Pacific War is fast fading owing to generational change. Furthermore, as Lee Poh Ping cogently points out, “it is some 60 years after the war and a new generation of Southeast Asians, brought up in an environment of Toyotas, Sony machines, and manga, would remember little of the Occupation their fathers went through.”¹⁶

People-to-people diplomacy: the application of soft power

Japan’s economic success had earned it worldwide respect and emulation. The Japanese economic model was carefully scrutinized to unlock the secret of Japan’s success. Management concepts such as “just-in-time” have become a staple of MBA curricula worldwide and adopted widely across many continents. In Southeast Asia, Malaysia and Singapore implemented the Look East and Learn from Japan policies respectively and were ardent students of the Japanese economic model and business practices. Malaysia’s Look East Policy—which continues today—encompasses a series of high-level national policies to spearhead its national development. However, the attraction of Japan as an economic development

model had lost its luster in the wake of the economic stagnation since 1991 when its bubble economy burst.

Edith Terry noted that in the mid-1990s, “businessmen and government officials in Singapore alike typically show boredom at the mention of Japan, despite its huge economy—about a hundred times the size of Singapore’s.”¹⁷ Echoing the same sentiments, Naquiyuddin Ja’afar, the chairman of Malaysia’s Antah Holdings offered that Japan is “distracted” by opportunities afar and are less reliable as the prime source of investment. In reference to the Japanese conglomerates’ diverting new investments to China—and away from maritime Southeast Asia—Naquiyuddin observed that [the Japanese] “are still here in strength but it does seem as though they have discovered another favorite son.”¹⁸ Granted that China was the primary benefactor of Japanese foreign direct investment (FDI), it must be noted the inflow FDI into ASEAN grew apace with those of China, and in some years even outpaced that of China (see Figure 6.1). Even if Japan appears to be embracing a new “favorite son,” Tokyo continues to be an important investor in Southeast Asia.

The mystique and influence of Japan were based on its economic achievement and success. However, years of economic stagnation and being mired in political doldrums had damaged its standing in the eyes of Southeast Asia. Lee Poh Ping colorfully summed up the region’s impression of Japan: “We no longer believe [the Japanese] are supermen. It is clear they are prone to error.”¹⁹ The mismanagement of the Fukushima nuclear crisis is a reminder that Japan is far from perfect.

The degree of the development of Malaysia—and other countries that had adopted some of Japan’s management techniques—that is attributed to the application and adoption of the Japanese model is uncertain. The larger impact and contribution was Japanese investment and the set-up of production networks across Southeast Asia. Although most of these firms were essentially Japanese subsidiaries, they nevertheless spurred the growth of small-and-medium enterprises that served as sub-contractors and suppliers to these subsidiaries. Associated with the rise of Japanese firms in Southeast Asia is the influx of Japanese expatriates (see Table 6.1). These were the “agents” that spawned literally hundreds of sushi restaurants

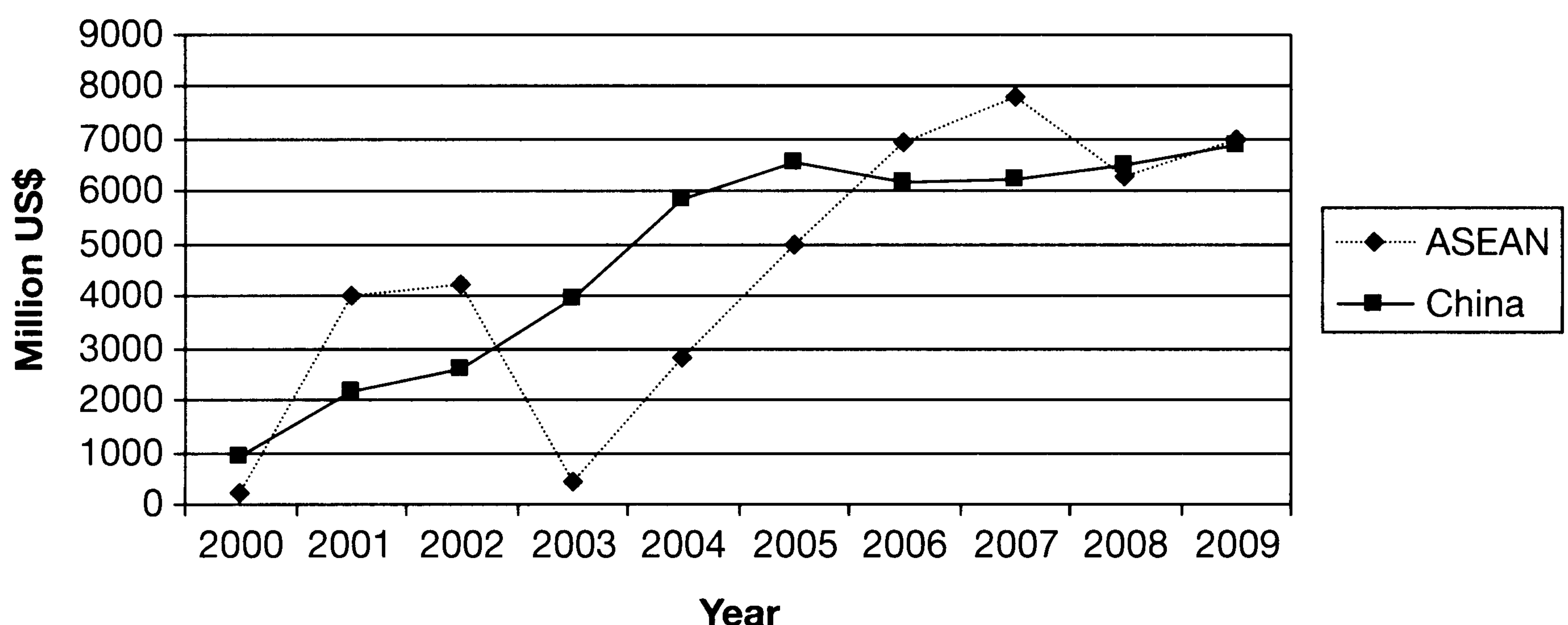


Figure 6.1 Trend of Japan’s foreign direct investment to ASEAN and China, 2000–2009

Source: Japan External Trade Organization (JETRO)

Table 6.1 Total of Japanese residents in Southeast Asia, 2009

<i>Country</i>	<i>Total</i>
Brunei	157
Cambodia	889
Indonesia	11,263
Laos	490
Malaysia	9,142
Myanmar	504
Philippines	17,757
Singapore	23,297
Thailand	45,805
<i>Total</i>	118,772

Source: Ministry of Foreign Affairs, Japan.

across Southeast Asia, and in the process introduced Japanese cuisine to an otherwise disconnected group. Today, Japanese food is very popular and sushi restaurants are widely found across the region.

The formation of Japan Clubs—which holds annual Japanese festivals and other cultural events—brought Japanese culture to the Southeast Asian publics. Japanese music, or more commonly known as J-pop, is sweeping across the region, especially in the relatively more affluent states like Singapore, Thailand, and Malaysia. It has done particularly well in the city-state of Singapore where “[i]n 1999 and 2000, 19 Japanese artists had their albums enter the top ten in the Singapore music chart and at least 9 Japanese albums topped the chart.”²⁰ Capitalizing on the swelling interest on all things Japanese, Thai entrepreneurs published the freely distributed *Daco* and *Premia Life* magazines with ringing success. According to *Premia Life*’s editor Benjamas Phuprasert, “Thais are becoming interested in [Japan] at a younger age, many high-schoolers being drawn in by J-pop.”²¹ *Manga* and *anime* are widely available. Japanese cartoons and TV series—dubbed in local languages—made their appearances in national television. *Ultraman*, *Gozilla*, and *Doraemon* shows are the staple of national televisions across the region. *Manga*—with its distinctive Japanese stylistics and format—breathed new life into the Asian comic scene as enterprising comic artists soon adopted the *manga*-stylistics.

The Ministry of Foreign Affairs established the International Manga Competition in 2007, which is reflective of the extent popularity of *anime* outside Japan. The inaugural competition drew 146 entries from 26 countries, including Indonesia (5), Malaysia (11), Philippines (6), and Vietnam (7), with Malaysia’s Benny Wong Thong Hou receiving one of the three *Shorei* Awards for this *Le Gardenie* entry. The competition continues to draw wide and sustained interest globally. A total of 189 entries from 39 countries were received in the 2010.

To commemorate the Japan–SEAN Exchange Year 2003, the J-ASEAN Pops Concert was staged in Kuala Lumpur, Jakarta, Bangkok, and Yokohama, drawing an audiences of 14,000. The Japan Foundation, being the anchor institution in fostering closer ties between Japan and the region, conducted over 150 projects

to “create a sense of unity in Japan and ASEAN countries through cultural exchange.”²² These links were further strengthened with the Japan–East Asia Network of Exchange for Students and Youths (JENESYS) initiative. Begun in 2007 and funded by the Japanese government, JENESYS aims to “lay the foundation for a stronger solidarity and closer friendships among EAS [East Asia Summit] countries by promoting mutual understanding of the future generation of the region.”²³ “[A]pproximately 26,993 [Southeast Asian] youth have been received in Japan and 5,374 youth has been dispatched from Japan”²⁴ under this program as of September 2010.

At first glance, the small number of inbound Southeast Asian students at Japanese tertiary educations casts a weak impression on the attractiveness of Japan’s soft power (see Table 6.2). Compared to the US, United Kingdom, Australia, and New Zealand, Japan is not the destination of choice for most Southeast Asians students. The number of Southeast Asian students in Japan represents a small percentage of the region’s outbound student body. In comparison, the US hosted more Southeast Asian students than Japan: Vietnam (12,823), Thailand (8,736), Indonesia (7,509), and Malaysia (5,942).²⁵ Nevertheless, the continuous stream of Southeast Asians taking up their places in Japanese universities and technical colleges is an important indicator of the strong bilateral ties between Southeast Asia and Japan in at least two regard.

First, a significant percentage of these inbound students receive financial aid and packages from Japanese public and private sectors. This form of Japanese public diplomacy had, over the years, served to enhance the human capital stock and raise the level of technical expertise of Southeast Asians at minimal or no cost to their respective governments. Second, these graduates form an important cultural bond between Southeast Asia and Japan. The value of these Japanese-trained elites and professionals facilitate easier communication and understanding

Table 6.2 Number of international students in Japan by nationality (May 2010)

<i>Country</i>	<i>Number of students</i>	<i>% of total</i>
China	86,173	60.8
Republic of Korea	20,202	14.2
Taiwan	5,297	3.7
Vietnam	3,597	2.5
Malaysia	2,465	1.7
Thailand	2,429	1.7
Indonesia	2,190	1.5
Myanmar	1,093	0.8
Philippines	524	0.4
Cambodia	333	0.2
Laos	285	0.2
All countries	141,774	100
Asia	130,955	92.4

Source: Japan Student Services Organization.

Table 6.3 Distribution of students studying Japanese according to region (2009)

<i>Region</i>	<i>Total</i>	<i>Percentage</i>
East Asia	2,079,894	57.0
Southeast Asia	908,246	24.9
Oceania	302,141	8.3
North America	168,732	4.6
Western Europe	72,594	2.0
South Asia	35,527	1.0
South America	32,844	0.9
Eastern Europe	26,354	0.7
Central America	9,162	0.3
Africa	8,223	0.2
Central Asia	3,124	0.1
Middle East	2,744	0.1
North Africa	1,647	0.0
<i>Total</i>	3,651,232	100

Source: Japan Foundation, *Survey of Japanese-Language Education Abroad* (2009).

of Southeast Asia and Japan. Conversely, the cultivation of these students serves to enhance Tokyo's diplomatic reach and influence. It is also notable that the region has the second largest number of Japanese-language learners (see Table 6.3). Close to 25 percent of the global student body currently studying Japanese reside in Southeast Asia. The total number of Japanese language learners more than doubled from 440,172 in 2006 to 908,246 in 2009. The strong interest in learning Japanese is an indication of the extent in which the Japanese language serves as a functional medium of communication in Southeast Asia, especially in countries with a strong presence of Japanese investment like Indonesia, Thailand, Vietnam, and Malaysia.

In marked contrast to the appeals of boycotting Japanese goods and the prevailing negative sentiments towards Japan when the Fukuda Doctrine was formally announced in 1977, Southeast Asians have adopted a friendlier outlook toward Japan. Japanese culture and products are widely consumed and available in major cities and townships across the region. The rise of the consumerism culture in Southeast Asia has made Japan a central feature in the daily lives of Southeast Asians. From Manila's Toyota taxis to the PS2 consoles treasured by Asian children and adults alike and the Sony *Vaio* laptops, there is a touch of Japan in every corner of the region. Southeast Asians—in the main—have little interest in global politics and Japanese foreign policy, and increasingly form their impression of Japan based on the relevance and attractiveness of Japanese soft power. In this regard, Japan is poised to reap rewards from decades of constructive engagement with the region if a 2008 Chicago Council on Global Affairs is any indication. In that survey, Indonesian and Vietnam respondents ranked Japan ahead of China, Korea, and the US in terms of soft-power influence and standing (see Table 6.4).

Table 6.4 Soft-power index of the US, China, Japan, and South Korea²⁶

<i>Survey countries</i>	<i>US</i>	<i>China</i>	<i>Japan</i>	<i>South Korea</i>
Indonesia	0.72 (2)	0.70 (3)	0.72 (1)	0.63 (4)
Vietnam	0.76 (2)	0.74 (3)	0.79 (1)	0.73 (4)

Source: Chicago Council on Global Affairs.

Implementing the Fukuda Doctrine: aid and development

In line with the San Francisco peace treaty, Japan provided war reparations to 12 countries in East Asia. The first war reparations agreement was signed with Burma (Myanmar) in November 1954, followed by separate agreements with the remaining countries.²⁷ These payments were an important step to close the chapter on Japan's wartime conduct. Japan ingeniously used war reparations²⁸ as a bridge to rebuild its diplomatic ties with the region and to establish business contacts. According to Arisawa Hiromi, "[r]eparations which began in 1955 and continued for the next twenty years gave postwar Japan its first foothold in advancing into Southeast Asia."²⁹ Another scholar notes the reparation bill which amounted to \$1.5 billion during the 1950s "proved to be an excellent boost for Japanese exports since all reparations were tied to the purchase of Japanese goods and services."³⁰ War reparations were a politically expedient mechanism for export promotion and Japan's economic recovery. It was also pivotal in aiding Japan's re-engagement with Southeast Asia.

By the time the war reparations program ran its course in the 1960s, it was replaced by official development assistance (ODA). This came in the form of grants, technical assistance, and loans (tied and untied) disbursed through bilateral and multilateral channels. Japan joined the Colombo Plan in 1954 and made its first multilateral donation of \$100,000 the following year. Three years later—1961—Japan joined the Development Assistance Committee (DAC) as a founding member. Hasekawa Sukehiro explains the goals of the Japanese aid program in the following manner:

- (a) spurring the process of Japanese reconstruction and economic growth by increasing exports, securing adequate raw materials supplies, and creating a favorable environment for Japanese investments;
- (b) establishing diplomatic relations between Japan and neighboring countries;
- (c) helping stabilize the regimes of aid-receiving countries;
- (d) raising Japan's per capita income; and asserting Japan's influence and leadership both in regional and global communities.³¹

Meanwhile, Alan Rix identifies the salient characteristics of the Japanese aid program: It focuses on low-income countries (and not the least-developed countries, for example) as recipients, gives close attention to technical skills/human resource

development, and it is aligned with the concept of “heart-to-heart” diplomacy and “cooperation” rather than “charity.”³²

Over the years, Japan’s ODA has expanded tremendously. Its net disbursement totaled \$105 million in 1960, increasing to \$458 million and \$3.35 billion in 1970 and 1980 respectively. Japan became the world’s largest donor nation for the first time in 1989, surpassing the US with a total net disbursement of \$8.96 billion.³³ Export promotion and business considerations continue to remain the driving forces behind Japan’s ODA program.

War reparations were the “sweetener” that had helped Japan to normalize relations with its neighbors. It was also a measure of goodwill on the part of Japan and an “implicit” expression of remorse and apology for its past military transgressions. The reparation programs marked the beginning of a new chapter in Japan’s history with its recipients. No less important was the ingenious manner in which Japan tied its war indemnities to the purchase of Japanese goods and services. This provided a boon for Japanese businesses, and helped Japanese firms to establish business contacts in the region. The ODA program, especially its tied component, continues and expands Tokyo’s efforts to support Japanese firms to remain competitive. Aid played an important role in the “Japanese miracle” and the success of Japanese businesses in East Asia. Granted that the program had been criticized as self-serving and admonished for its intimate ties with Japanese businesses, it was—and is—well-received by Southeast Asian states.

ODA grants provided the funds to finance the building of much needed infrastructure and to aid the socio-economic development of the recipient countries immensely. For the FY2008 Japan was the top aid donor to four Southeast Asian states (see Table 6.5). The quantum of Japan’s aid in relation to the overall aid received ranges from a low of 27 percent (Cambodia) to the high figure of 74.8 percent (Malaysia). Japan’s generosity is widely acknowledged by the grateful recipients. When asked if Japan’s economic and technical cooperation is helpful to in the development of their country, 92 percent replied in the affirmative³⁴ (see Table 6.6).

This is an indication that the diversification of Japan’s focus from resource diplomacy in the early part of its engagement with Southeast Asia to establishing production networks across the region has bore fruit. The success of the Fukuda Doctrine was also due to the attention given to ensure that Southeast Asia benefited

Table 6.5 Japan’s official development assistance net disbursement to selected ASEAN states, FY2008

<i>Country</i>	<i>Total Japanese net disbursement (US\$ million)</i>	<i>% of Japanese contribution as total received</i>	<i>Ranking</i>
Cambodia	114.77	27.0	1
Laos	66.29	31.0	1
Vietnam	619.04	38.8	1
Malaysia	113.83	74.8	1

Source: Ministry of Foreign Affairs, *Japan’s ODA White Paper 2010* (Tokyo: Ministry of Foreign Affairs, 2011), p. 159.

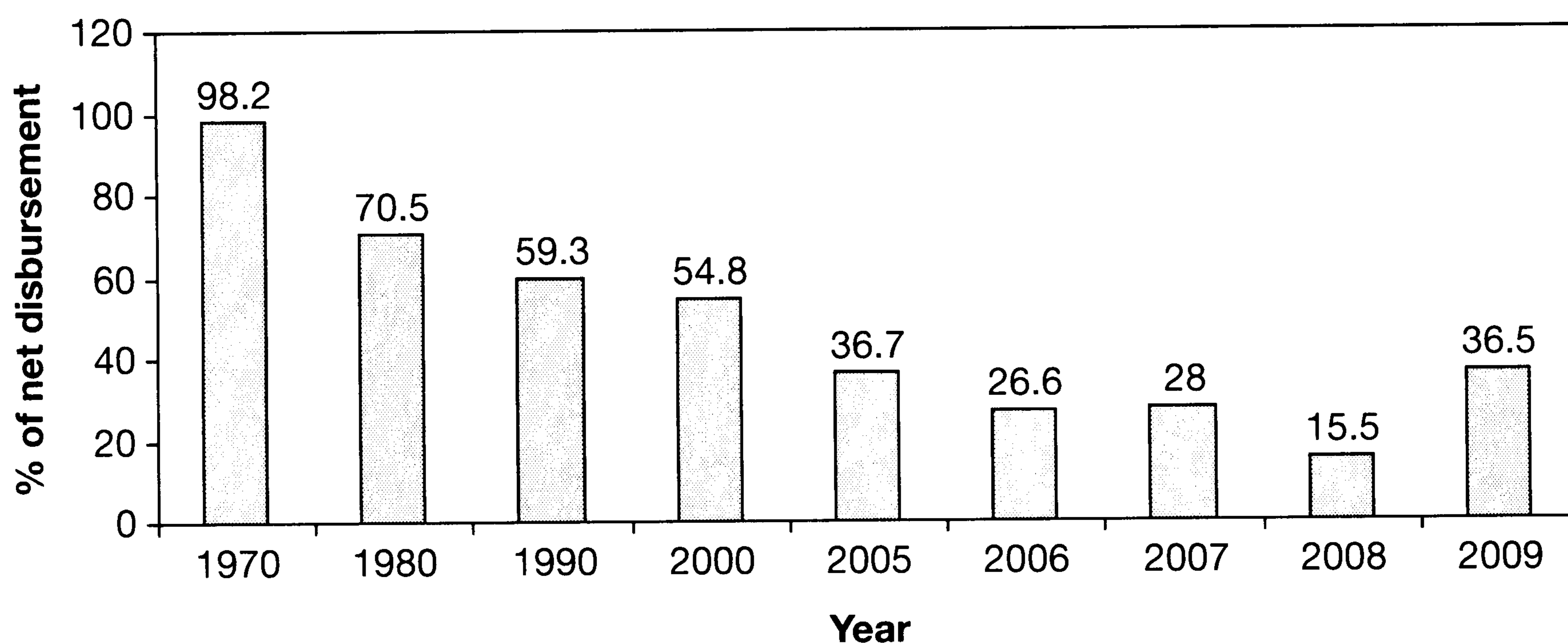
Table 6.6 Perception of Japan's contribution to Asia's development

	<i>Very helpful (%)</i>	<i>Somewhat helpful (%)</i>	<i>Total positive responses (%)</i>
Indonesia	56	35	91
Malaysia	43	47	90
Philippines	44	51	95
Singapore	21	63	84
Thailand	62	32	94
Vietnam	63	32	95

Source: Ministry of Foreign Affairs, "Opinion poll on Japan in six ASEAN Countries" (2008)

from Japan's success. The provision of ODA, investment and a "less biased" trade relationship worked to subdue and negate the perception of Japan exploiting the ASEAN states. In other words, the three-pronged approach of ODA, investment and trade turned Japan–Southeast Asian relations into a mutually beneficial footing, which, in turn, improved Japan's battered image and helped it to win over friends throughout the region. However, in the post-bubble era, Japan could no longer rely on its largesse to win over friends. The era of the "yen-diplomacy" is past. In the past decade, Japan's ODA budget had declined from ¥1,046 billion in FY2000 to ¥618 billion in FY2010.³⁵ More importantly, the net disbursement to Asia has also been on a downward trend (see Figure 6.2), suggesting that ODA may not factor as highly in Japan's diplomatic playbook in Asia now compared to the 1970s and 1980s.

To be sure, ODA is no longer the primary tool of engagement with Southeast Asia but this does not mean that Japan is disinterested in the region. The decline of ODA must be seen into two contexts. First, middle-income (Indonesia, Malaysia, and Thailand) and advanced economies (Singapore) either do not require substantive amount of assistance or in the case of Singapore, it has "graduated" from the ODA club. Second, Japanese ODA is more selective and focused on

*Figure 6.2* Trends in bilateral official development assistance to Asia

Source: Ministry of Foreign Affairs, *Japan Official Development Assistance White Paper 2010* (Tokyo: Ministry of Foreign Affairs, 2011), p. 41.

developing economies such as Cambodia, Laos, and Vietnam. Indeed, Tokyo has identified the Mekong region as a top priority for Japanese ODA. In November 2009, Japan convened the Mekong–Japan Summit meeting in Tokyo, where then Prime Minister Hatoyama Yukio proposed the Green Mekong initiative. During the summit, Japan pledged ¥500 billion to develop the Mekong region over the next three years. Practically, Hatoyama’s “*yuai*” (fraternity) diplomacy shared some similarities with the Fukuda Doctrine. In reaching out to and giving special attention to the Mekong region, Hatoyama sought to extend and expand the third pillar of the Fukuda Doctrine. From “fostering mutual understanding with the nations of Indochina,” Japanese ODA and investment in the Mekong region serves to actively and directly engage the peoples of Indochina. At the same time, Hatoyama continued to support and engage ASEAN, as evident in Tokyo’s additional contribution of US\$90 million to the Japan-ASEAN Integration Fund (JAIF). In this regard, the new DPJ government headed by Hatoyama did not lead to any major shift in Japan’s friendly relations with Southeast Asia. The following year, Japan’s premier Kan Naoto pledged his government’s support for the development of the Mekong region by signing the Action Plan for the “A Decade Toward the Green Mekong” Initiative and the Mekong–Japan Economic and Industrial Cooperation Initiative (MJ–CI) Action Plan. No less important is the Economic Research Institute for ASEAN and East Asia (ERIA)—established at the Third East Asia Summit and funded by the Japanese government—which is working earnestly toward the realization of the ASEAN Connectivity and whose work largely but not exclusively focuses on the Mekong region.

Japan: formulating ASEAN relations

Until the rise of China, Japan was the sole Asian great power and was privileged in having access to important international organizations. Thus, Japan saw itself as the voice—if not the representative—of Asia. It sought to represent and present ASEAN’s interest to other great powers in the Group of 7 (G7) Bonn summit in 1978. This new role is notable and is consistent with the Fukuda Doctrine’s “heart-to-heart” diplomacy vis-à-vis ASEAN. Successive administrations had formal and informal discussions with ASEAN leaders prior to G7 meetings. Japan’s success in raising the plight of Cambodia after it was invaded by Vietnam in the 1980s and having the issue reflected in summit statement is illustrative of Japan’s sensitivity and attentiveness to the concerns of ASEAN.

The value of Japan’s as a representative of ASEAN has gradually declined in the last few decades. Granted that Japan’s role as a spokesperson and support of ASEAN is invaluable, Japan’s contribution for ASEAN diplomacy lies elsewhere. The utility of Japan as a bridge to extra-regional actors like the US and the European states is waning for the simple reason that over the last decades ASEAN has gained credence and accepted as an integral institution in Southeast Asian affairs. Indeed, great powers have established firm relations with ASEAN through the ASEAN Regional Forum (ARF) and Asia Pacific Economic Cooperation (APEC). The European Union has also institutionalized its relationship with

ASEAN with the Asia-Europe Meeting (ASEM). ASEAN has grown of age, and in its own right is a legitimate actor in international affairs. It has its own platform to engage extra-regional actors. Thus, Japan's "bridging role" between ASEAN and the G8 is less salient today. This role would further diminish when China is incorporated into the G8 framework, with Japan losing its claim and position as the sole Asian representative in the group of advanced industrial economies.

ASEAN states value Japan's considerable contribution to the economic development and stability of the region. Japan was accorded the marked honor of an invitation to the second ASEAN Summit in 1977. Regional and Japanese leaders held regular consultations and meetings on a bilateral and multilateral basis through the ASEAN+1 framework and the East Asia Summit. The importance of Japan in the mindset of Southeast Asia can be inferred from the high frequency of top-level official visits to Japan (see Table 6.7). These high-level interactions

Table 6.7 Frequency of high-level official visits of selected Southeast Asian states to Japan, 2001–2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
INDONESIA										
President	1	0	2	0	1	1	0	1	0	0
Vice-President	0	0	0	0	0	2	0	0	0	0
Foreign Minister	0	1	2	0	0	0	1	1	0	1
<i>Total</i>	1	1	4	0	1	3	1	0	0	0
MALAYSIA										
King	0	0	0	0	1	0	0	0	0	0
Prime Minister	0	1	2	1	1	1	1	0	0	2
<i>Total</i>	0	1	2	1	2	1	1	0	0	2
PHILIPPINES										
President	1	1	1	1	0	0	1	0	1	0
Secretary (Ministerial level)	3	2	0	2	2	3	3	1	0	0
Senate/House Leadership	0	1	0	0	0	1	0	0	0	0
<i>Total</i>	4	4	1	3	2	4	4	1	1	0
SINGAPORE										
Prime Minister	n/a	0	2	0	1	0	1	0	1	0
Deputy Prime Minister	n/a	1	0	0	0	0	0	0	0	0
Minister	n/a	2	1	1	7	5	4	0	1	1
<i>Total</i>	n/a	3	3	1	8	5	5	0	2	1
THAILAND										
Royal Visit	1	2	1	0	0	4	0	0	0	0
Prime Minister	1	1	2	0	1	1	1	0	1	0
Minister	0	0	0	0	0	0	0	1	0	0
<i>Total</i>	2	3	3	0	1	5	1	1	1	0

Source: Ministry of Foreign Affairs, Japan.

appeared to have tapered off in the last three years, with fewer senior dignitaries conducting official visits to Japan. This phenomenon is in part attributed to the pressing engagements of the national leaders in their respective Southeast Asian states. To date, Tokyo holds the honor of hosting the first ASEAN Summit outside of Southeast Asia.

Although China is the magnet that has drawn the attention of investors and trade, Japan remains a key player in the region's economy. Most ASEAN states have linked economic partnership agreements with Japan (Singapore: 2002, Malaysia: 2005, Philippines: 2006, Brunei: 2007, Indonesia: 2007, Thailand: 2007, Vietnam: 2008). Japan is also factored into ASEAN's regional designs. The still-born East Asian Economic Group/Caucus was contingent on Japan's participation and joint leadership. Unfortunately, Japan decided against supporting the proposal and thus doomed the project that would have linked the economies of Southeast and Northeast Asia.

The EAEG/C idea was reformulated in the form of the East Asian Community (EAC). In both formulations, ASEAN anticipated that Japan would play a central role in the process of community-building. Japan's economic superpower capability would solidify this process and in bringing about the realization of the EAC. Clearly, ASEAN does not see Japan as an adjunct to the community-building process. It hopes that Japan will commit its economic and political resources to anchor the project. More importantly—and often unsaid—is the implicit hope that Japan participation would serve to balance against China diplomatically. While ASEAN does not see China as an enemy or a threat that needs to be balanced (in a *realpolitik* and military sense), it is concerned that the EAC would not be dominated by any one power. In other words, the presence of Japan allied to the US would likely prevent and counter Chinese hegemony.

It is instructive that in an article written by Hatoyama that the former premier envisioned the regional strategic environment as one that is characterized by American efforts to hold onto its primacy on the one hand, and with China attempting to become a dominant power itself. He noted that “[t]his is a question of concern not only to Japan but also to the small and medium-sized nations in Asia.”³⁶ He also opined that it is the uncertainties (and perhaps anxieties) generated by America's relative decline and China's continuing ascendancy that is “a major factor accelerating regional integration.”³⁷ This is a strategic environment that is different when the Fukuda Doctrine was enunciated. In linking Japan's strategic outlook with small and middle powers, Hatoyama is facing up to Tokyo's declining influence. The imperative for Hatoyama's East Asia community is to preserve and enhance Japan's position in the context of the evolving strategic competition between Beijing and Washington.

There are many intangibles and imponderables when crystal-gazing but there is one element that registers highly in Japan's thinking of the future: the triangular relationship between Japan, China, and the US. In a survey conducted by the *Asahi Shimbun* in December 2010, nearly two-thirds of the respondents (64 percent) selected the deepening of mutually beneficial economic relations between Japan, China, and the US over the strengthening of the US–Japan alliance (31 percent) as

the preferred modality to manage the Sino-Japanese relationship.³⁸ US's participation in the Sixth East Asia Summit provides an institutional arrangement for this triangular cooperation to flourish within a regional setting. An entente—which will minimize and contain major power rivalries and competition—is certainly welcome by Southeast Asia.

It remains to be seen if Japan which is preoccupied with domestic imperatives—with frequent turnover of governments being one of the most pressing—is able to devote political resources and capital to formulate and implement a grand strategy toward Southeast Asia. To be sure, the triple tragedies of March 2011 and the subsequent reconstruction efforts will dominate the political discourse and agenda. For Japan to play a constructive role and be one of the major pillars of East Asian regionalism, it needs to take its rightful place among the leaders in the region. This may be a tall order in the immediate term. How could Japan expect to lead in *international* affairs when the nation is frantically in search of a *national* leader? The last five premiers served an average of 360 days in office and Prime Minister Yoshihiko Noda's hold on political power is tenuous at best.

Japan can ill-afford to be inward looking. Deepening relations with Southeast Asia and post-3/11 reconstruction efforts are not mutually exclusive. A case in point is the dispatch of four Southeast Asian rescue teams—Indonesia, the Philippines, Singapore, and Thailand—to Japan. Tokyo has to wake up to the reality that it is losing ground to Beijing's decade-long charm diplomacy. Southeast Asia's friendship and engagement with Japan is longstanding and has seen the best of times and weathered many storms as well. It is also a friendship that should not be taken for granted and both parties—Southeast Asia and Japan—need to find new and creative ideas to sustain and bring the relationship to the next level.

Conclusion: the future of Japan–Southeast Asia relations

The Fukuda Doctrine that had served as the cornerstone for Japan's Southeast Asian diplomacy had successfully transformed the perception of Japanese as “economic animals” who are bent on exploiting the resources of key countries to a trusted partner and friendly. Even as the region was dismayed by Tokyo's backpedaling on the establishment of the Asian Monetary Fund in the wake of the 1997 Asian financial crisis, ASEAN is also heartened that Tokyo endeavored and found alternative means—the New Miyazawa Initiative, Asian Bond Fund, etc.—to assist the affected countries and to institutionalize mechanisms to stabilize the regional economy. Indeed, Southeast Asia and Japan have many common interests. Former Prime Minister Koizumi Junichiro's concept of “acting together, advancing together” can best be summed up a contemporary representation of the Fukuda Doctrine and underscores the imperative of cooperation and the importance of one to another.

Beyond pronouncements of Japan's commitment to the region and messages of cooperation, it is unclear what Japan's strategic vision for the region is under the new DPJ government. Hatoyama's East Asia community idea was marked by ambiguity. However, the Fukuda Doctrine stands out as one of Japan's most successful

Asian initiatives. It was a masterstroke that served the exigencies of time. But in light of the changing times and strategic environment, the Fukuda Doctrine needs to be reexamined and perhaps there is a need for a reformulation of its tenets. In the main, the three tenets of the Doctrine have either been accomplished or had been superseded by time and circumstance. It then begs the question, what are the principles of Japan's Southeast Asia policy? At a time where Southeast Asian states have to grapple with a number of variables in their strategic formulation, not least the rise of China and India, it is imperative to enhance their relations with Japan. How would the Noda administration approach Southeast Asia beyond *omiyage* diplomacy? How will Southeast Asia factor in Japan's grand strategy with the drawdown on nuclear energy? Inevitably, Southeast Asia will figure prominently in Japan's post-311 reconstruction plans. Conversely, Japan will have an immeasurable impact on the future of the region.

Notes

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- 2 Suelo Sudo, *The Fukuda Doctrine and ASEAN: New Dimensions in Japanese Foreign Policy* (Singapore: Institute of Southeast Asian Studies, 1992), p. 4.
- 3 "Japan has no need to be defensive about its army," *The Independent*, April 28, 2001.
- 4 Ministry of Foreign Affairs, "Opinion Poll on Japan in Six ASEAN Countries," 2008. Available at www.mofa.go.jp/region/asia-paci/asean/survey/qa0803.pdf. The six countries polled in this survey are Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. The specific responses are as follows: Indonesia (70%), Malaysia (65%), the Philippines (59%), Singapore (69%), Thailand (68%), and Vietnam (78%).
- 5 Lee Poh Ping, Comment on 'Japan's Security Policy in East Asia,' *Asian Economic Policy Review*, Vol. 2 (2007), pp. 223–24.
- 6 Quoted in Bhubhinder, "ASEAN's Perceptions of Japan," p. 292.
- 7 John F. Bradford, "Japanese Anti-Piracy Initiatives in Southeast Asia: Policy Formulation and the Coastal State Responses," *Contemporary Southeast Asia*, Vol. 26, No. 3 (2004), p. 495.
- 8 Yoichiro Sato, "Southeast Asian Receptiveness to Japanese Maritime Security Cooperation," Asia-Pacific Center for Security Studies, September 2007. Available at www.apcss.org/Publications/Maritime%20security%20cooperation%20Japan-SE%20Asia%20Sato.pdf.
- 9 Ibid.
- 10 Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," *International Security*, Vol. 32, No. 3 (Winter 2007/08), p. 149.
- 11 Chicago Council on Global Affairs and World Public Opinion.org, "World Publics Think China Will Catch Up With the US—and That's Okay." Available at www.worldpublicopinion.org/pipa/pdf/may07/CCGA+_RiseChina_article.pdf.
- 12 Ibid.
- 13 Chicago Council on Global Affairs, *Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion* (Chicago: Chicago Council on Global Affairs: 2009), p. 18.
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- 22 The Japan Foundation, "Outline of Program by Regions." Available at www.jpf.go.jp/e/about/business/ar/2003/pdf/ar2003-02-02-01.pdf.
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- 25 Institute of International Education, *Open Doors 2009: Report on International Educational Exchange*, Institute of International Education, 2005. Available at <http://opendoors.iienetwork.org/?p=150649>.
- 26 Chicago Council on Global Affairs, *Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion* (Chicago: Chicago Council on Global Affairs, 2009), p. 8. The Index is the average of the five forms of soft power—economic, cultural, human capital, political, and diplomatic—and each form is accorded equal weightage. The rank is denoted in parenthesis.
- 27 There were two types of "war compensations." The first was reparations and the second was "economic cooperation grants." Recipients of the first group include Burma, Indonesia, the Philippines, and South Vietnam. Economic cooperation grants were given to Cambodia, Laos, Malaysia, South Korea, Singapore, and Thailand. In addition to reparations, Burma and South Vietnam also received grants. Both China and Taiwan did not participate in any of the programs.
- 28 These agreements were often redesignated as "economic cooperation" or "aid." For example, when Tokyo normalized relations with South Korea, it specified that the \$500 million extended to Seoul was "aid" and not "war reparations." One scholar notes that the decision was motivated by pride. See William R. Nester, *The Foundation of Japanese Power: Continuities, Changes, Challenges* (London: Macmillan, 1990), p. 317.
- 29 Quoted in David Arase, "Public–Private Sector Interest Coordination in Japan's ODA," *Pacific Affairs*, Vol. 67, No. 2 (Summer 1994), p. 173.
- 30 Nester, *Foundation of Japanese Power*, p. 316.
- 31 Quoted in William R. Nester, *Japan's Growing Power over East Asia and the World Economy: Ends and Means* (London: Macmillan, 1990), p. 59.
- 32 Alan Rix, "Japan's Foreign Aid Policy: A Capacity for Leadership?," *Pacific Affairs*, Vol. 62, No. 4 (Winter 1989/90), p. 466.
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- 37 Ibid.
- 38 Asahi Shimbun Interview Survey conducted on December 4–5, 2010 as presented on the Mansfield Asian Opinion Poll Database. Available at www.mansfieldfdn.org/polls/2010/poll-10-34.htm.