

A New Leadership Role for Japan

By Hitoshi Tanaka

With the ongoing rise of China and India, combined with a new president in Washington, Japan is poised to rethink its leadership role in Asia.

Japan's former Deputy Minister of Foreign Affairs, Hitoshi Tanaka, lays out the challenges facing the country and the policies that Japan should embrace to help shape the future.

AS AN ISLAND NATION separated from the Asian mainland by several hundred kilometers of ocean, Japan was relatively isolated from most of Asia throughout the bulk of its history. Although Japan's relationship with the region has greatly improved since the end of World War II, a period in which Japanese actions caused tremendous suffering in the region, it remains quite complex.

As the first non-western nation to become an advanced industrial democracy, Japan is unique. For decades it has been the second largest economy in the world, a global leader in advanced technology and a member of the Group of Seven (G7). These accomplishments, coupled with Japan's peaceful emergence as a non-militaristic and non-nuclear power, have led many developing nations in Asia to see Japan as a model worthy of emulation. Japan's low key approach to East Asia, in particular its efforts to promote economic development through large-scale overseas development assistance (ODA) and massive private investment, has achieved remarkable results and won considerable praise. Nevertheless, Japan continues to struggle with its image. Its treatment of a number of sensitive issues from the wartime era — prime ministerial visits to the Yasukuni Shrine, "comfort women" and controversial history textbooks—have at times aroused suspicion among its neighbors, in particular China and South Korea, and frustrated efforts to consolidate more constructive relations.

Today, the ongoing rise of China and India herald a future in which Japan is no longer the world's second largest economy. While Japan's relative economic strength may be on the decline,

smart diplomacy and soft power can supplement this loss and make sure that Japan's future remains bright.

A CHANGING ENVIRONMENT

Over the past six decades, Japan's security treaty with the United States has contributed not only to its own security but also to the consolidation of the US military presence in the region. Although Japan's ties with the United States undoubtedly facilitated deeper relations with Asian nations in the post-war period than might have been possible otherwise, some in the region remain wary of the relationship between the two Pacific powers. To some, Japan appears to devote insufficient attention to East Asia and to be unreasonably amenable to US influence.

Geopolitical changes currently taking place in the region, such as China's expanding influence, the increasing prominence of East Asia in global affairs and a gradual, but more or less inevitable, decline in the relative power of the United States will undoubtedly make it necessary for Japan to change its approach to the region. This looming transformation of Japan's East Asia policy is necessary to ensure continued regional peace and stability in the coming decades. To this end, Japan, the US and other concerned nations must treat achieving balanced economic growth in East Asia as a foreign policy priority. In the security realm, Japan must work with its neighbors and the US to move beyond the traditional bilateral alliance that has characterized East Asian security for the past half-century and design a more inclusive 21st century security architecture.

While it is clear that there are a number of important foreign policy issues in East Asia that demand immediate attention, the current domestic political situation does not lend itself well to efforts to engage in proactive diplomacy. Since former Prime Minister Junichiro Koizumi stepped down in September 2006, the ruling Liberal Democratic Party (LDP) has anointed a series of relatively ineffectual prime ministers. Voter frustration with the LDP has reached a boiling point and most polls show that the up-

A number of sensitive issues from the wartime era — prime ministerial visits to the Yasukuni Shrine, “comfort women” and controversial history textbooks — have at times aroused suspicion among Japan’s neighbors.

coming general election — which must be called by September — portends the end of the LDP's nearly uninterrupted 54-year run at the top of Japanese politics. This climate of uncertainty risks creating a situation in which policymaking — including foreign policy — is held hostage to political stagnation. Gridlock in the Diet between the LDP and the opposition Democratic Party of Japan (DPJ), which has controlled the House of Councillors for nearly two years, has already shown that this is a legitimate concern.

Recent meetings between Japanese and US leaders have made it clear that the US-Japan partnership will continue to play a central role in ensuring stability in East Asia in the coming decades. The administration of US President Barack Obama is certain to distance itself from the widely criticized unilateral approach to diplomacy adopted by the previous US administration and embrace multilateralism as it tackles global and regional challenges. Japan can most effectively contribute to this effort by working to consolidate a multilateral framework in East Asia. This effort must begin at home. Japan needs political leaders with a strong mandate to govern and it is hoped that the contending political parties will achieve a *modus vivendi* as soon as possible in the best interests of the nation. Japan cannot afford to retreat from proactive diplomacy in East Asia, and it must quickly develop a flexible foreign policy

Japan needs political leaders with a strong mandate to govern and it is hoped that the contending political parties will achieve a modus vivendi as soon as possible in the best interests of the nation.

that can respond to a rapidly changing regional environment. The following policy measures will help to ensure that this effort is successful.

JAPAN'S EAST ASIA POLICY

Economic interdependence among East Asian nations is rapidly deepening. Although the impact of the global financial crisis on the region has been severe, the long-term prospects for further economic growth by the developing economies of Asia remain strong. There is much to gain from maximizing opportunities for further prosperity and minimizing the risk that one of several security threats will upset regional stability. Unlike Europe, a region in which there is relative consistency in terms of political systems, economic development, and cultural background, East Asia is wildly diverse. Thus, attempts to promote political and economic integration in the region face a number of challenges that Western Europe was largely able to avoid in the process of establishing the European Union. Because of East Asia's diversity, it is imperative that community-building efforts emphasize inclusiveness and practical cooperation rather than shared "values" or other potentially divisive issues. Enhanced cooperation in a wider range of areas would greatly facilitate the realization of a more comprehensive and stable regional community.

There are several key matters to address:

First, in order to resolve the North Korea nuclear issue as soon as possible Japan must adopt

a more vigorous approach to the Six Party Talks. North Korea's past abduction of Japanese citizens is an extremely delicate matter in Japan and partially as a result of this, Japan's attitude toward the Six Party Talks has been criticized as lacking a clear direction. Japanese leaders should fundamentally adjust their approach and accept that it will only be possible to resolve the abduction issue as part of a comprehensive settlement between North Korea and the other five participant nations — China, the two Koreas, Russia and the US. A settlement must address the following issues: complete and verifiable denuclearization of the Korean Peninsula, normalization of North Korea's relations with both the US and Japan, and the establishment of a peace regime to formally bring an end to the Korean War and begin the process of reducing North-South tensions. It is imperative that Japan fully reengages with the Six Party process as soon as possible and hold direct negotiations with North Korea under the umbrella of the talks. The importance of doing so cannot be overstated: a diplomatic resolution to the North Korea issue will eliminate the most dangerous flashpoint in Northeast Asia and make a substantial contribution to peace and stability in the region.

Second, Tokyo must work to ensure robust and stable relations among the big powers in the region: the US, China and Japan. In addition to deepening commercial and financial ties, greater efforts must also be made to strengthen security

relations and reduce mutual distrust. To this end, the three nations should formalize trilateral security talks to complement existing bilateral meetings. Regular trilateral dialogue would deepen confidence and promote further transparency of each nation's military capabilities and strategic intentions. At the same time, Japan must also work to strengthen existing trilateral strategic consultation forums in the region, such as that among Japan, the US and South Korea.

Third, Japan must play a leading role in building a rule-based economic community. As part of this process, Japan should continue to pursue bilateral and multilateral economic partnership agreements (EPAs) with its neighbors. In the long-term, the objective should be the creation of a region-wide EPA among the 16 members of the East Asia Summit. Japan could further advance moves toward a rule-based economic system by campaigning for the establishment of an "Asian OECD." The existing OECD has a very impressive track record in dealing with many of the same issues that Asian nations currently face, such as income disparities, energy security, corruption and the challenges of achieving financial liberalization and promoting investment.

Fourth, as part of its effort to consolidate a rule-based economic community in East Asia, Japan should significantly increase its overseas development assistance. By doing so, core issues such as income disparities and human resource shortages can be addressed more effectively. Throughout the post-war era, ODA has been one of Japan's most important diplomatic tools. Unfortunately, despite the various pledges made in recent years to significantly expand Japan's ODA program, the budget has shrunk by 40 percent over the past decade. If Japanese leaders are sincere in their desire to play a leadership role in the region, then Japan's East Asia policy needs to place greater emphasis on expanding ODA and other soft-power resources.

Fifth, Japan should work with the United States and other partners to establish an East Asia Security Forum (EASF). While most regional developments in recent years have been positive

— particularly those in the economic sphere — a number of serious, potentially destabilizing challenges remain. The EASF would be an inclusive multilateral institution that could engage East Asian states in addressing nuclear proliferation, energy security, environmental degradation, natural disaster relief, maritime piracy, infectious disease and transnational crime. Membership would consist of a small number of states, such as the 16 nations of the East Asia Summit and the US. Given that its mandate covers non-traditional security issues, the EASF would not be an alternative to existing bilateral alliances with the US, but would complement the existing structures. The EASF would be part of a wider effort to consolidate multilateral frameworks and gradually establish a way to tackle shared challenges in a cooperative manner. It would not only foster a more secure environment in East Asia for continued economic growth but also — through collective action on issues of shared concern — push the community-building process forward.

CONCLUSION

Taken together, the policy suggestions above provide a road map for Japan to take advantage of its relative decline and remain a vital regional power. The key to this is creative leadership, the wise use of soft power and a firm commitment to regional interaction. Japan can and should reinvent itself as a regional and global leader outside the purely economic realm.

The core objective of Japan's policy toward East Asia should be to establish a new identity as an advanced democracy and a constructive leader. In order to achieve this goal, Japan must strengthen its policy tools and reinvent its diplomacy.

Hitoshi Tanaka is Senior Fellow at the Japan Center for International Exchange and was Deputy Minister for Foreign Affairs of Japan until August 2005. He has also been a visiting professor at the Graduate School of Public Policy, University of Tokyo, since April 2006.