

# THE USES OF INSTITUTIONS

The U.S., Japan,  
and Governance  
in East Asia

Edited by  
*G. John Ikenberry and  
Takashi Inoguchi*



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The U.S., Japan, and  
Governance in East Asia

*G. John Ikenberry  
and  
Takashi Inoguchi*

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Softcover reprint of the hardcover 1st edition 2007 978-1-4039-7602-4

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First published in 2007 by

PALGRAVE MACMILLAN™

175 Fifth Avenue, New York, N.Y. 10010 and

Houndmills, Basingstoke, Hampshire, England RG21 6XS

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ISBN 978-1-349-53662-7

ISBN 978-0-230-60354-7 (eBook)

DOI 10.1057/9780230603547

Library of Congress Cataloging-in-Publication Data is available from the Library of Congress.

A catalogue record for this book is available from the British Library.

Design by Newgen Imaging Systems (P) Ltd., Chennai, India.

First edition: March 2007

10 9 8 7 6 5 4 3 2 1

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# Acknowledgments

The idea for this book emerged in 2000 when we, meeting at an academic convention, revealed their respective concerns about the alliance between the United States and Japan. We resolved to collaborate to examine how the two countries have approached global and regional governance through various uses of institutions aside from the narrowly bilateral schemes of the alliance. It was a time of challenges, old and new: the vestige of the cold war, the acrimony of economic and trade wars, the mushrooming of untraditional threats, the relentless market integration on a global and regional scale, the proliferation of nuclear and other weapons of mass destruction, the increasing salience of identity and history, and global terrorism. In addition to the time-tested bilateral relationships, there must be ways and means to transform the bilateral alliance into something that would contribute to regional and global peace and stability. We submitted a proposal to the Center for Global Partnership of the Japan Foundation and the Sasakawa Peace Foundation that subsequently magnanimously accepted our proposal with timely and indispensable encouragement. We appreciate very much their unstinting support for our project. We continued to present and discuss our ideas about uses of institutions as found or envisaged in American and Japanese approaches to regional and global governance. In carrying out the collective endeavor across the Pacific and beyond, we have incurred tremendous debts to many friends and colleagues: Takenori Inoki, Mitsugi Endo, Toshiya Hoshino, and Matake Kamiya. We were especially grateful to Kyouji Yanagisawa, Defense Agency, and Ralph Cossa, Pacific Forum (CSIS—Center for Strategic and International Studies), both a long-time practitioner of alliance management, who engaged in discussion with us by giving us a luncheon speech in our meetings. In executing such a transnational collective project, one cannot overemphasize the importance of logistical assistance that smoothed the whole operation: Kimiko Goko and Ken Fimalino have



been indispensable in both Tokyo and Chuo universities. So too was Tim Waldron at Princeton. We also thank Ian Chung for his assistance in the editorial process. Anthony Wahl of Palgrave has been most thoughtful and decisive in enabling this volume to come out at a no less challenging time than the time when this project idea occurred to us. This collective volume has been dedicated to our Paulista partners, Lidia Reiko and Kuniko.

G. John Ikenberry and  
Takashi Inoguchi

# Introduction

*G. John Ikenberry and Takashi Inoguchi*

## Introduction

For half a century East Asian regional order has been built around the mutual strategic embrace of America and its Asian partners, most importantly Japan. The region has undergone dramatic transformations over the decades, marked by war, political upheaval, democratization, and economic boom and crisis. Yet the most basic reality of postwar East Asian order has stayed remarkably fixed and enduring—namely, the American-led system of bilateral security ties with Japan, South Korea, Taiwan, Australian, and countries in Southeast Asia. This “hub-and-spoke” security order today remains the single most important anchor for regional stability. Around it has grown a complex system of political and economic interdependencies. East Asian countries get protection, geopolitical predictability, and access to the American market, and the United States gets frontline strategic partners, geopolitical presence in the region, and (in recent years) capital to finance its deficits. Remarkably, the cold war ended and yet this basic pattern of institutional relations remains intact.

Increasingly scattered across the region are a patchwork of ad hoc security dialogues, multilateral forums, ministerial meetings, track two encounters and other mechanisms of regional engagement. China is rising in importance and is embarked on a surprisingly systematic foreign policy of engagement and reassurance. Leaders in the region are looking for wider and more inclusive multilateral mechanisms to manage increasingly complex political and economic challenges. Japan has slowly diversified its security contacts and is involved in an array of annual and ad hoc regional talks. South Korea has encouraged a multilateral approach to North Korea. The region appears as “ripe for multilateralism” as it appears “ripe for rivalry.” Security, economics, and politics seem to point

to a future regional order that goes well beyond the logic of “hub and spoke.”

This book explores the ways that institutions play a role—or fail to—in Japanese and American approaches to regional governance in East Asia. Over the last several decades scholars of international relations have elaborated and deepened their understanding of the ways that institutions operate in the global system. In various ways and in different settings, institutions can be tools of states, venues for dialogue and bargaining, expressions of political identity, and independent actors. We seek to turn this scholarly focus on the logic and dynamics of institutions to illuminate the logic of order within the East Asian region.

So the first purpose of this book is to seek insights into the multifaceted ways that institutions facilitate, constrain, and legitimate states and state actions. The classic insight about institutions in the scholarly literature is that they facilitate cooperation by reducing transaction costs and uncertainty. This book joins a growing literature on institutions that sees a wider variety of impulses that lead states to resort to and operate within international institutions—regional, global, economic, political, security, bilateral, and multilateral. The central focus, however, is on bilateral and multilateral regional institutions in which Japan and the United States play a role. The second purpose of the book is to look more closely at how Japan and the United States in particular use institutions. Do fundamentally distinct and divergent notions in Tokyo and Washington exist about the uses and limits of multilateral and bilateral institutions? This third purpose of this volume is to render collective judgments about the future direction of institutions of governance within the East Asia region. One aspect of this question is the changing balance between bilateralism and multilateralism. Another aspect relates to the changing role of the U.S.-Japan bilateral security relationship.

It is the argument of this book that institutions are deeply important for the functioning of the East Asian region—and the United States and Japan use institutions as tools in distinctive and important ways. The bilateral alliance system is a critical—and underappreciated—mechanism for the functioning of regional peace and stability. Multilateral institutions are weaker and fragmented but they also matter in shaping and directing the flow of politics and economics. Beyond this, Japan uses alliance bilateralism with the United States to realize its preferences in multilateral settings whereas the United States uses multilateralism to enhance its hub-and-spoke relationship guided by hierarchical and patron-client partnership.

In this introductory chapter, we do three things. In the first section we discuss the various ways that institutions matter in East Asia. In the next section we discuss the specific ways in which institutions are used as tools of American and Japanese regional goals—particularly bilateral alliance that is used for wider political and economic purposes. Finally, we preview the arguments of the chapters and relate them to the book’s more general conclusions.

### **East Asia and the Purposes of Institutions**

East Asia would seem to be an inauspicious region to explore the role and significance of institutions. After all, it is conventionally seen as a region that is “underdeveloped” in terms of institutionalized political relationships. Western Europe provides the striking contrast. Europe has strong and dense layers of institutions—the European Union (EU) most importantly, and North Atlantic Treaty Organisation (NATO), the Organization for Security and Cooperation in Europe (OSCE), and the Council of Europe. The political movement for a new European constitution has faltered but the Europe Union remains a deeply integrated region with an expanding judicial, parliamentary, bureaucratic, and intergovernmental infrastructure. It is now commonplace to call Western Europe a zone of Kantian peace.<sup>1</sup> In contrast, East Asia is seen as “ripe for rivalry.”<sup>2</sup> No legal-binding regional-wide multilateral institutions exist. Deep historical antagonisms abound along with conflicting economic systems, divided and disputed territories, and rapidly shifting power relationships.<sup>3</sup>

It is certainly true that the institutions that span East Asia are less dense and less legal-binding than in Western Europe—but the region does have an array of intergovernmental institutions that help shape security, political, and economic relations in East Asia and tie the United States to it. Their presence is not as recognized as that of European institutions, but they do exist, they matter, and because they are employed by states in a region that is more heterogeneous and rapidly evolving, their significance and functions are more illusive and in need of explanation.

America’s relationship with East Asia is built on hard bilateral security ties and soft multilateral economic relations. Embedded in this relationship is a set of grand political bargains between the United States and the countries in the region. The U.S.-Japan alliance is the cornerstone of the security order, and the Asia-Pacific Economic Cooperation (APEC) forum and the transpacific trade and investment system are the cornerstone of the economic order. The hub-and-spoke alliance system has its roots in

the early cold war and in the failure of multilateral security arrangements that were intended to mirror the Atlantic security pact. The U.S.-Japan alliance was intended to deter the expansion of Soviet power and communism more generally in the Asia-Pacific. This cold war anticommunist goal led the United States to use its occupation of Japan and military victory in the Pacific to actively shape the region—and it did so more successfully in Northeast Asia than in Southeast Asia. Japan, in turn, has made the bilateral alliance with the United States as the cornerstone of its own postwar regional foreign policy.<sup>4</sup>

Ellis S. Krauss and T.J. Pempel have recently described the distinctive features of U.S.-Japan bilateralism. One hallmark of this bilateral relationship is that in core economic and security policy areas, the two countries share a common set of priorities and goals. Second, specific mechanisms and institutional channels exist for the negotiation and settlement of disputes that arise out of the relationship. Third, generally speaking, the various policy issues have not been linked in negotiations—in particular, economic and security issues are not mixed. This is true even though the U.S.-Japan alliance and the regional economy do support and reinforce each other. Finally, the bilateral relationship is by no means equal. The United States is the senior partner and has tended to set the limits and terms of the relationship.<sup>5</sup> This bilateral relationship has remained remarkably durable—even as multilateral cooperative ventures have increasingly come to flourish in the Asia-Pacific region.

Stepping back from this mixed and evolving pattern of regional institutions, it is possible to identify a variety of ways in which institutions are being used. In general, institutions manifest themselves in three ways: Institutions are a place where binding rules are established; they are a forum; and they are a political space. Put differently, institutions tend to have three general purposes. First, they are a mechanism for states to gain some measure of control over other states through formal agreements. States use treaties, agreements, alliances, and other institutional mechanisms to generate some greater degree of certainty over the future actions of other states than would exist in the absence of the institutional pact. Second, institutions are mechanisms that facilitate functional cooperation—they allow states to more easily engage in collective action than would be possible in the absence of the institutions. Finally, institutions are agreements that establish boundaries of political community—who is in, who is out, and what it means to be in or out. In this sense, they are mechanisms that allow states to build, express, and delimit the terms and meaning of regionalism.<sup>6</sup>

We can expand on the various ways in which institutions matter. Institutions are sometimes shaped and inhabited by objectives of the leading members. Those preponderant members are often founding members like the Schengen Five of the European Economic Community (France, Germany, Belgium, the Netherlands, and Luxembourg).<sup>7</sup> Institutions are thus sometimes agents of these founding members. But often they do not remain a mere agent of the founding states and core members. Rather their mission, their norms, and their rules are shared more or less by subsequently joined members. Institutions live their life not only on the basis of founding missions and fathers but also on the basis of succeeding members' socialization of norms and rules. Organizational socialization makes the continuity of an institution's mission and founder's influence much easier to preserve.<sup>8</sup> Yet institution, in this sense, remain an agent of key states and not a principal. The United Nations is an institution in which founding members (the five permanent members of its Security Council (i.e., the United States, Russia, the United Kingdom, France, and China) exercise significant influence in the form of having a veto power in its Security Council. Surely the United Nations is not an agent of the five members. Rather the United Nations is an instrument of all the member states. The mandate of the United Nations comes from its member states.

Institutions are sometimes inhabited by constituents in which solidly shared norms and rules enable them to stand on their own feet. The institutions are self-standing; they are autonomous. They are a principal as contrasted to an agent of some member. The Law of the Sea Conference is an institution that is more or less autonomous. It represents its own norms and rules that are widely shared by most member states of the United Nations. Thus it constitutes part of the system of international law. A member of international institutions that focus on professional, specialized, and technical tasks often carry this feature. For example, the World Trade Organization (WTO), the International Monetary Fund (IMF), and the World Food and Agriculture Organization (WFAO) are such institutions.

In this book, we find institutions matter within East Asia in a variety of ways. One is the role of alliances in structuring the security environment. The U.S.-Japan alliance is the preminent bilateral alliance in the region. As we note shortly, the United States has used its alliance partnerships—manifest as a hub-and-spoke system—to tie states together and reduce uncertainty and insecurity. This entails alliances doing what they traditionally do—namely, aggregate military power and provide security guarantees. But in doing this, the U.S.-Japan alliance and the

other bilateral pacts dampen security dilemmas that might otherwise reignite old enmities and suspicions.

The second role of institutions in the region involves providing a mechanism for political governance. This often happens indirectly. Institutions created for specific functional purposes have the added feature of providing mechanisms for cooperation and creating ongoing political dialogues that—taken together—form a sort of primitive governance system. As we argue in a while, the U.S.-Japan alliance and the other bilateral pacts play this role. Alliances are not just military assistance agreements—they are aspects of political architecture. They tie the states within the alliance together and create mechanisms for each to influence and constrain the others inside the alliance.

The third role of institutions in the region is the traditional use of institutions as a framework that facilitates functional cooperation. This is the classic understanding of international regimes—institutions that facilitate the flow of information and reduce the transaction costs that otherwise limit cooperation.<sup>9</sup> The APEC grouping plays this role in a very soft and preliminary way—by providing a forum for the exchange of information and building political support for economic liberalization in the region.

The fourth role of institutions is to serve as a venue aimed at confidence building. The institution is a location in which government officials gather to discuss mutual problems and explore the preferences and intentions of other states. In the political area, for example, the United States has supported the expansion of wider and deeper institutional relations between China, Japan, Korea, the United States, and the ASEAN countries—at least as these contacts are manifest as “track two” exchanges. The United States has reaffirmed its commitment to bilateral security ties but it has offered some support for multilateral and minilateral dialogues that are consistent with these underlying security ties. Support for Chinese membership in the WTO and various regional dialogues are meant to provide ways to foster agreement on regional norms and standards of conduct. One argument made by American officials during the Clinton administration is that institutions should be arrayed so as to enmesh the regional powers in a series of regional and global institutions and serve to establish explicit standards and expectations of government behavior in the wide realms of human rights, political accountability, property rights and business law. Yard sticks are erected that, often in subtle and indirect ways, allow governments and private groups to support as well as criticize government policy and politics in neighboring countries. This in turn helps foster political community.

Likewise, an increasingly dense set of regional institutions provides forums and arenas for governmental and political elites to interact—thereby providing opportunities for the “socialization” of these elites into common regional norms and expectations.<sup>10</sup>

A final role of institutions is as a tool to build or strengthen the legitimacy of a country or regional grouping. Legitimacy refers to the perceived sense—domestically or abroad—of acceptability or normative worth associated with the state or group of states.<sup>11</sup> The international institution embodies a set of norms about the proper behavior of states that are part of the institution. Membership in the institution is a statement about the acceptability of that state within the larger grouping. It is part of the community—and as such it is legitimate.<sup>12</sup> We look more closely at these various uses of institutions in East Asia.

### **Bilateral Alliances and American Hegemony**

The hub-and-spoke security system lies at the heart of the Asia-Pacific region. This alliance system is the most explicit way in which the United States has used institutional security ties to give shape and durability to its regional hegemonic role. The bilateral alliance is not just a cooperative scheme for mutual protection. It is an institution that has a much wider significance in providing political architecture for the region. The United States has engaged the international system by using a wide variety of institutional tools and political partnerships. But in East Asia, the bilateral security ties are preeminent.<sup>13</sup>

Behind this bilateral security arrangement is a political logic. The United States offered Japan, and the region more generally, a postwar bargain: it would provide Japan and other countries with security protection and access to American markets, technology, and supplies within an open world economy; in return, Japan and other countries in the region would become stable partners that would provide diplomatic, economic, and logistical support for the United States as it led the wider, American-centered anticommunist postwar order.

From the beginning, this bilateral security order has been intertwined with the evolution of regional economic relations. The United States facilitated Japanese economic reconstruction after the war and sought to create markets for Japanese exports, particularly after the closing of China in 1949. It promoted the import of Japanese goods into the United States during the 1950s so as to encourage Japanese postwar economic growth and political stability. The American military guarantee to its partners in East Asia (and Western Europe) provided a national security rationale



for Japanese and the Western democracies to open their markets. Free trade helped cement the alliance, and in turn the alliance helped settle economic disputes. In Asia, the export-oriented development strategies of Japan and the smaller Asian “tigers” depended on America’s willingness to accept the imports of these countries and to live with huge trade deficits; alliances with Japan, South Korea, and other Southeast Asian countries made this politically tolerable.

The alliance system—and the U.S.-Japan security pact in particular—has also played a wider stabilizing role in the region. The American alliance with Japan has solved Japan’s security problems, allowing it to forgo building up its military capabilities, thereby making it less threatening to its neighbors. This has served to solve or reduce the security dilemmas that would surface within the region if Japan were to rearm and become a more autonomous and unrestrained military power than it currently is. At the same time, the alliance makes American power more predictable than it would be if it were a free-standing superpower. This too reduces the instabilities and risk premiums that countries in the region would need to incur if they were to operate in a more traditional balance of power order. Even China has seen the virtues of the U.S.-Japan alliance. During the cold war, the alliance was at least partially welcome as a tool to balance Soviet power—an objective that China shared with the United States. Even today, however, as long as the alliance does not impinge on China’s other regional goals—most importantly, the reunification with Taiwan—it reduces the threat of a resurgent Japan.

The political bargain behind the East Asian regional hegemonic order was also aimed at making American power more predictable and user-friendly. If the United States worried about finding partners to help wage the cold war and build an American-centered world order, these partners worried about American power—both its domination and its abandonment. Thus the East Asian regional order was also about the restraint and commitment of American power.<sup>14</sup> The United States agreed to operate within bilateral and multilateral frameworks and the junior partners agreed to operate within and support the American order. American hegemony became more open, predictable, reciprocal, and institutionalized—and therefore more benign and tolerable. But the United States was able to lock other countries into operating within a legitimate and U.S.-centered order.

Overall, there are three aspects of this regional hegemonic order that need emphasis in terms of the American uses of institutions. The first is the striking way in which the alliance system has played a more general

role as the basis of regional political architecture. Alliances are traditionally seen as mechanisms to aggregate power to counter external threats. But the American alliance system has arguably played a more important role in managing relations between allies than in shielding these countries from external threats. The alliances bind the United States to the other major democratic states providing both parties with reassurances about their future relations. The alliances serve both to extend American power and to make it more predictable and user-friendly. The alliances give the weaker states in the alliance “voice opportunities”—that is, they provide channels for regular access to the United States—that makes these states more likely to work with the United States than resist or work against it. The United States gains an institutionalized security presence in Europe and Asia. The stable and mutually agreeable security relations that emerge have also spillover effects in other realms—paving the way for deeper economic integration and political cooperation.

Second, the hub-and-spoke American security order has been crucial for the emergence of an open regional (and global) world economy. One of the striking developments in the global system over the last 50 years is the rise of a truly open global economy. This was not an automatic or inevitable outcome. The roots of it reside in the 1940s as the United States—along with Great Britain and a few other countries—made choices about the organization of markets and proceeded to put their power at the service of these goals. It is indeed difficult to imagine the rise of an open world economy without the parallel construction of a linked global security system. The pieces fit together: the United States provided security protection for European and East Asian states and underneath this security umbrella governments were encouraged to lower tariffs and pursue trade-oriented economic development strategies.<sup>15</sup>

Finally, the specific way in which American security relations were established in East Asia reflects the specific postwar power realities and array of countries in the region. The United States was less determined or successful in establishing a multilateral order in East Asia. Proposals were made for an East Asian version of NATO but security relations quickly took the shape of bilateral military pacts. Conditions did not favor Atlantic-style multilateralism: Europe has a set of roughly equal-sized states that could be brought together in a multilateral pact tied to the United States, while Japan largely stood alone.<sup>16</sup> But another factor mattered as well: the United States was both more dominant in East Asia and wanted less out of the region. This meant that the United States found it less necessary to give up policy autonomy in exchange for institutional cooperation in Asia. In Europe, the United States had an elaborate

agenda of uniting European states, creating an institutional bulwark against communism, and supporting centrist democratic governments. These ambitious goals could not be realized simply by exercising brute power. To get what it wanted, it had to bargain with the Europeans and this meant agreeing to institutionally restrain and commit its power. In East Asia, the building of order around bilateral pacts with Japan, Korea, and other states was a more desirable strategy because multilateralism would have entailed more restraints on policy autonomy.

The logic of the hub-and-spoke system is clear. A multilateral security system in East Asia—if it had been possible despite unfavorable circumstances within the region—would have entailed a more far-reaching reduction in America's freedom of action. In choosing to abide by the rules and commitments of a multilateral security order, the United States would need to accept a reduction in its policy autonomy. But in exchange it expects other states to do the same. A multilateral bargain is attractive to a state if it concludes that the benefits that flow to it through the coordination of policies are greater than the costs of lost policy autonomy. In effect, the United States did not want as much from East Asian countries as it did from Western European countries. In Europe, the United States wanted a unified Europe and a close partner in the cold war. In the form of multilateral commitments it had to give more to European countries than to East Asia. In the Asia Pacific, it was far more hegemonic and wanted less of other states. The bilateral option was an attractive tool around which to build political bargains and regional order.

### **Japanese Approach to International Institutions**

The Japanese approach to international relations is best characterized as bilateralism—regardless of the practice of bilateralism within an international institution. Japan does not give too much emphasis to formal international institutions. It is less inclined to accord significant weight to such international institutions as the European Union or the Association of Southeast Asian Nations (ASEAN). Several examples illustrate the Japanese pattern. The EU Ambassador in Tokyo is normally not given a similar rank as Ambassadors from the United Kingdom, France, or Germany to Tokyo. Those bureaucrats assigned to regular talks with ASEAN tend to be one notch or two lower in terms of their rank than that of those assigned to regular talks with the United States, China, Korea, or Indonesia. Japan normally asks visitors to show their national passport at customs when the UN passport is shown.

Ironically, the United States is one of the few countries that does the same as Japan with respect to the UN passport.

Several basic circumstances have reinforced Japan's preference for bilateralism: the cold war security structure; the legacy of the past of imperialism and defeat in war; diversity of economic development, and fear of being tied down by universal multilateral legal and institutional accord in conflict with domestic laws.<sup>17</sup>

The cold war security structure as it evolved in East Asia has been a major determining factor of Japan's bilateral orientation. It has originated from Japan's defeat in World War II and from the United States's successful designing of its alliance with Japan. Moreover, given the nonavailability of multilateral actors in East and Southeast Asia, who were compatible both with the United States and with Japan, it was inevitable that Japan went bilateral from the very beginning. This was a fundamental difference between East Asia and Western Europe. Western Europe started from the Schengen Five, a very homogeneous and like-minded set of countries determined not to allow another world war to emanate from the discord in Western Europe. East and Southeast Asia started from the disparate set of bilateral allies with the United States. In East Asia, Japan and Korea were mutually antagonistic and without normal diplomatic relationship until 1965.<sup>18</sup> Japan and China did not have a normal diplomatic relationship until 1972 and did not conclude a peace treaty until 1978.<sup>19</sup> In Southeast Asia, Japan normalized its diplomatic relationship one by one by settling war indemnities with a number of countries in the 1960s through 1970s. With Korea, China and Vietnam divided within itself and with the United States allying as the guardian with those pro-United States halves, the whole structure of alliance and trade was bilateral. Japan constituted the core of the United States bilateral alliance in East and Southeast Asia as the United States consolidated its military bases and other space for comprehensive services and enjoyed using them most freely in East and Southeast Asia. For Japan it has been like throwing all the eggs in one basket.<sup>20</sup>

Historical legacies also helped shape Japan's bilateralism. Japan was the only country in Asia that was defeated by the Allied Powers in World War II. It was outside the United Nations. One of the key agendas of Japanese foreign policy since 1952 was to achieve reentry into the world community of nations. Japan's accession to the United Nations Educational, Scientific, and Cultural Organization, a slightly less political organization, was made in 1951, followed by accession to the UN itself in 1956. In the long process of seeking reentry into the global community, Japan emphasized its role in providing economic assistance and

support for regional development. In doing so, Japan used bilateral assistance as a leading tool.

When East and Southeast Asia's economies took off in the 1980s, Japan envisaged a leading role for itself in East and Southeast Asia. But the first hindrance to doing so was the legacy of the past. The idea of Japan leading the pack in Asia encountered opposition at home and abroad. In other words, any multilateral institutions in Asia must be a truncated organization at its head. Otherwise nothing would get started. Furthermore, most countries in East and Southeast Asia did not want their hard-won independence and state sovereignty infringed and jeopardized in any way by universalistic multilateral institutions. Thus what Japan did was to ask its friends to call for an institution with Japan's financing role assured. They were Australia in the case of the Asia-Pacific Economic Cooperation conference, Singapore in the case of the Asia-Europe Meeting, Malaysia in the case of the East Asian Economic Caucus, Indonesia in the case of the ASEAN Regional Forum. Even when Japan tried to do something within the framework of existing organizations like the United Nations peace keeping operations in Asia, Japan needed China's nonuse of veto in the United Nations Security Council. Only in 1993 was Japan able to send its UNPKO troops in Cambodia, the first such instance in Asia. It was followed by sending its troops to East Timor in 1999 and Iraq in 2003.

A third source of Japan's emphasis on bilateralism is its fear of international legal and institutional constraints. Multilateral agreements tend to have pitfalls as seen by Japanese leaders. The ordeals of extraterritoriality and the lack of tariff autonomy that were imposed on Japan by treaties concluded in 1854 and 1861, respectively, and warned Japanese leaders to be very careful about international accord. Once an accord is concluded with one Western power, then a similar accord is to be concluded by other Western powers. The fact that the early experiences led Japan to be generally very cautious about giving commitments to international accord can be easily seen in, say, United Nations Human Rights Committee meetings in Geneva where the Japanese delegation intermittently requests a one- or two-hour break when it must reveal its preference about a specific expression in a draft accord, during which it seeks instructions from Tokyo. It is not just the general lack of delegation of responsibility for an ambassador to make a judgment; it also reflects the now routinized fear of being bound unnecessarily even by violating or contradicting domestic laws that have been existing since as early as the 1890s. It is not uncommon that domestic law is made superior to international law in some countries. But Japan gives extraordinary attention

to efforts to check whether a draft agreement under discussion is in contradiction with any one law of Japan legislated in the Imperial Parliament (1890–1945) and later in the National Diet (1946–present). Japan's position on human rights in United Nations Human Rights Committee exemplifies it. Japan's fear of being bound by international law can be compared to the United States's frequent reluctance to ratify international agreements. The United States does not want to get entangled by international agreements.

The often excessive fear of being bound by international accords was reduced by the increasing use of multilateralism. Once multilateral institutions are born, bilateral talks are bound to increase as multilateral meetings give facile opportunities for bilateral talks. The frequency of summit meetings by Japanese prime ministers and foreign ministers for the past five decades indicates very clearly the almost logarithmic function of increase. Multilateral bilateralism flourishes. For a year Prime Minister Eisaku Sato did not meet any prime minister or president in the 1960s. Prime Minister Junichiro Koizumi met at least three dozens of prime ministers and presidents a year. ASEAN, APEC, ASEAN Regional Forum, Asia-Europe Meeting, Six Party Talks on North Korea, Group of Eight meetings, etc. keep coming up with heavy lead-ups and no less heavy follow-ups. As multilateral bilateralism flourishes, bilateralism and multilateralism tend to converge. When bilateral talks are held, the agenda often includes multilateral agendas. When multilateral talks are held, the agenda often touches on bilateral agendas as well. In so doing Japan has started to change its role from a rule-taker to a rule-maker. Its fledgling and vigorous attempts include those at the WTO and at the Conference on Disarmament. As one of the largest patent registering countries in the world, Japan has become very careful and tenacious in guarding intellectual property rights in the process of how to settle conflict of interests using the framework of the WTO. As one of the most antimilitarist countries in the world, Japan has become very vigorous and ingenuous in crafting a support for various disarmament resolutions in the Conference on Disarmament as well as relevant committees/conferences in the United Nations. Japan chaired meetings on small arms and light weapons, Comprehensive Test Ban Treaty, biological and chemical weapons, banishment of nuclear weapons quite successfully, even bringing the United States into the camp of abstainers, not opposing Japan-drafted resolutions head-on, unlike such resolutions in the recent past.

In these various ways, Japanese uses of institutions—and its emphasis on bilateralism—reflect pragmatic choices and historical legacies. But

the regional security and economic environment in which Japan makes foreign policy is changing, and so too are the mix of institutions that it uses. The stagnation of the Japanese economy, combined with the globalization of capital markets and the economic rise of China are creating incentives for Japan to work within regional multilateral settings. The risks associated with continued security dependence on the United States also create incentives for Japan to rethink about its long-term security in regional terms. As we have seen, states turn to institutions for a variety of purposes—and the rapid shifts in East Asia ensure that the institutional tools that states employ will continue to evolve.

### Logics of Institutions

The first two chapters in this volume expand on the logic of American and Japanese uses of institutions in East Asia. Michael Mastanduno argues that the United States takes a pragmatic rather than a principled approach to international institutions. That is, it relies on “what works” rather than be committed primarily to multilateralism, bilateralism, or unilateralism. Mastanduno goes on to show that “what works” has varied over time—during the cold war and in the post-cold war era—and across issue areas—economic and security. As such, Washington manifests no deep preference for a particular style or principle of institutions.

In confronting the East Asian security environment during the cold war, the United States had two goals—to shore up regimes against internal communist subversion and deal with worries in the region about resurgent Japanese militarism. This meant that the multilateral, collective approach adopted in Europe was less appropriate than the institutionalization of a series of bilateral security pacts. With the end of the cold war, this hub-and-spoke system continues to be useful to Washington as a way of preventing the rise of balancing coalitions by dividing and separating potential adversaries. Yet in confronting more specific security challenges, such as the North Korean nuclear issue, the United States seeks regional cooperation through more ad hoc multilateral mechanisms. This dual institutional approach appears to be an effective American hegemonic strategy. By keeping multilateral security dialogues informal and ad hoc, they do not challenge the bilateral array of security pacts that establish America’s authority and prominence in the region. At the same time, the informal multilateral mechanisms serve to soften the hard face of American hegemony.

Mastanduno argues that in economic affairs, the United States tends to emphasize the importance of cooperation through multilateral

institutions, such as the GATT (General Agreement on Tariffs and Trade), the IMF, and the WTO (World Trade Organization). Behind this approach is an American commitment to an open world economy that serves its own long-term economic interests. This emphasis on economic openness was seen in America's initial postwar efforts to open Japan and integrate it into the political economy of the Western system. It was also seen in the efforts by the United States in recent decades to undercut initiatives for narrow and exclusive regional groupings. At the same time, Mastanduno notes that the United States does adopt bilateral strategies of negotiation when specific trade or investment issues are at stake—and when the United States can use its economic muscle to get favorable outcomes. This was especially the case when Washington attempted to open up the Japanese economy during the 1980s and 1990s.

Taken together, Mastanduno demonstrates that America uses institutions—formal or ad hoc, bilateral, or multilateral—primarily as a means to expand its influence while maintaining its capacity for autonomy. Institutions are integral to the maintenance of American hegemony in East Asia. They allow the United States to translate its power advantages in the region into institutionalized partnerships that provide ongoing political influence and control. These institutions allow other states enough predictability and confidence in American policy toward the region so as to make the mixed system of bilateral security pacts and multilateral economic relations more tolerable than the alternatives.

Takashi Inoguchi examines Japan's preferences for bilateral over multilateral institutional approaches to world politics. He locates the origins of Japanese bilateralism within its experience of opening to the West in the nineteenth century. Western powers forced Japan to acquiesce to their demands through bilateral negotiations. The character of U.S. Japanese relations during the cold war further reinforced Japan's tendency for bilateralism. As such, even in multilateral settings, Japan would often follow America's policy lead. Inoguchi calls this bilaterally shaped approach to multilateral cooperation "bilaterally networked multilateralism." In fact, Japan often manages its multilateral diplomacy by disaggregating it into a set of related bilateral relationships.

In recent years, Inoguchi argues, Japan has faced increasing pressure to become more capable of operating in multilateral settings. This is partly due to the increasing globalization of the world economy as well as the growing density of regional arrangements. Yet even in these new circumstances, Inoguchi suggests that for Japan to be able to exercise more freedom and voice in multilateral settings, it has to demonstrate its loyalty to the United States. Inoguchi also argues that Japan's long-standing



preference for bilateralism tends to make it more of a rule-follower than a rule-maker. This means that Japan usually does not initiate the formulation of new rules and missions in multilateral gatherings. Instead, it focuses on, and may have a comparative advantage in, the implementation of rules and missions established by others.

### **Institutions and Political Control**

When Japan and the United States create or operate within East Asian institutions—bilateral or multilateral—the overriding goal is to gain some measure of political control over the actions of other states. To do so entails giving up some degree of political autonomy. All governments, of course, would prefer to retain their freedom of action—and so the ceding of political autonomy manifest in binding institutional agreements will be only reluctantly done. The questions all governments ask is: How much political control is it possible to get over other states and what is the price it will cost in reduced political autonomy? Is the trade off worth it? What institutional strategies will get the most political control with the least loss in political autonomy? The chapters in this section explore the specific ways in which institutions—particularly alliance institutions—are used as tools of political control.

In the post-cold war period, Japan has woven itself into a web of regional security institutions. Kawasaki argues that Japan's strategy is to layer and rely on three types of institutions—defense policy planning, political coordinating institutions, and confidence building institutions. While each type of institution has distinctive functions, these functions are mutually compatible, even though they have no formal linkage with one another. The key insight that emerges from this chapter is that the Japanese have used multilateral institutions to supplement and protect the “core” bilateral security alliance. These other multilateral institutions take pressure off the alliance and allow Japan to accomplish other objectives without calling upon the security alliance.

The clear implication of Kawasaki's argument is that Japan is much more innovative in its foreign policy than what other scholars suggest. Japan is not a simple “reactive state.”<sup>21</sup> It is adapting to its environment and using institutions in instrumental ways. At the same time, Kawasaki takes issue with others who argue that Japan is slowly seeking to replace the bilateral alliance with regional security arrangements as a hedging process by Japan to protect itself against abandonment. Multilateralism is a supplement, not a substitute, for bilateral ties.

The chapter by Victor Cha is even more explicit in its conception of alliance institutions as mechanisms of political control. He terms this a “powerplay” approach to institutions. Cha poses the basic puzzle: why has security multilateralism emerged in Europe while bilateralism reigns in Asia? The answer related to the specific ways that the United States found most cost-effective to maintain political control of its junior partners. To establish his position, Cha asserts that alliances—and hence institutions—are instruments that allow states within them some leverage over other states in the alliance. Just as institutions and alliances permit weaker actors to constrain stronger ones, they also allow stronger actors to shape the behavior of their weaker partners. As such, when strong actors have a strong incentive to shape the actions and long-term direction of its weaker partners, they maximize leverage by choosing to institutionalize bilateral relationships. Multilateral security pacts, Cha argues, tend to favor weaker actors because of the great restraints they place on the leading state and the “voice” opportunities they give subordinate states.

Accordingly, Cha argues that the United States formed alliances to defend against the Soviet threat, but an important rationale for the alliances in Asia was to constrain the ally from adventuristic behavior that could entrap the United States in a larger war. East Asia security bilateralism today is, therefore, a historical artifact of American rationales for constructing alliance networks in Asia. Because restraint of the ally was best exercised bilaterally, there was no compelling need to expand alliances in Asia to a larger multilateral framework. Cha argues that forming a multilateral framework in Asia would not have increased U.S. control; instead it would have increased fears of entrapment because of the possibility of Taiwan and Korean collusion to carry out joint revisionist agendas.

In looking at the U.S.-Japan alliance and the U.S.-Korea alliance as institutions, Koji Murata explores the trade-off between strong and weak institutionalization of alliance commitments. Murata argues that the U.S.-Japan alliance is an underinstitutionalized relationship in contrast to the U.S.-Korea and NATO alliances. This is in part because Japanese fear of alliance entrapment is a central aspect of the Tokyo-Washington relationship. Because of this underinstitutionalization, the U.S.-Japan relationship demonstrates a high degree of flexibility that permits both sides to adjust commitments to skirt around sensitive issues in both domestic and regional politics. However, it also means that there is no clear plan of action should a crisis erupt in places such as North Korea or Taiwan.

Murata argues that the design of the U.S.-Korean alliance, on the other hand, resolves around the threat of a North Korean invasion and South Korea's fear of U.S. abandonment. As such, Murata sees the U.S.-Korean alliance as highly institutionalized on various levels. This means that the U.S.-Korean alliance is extremely prepared to deal with specific contingencies, largely dealing with North Korea, but has little flexibility in serving American and Korean interests beyond the stated goals of the alliance. Such a situation may be problematic for both parties as they face an evolving strategic situation that lies outside the immediate purview of the alliance agreement.

Beyond these differences, the division of labor that an alliance creates and the subsequent evolution of these alliances also indicate that institutions can "lock in" particular hierarchical relationships. Despite the end of the U.S. occupation and the return of sovereignty to Japan, the United States still decisively sets the terms of Japan's national defense through both the constitution and the alliance framework. Likewise, Washington is able to shape the terms of South Korea's national defense through its ability to define the nature of its alliance commitment. As a result, as Murata suggests, even though both Seoul and Tokyo are able to take a free ride on the U.S. security commitment, they do so as junior partners subject to decision making in Washington.

### **The Limits of Institutions**

Institutions are not simply tools of political control—they are also mechanisms that facilitate cooperation. The final chapters in this volume look at the sources and limits of institutional cooperation.

In comparing the American and Japanese experiences with the United Nations, Fukushima argues that the institution provides a forum through which governments can legitimate behaviour to both international and domestic audiences. After all, despite severe differences with the United Nations and many of its most important members, the United States nonetheless sought UN resolutions to legitimate its actions in postinvasion Iraq. Likewise, even though the United States did not receive UN endorsement for its 2003 invasion of Iraq, it continues to cite previous UN resolutions against Iraq as the legal basis for its behavior.

Japan, on the other hand, uses the United Nations to legitimate its participation in the international community due to its legacies of defeat and aggression during World War II. First, participation in the international community through the United Nations during the cold war permitted

Tokyo to build ties with governments in the third and second worlds while maintaining its close relationship with Washington. Second, participation in UN-sponsored aid and peacekeeping missions allows Japan to legitimize its attempts to become a more “normal country.” Being part of UN missions permits Japan to expand and exert its influence over areas of the world where its interests lie—such as in the Middle East and Asia—without sparking the ire of its neighbors and World War II adversaries.

Third, participation in the United Nations facilitated the legitimation of the U.S.-Japan security relationship in Japanese domestic politics, especially during the cold war. As such, the United Nations provided the common ground for logrolling between the left and right. Here, the bilateral relationship with the United States substituted for the United Nations until the latter could take the role of a world government. This allowed the Japanese right to pursue strong security ties with Washington. At the same time, the Japanese left could claim that it was working toward the creation of a more pacific world for a peaceful Japan.

Apart from legitimation, Fukushima’s chapter also suggests the institutions can be a medium that allows for the promulgation of particular values. For instance, she points out that the United States initially hoped to use the United Nations to propagate its values and beliefs. Likewise, as the Soviet Union gained influence over the General Assembly through its courting of new members, Moscow was able to block American initiatives, if not push through some of its own to Washington’s chagrin.

Finally, Fukushima’s discussion also suggests two potential areas of weakness in institutions such as the United Nations. First, it is unable to restrain great powers. After all, the piece provides several examples of the United States circumventing, and even undermining the United Nations, when it found little support within the organization. Second, institutions are susceptible to capture by different groups. This means that institutions may end up developing in directions different from its founding purpose. Fukushima illustrates this by demonstrating the increasingly unpopular position of the United States within the UN as the number of Soviet-influenced members increased.

In his chapter, Kirshner posits that the absence of capital and exchange rate controls through institutionalized cooperation tend to result in suboptimal outcomes for closely linked economies. Kirshner argues that monetary cooperation is inherently difficult due to differences in political interests and economic ideology, which will usually lead to suboptimal bargaining outcomes. He uses the cases of Malaysia

and South Korea during and after the Asian Financial Crisis, as well as Japan's economic relationship with the United States as examples. As such, Kirshner sees institutions as a means through which actors can optimise positive, absolute gains.

Through an examination of his three case studies, Kirshner argues that the strategic and economic dynamics sustaining U.S.-Japan coordination over exchange rates and capital flows are unsustainable going forward. Given the importance of these two economies to the East Asian region, Kirshner suggests that this leaves substantial potential for economic instability. Using the South Korean and Malaysian examples, he then posits that U.S. liberal economic influence through the IMF did not have a consistent effect on restoring economic growth following the Asian Financial Crisis. In fact, the United States acting both directly as well as through the IMF hindered recovery by shooting down Japan's Asian Monetary Fund proposal.

Analyzing these, Krishner believes the root of the problems lie with the lack of institutionalized cooperation between Japan and the United States over the management of exchange rates and capital flows. He concludes by arguing that although the establishment of institutionalized cooperation between Washington and Tokyo over capital flows and exchange rates would afford greater economic stability, efforts to establish such cooperation are very likely to fail due to conflicting political interests and economic ideologies on the part of the United States and Japan.

Finally, Thomas Berger discusses the development of human rights regimes in East Asia for the end of the nineteenth century to the present. Through his analysis, Berger suggests that institutions have historically not contributed to the emergence of a human rights regime in East Asia. Instead, the types of institutional arrangements that have emerged both regionally and globally may even have retarded the development of human rights regimes in the region in the past, and may pose problems for regional cooperation in the future.

Berger argues that between the late nineteenth and mid-twentieth centuries, institutions have not been part of the spread of human rights in the region. In that era, the colonial great powers were primarily interested in maintaining their dominance and it was this overriding goal that drove the creation of institutions in the region. As such, institutions were predisposed against certain human rights, such as self-determination and racial equality.

The post-World War II era saw the establishment of a large number of institutions, such as the United Nations, that had as a goal the spread of human rights. However, the realities of the cold war and postcolonial

nationalism prevented consolidation of a strong human rights regime in East Asia. According to Berger, the United States and the Soviet Union used human rights language to support oppressive allies in East Asia. At the same time, many postcolonial East Asian governments avoided human rights issues in their relations with each other both inside and outside institutional settings. Such a move helped them avoid foreign-sponsored societal unrest and consolidate power.

With the end of the cold war and gradual democratization in the region, Berger notes that there has been a growing concern for human rights—but he argues that progress on human rights has been driven more by democratization of domestic politics and less by the direct influence of any international or regional human rights regime—such as the concern for condition of refugees or demands for compensating the victims of historical injustices—to pursue their own foreign policy goals. Thus, paradoxically, while concern with human rights in the region is increasing, and human rights conditions are improving, differences over human rights are becoming the source of growing controversy by different Asian countries. Berger concludes by speculating that incipient tensions between the United States and China are likely to inhibit the future evolution of human rights regimes in East Asia.

## Conclusion

For half a century, the United States and Japan have been at the center of a grandly transforming East Asia. Their involvements in the region and with each other are shaped and pursued through institutions. The argument of this book is that—although East Asia is less “institutionalized” than other regions, particularly less so than Western Europe—institutions are nonetheless critical to its logic and functioning as a region. Moreover, as the chapters demonstrate, although region-wide economic development, globalization, the rise of China, and other forces are making the Asia Pacific region more integrated and multilateral in orientation—the old bilateral security ties remain critical tools for its key players. New layers of institutions have emerged in recent decades but old security institutions continue to give the region its essential shape.

Taken together, this book argues that the “uses of institutions” by Japan and the United States are of three kinds. First, institutions—particularly the array of bilateral security pacts—provide basic security ordering for the region. That is, they create order by resolving security dilemmas and insecurities that would otherwise lead to conflict, arms races, and perhaps war. Mastanduno, Murata, Cha, and Kawaski provide

insights into how their most elemental of institutions—the bilateral security tie—plays such a critical role. Behind the security institutions is a logic that turns on the way alliance pacts provide mechanisms for political control. Each state in the bilateral security arrangements wants more than simply security from outside threats. They want some measure of political control over their own security partners. The United States wants to exercise some control over the foreign policy of its junior partners—as Victor Cha argues, this was originally aimed at reducing the risks that these frontline states would provoke war and draw in the United States. But the junior partners also gain some influence over the United States, or a more predictable and institutionalized hegemonic leader in the region.

As Mastanduno stresses, East Asia is not a simple balance of power order—it is partially hegemonic. The United States is its dominant player, projecting power into Asia from across the Pacific. For this order to be stable and enduring, the United States has had to rely on institutional methods—making commitments, developing institutionalized partnerships, embedding itself in the region.

The second way that institutions are used by Japan and the United States is as tools of regional governance. This means that institutions—again primarily the security institutions—do not just provide security but they facilitate cooperation and help solve political conflicts. The bilateral security ties provide “voice” opportunities for junior partners to have some say—and therefore political stake—in American policy in the region. Interestingly, East Asia does not have a lot of formal region-wide “regimes” that facilitate cooperation by reducing transaction costs. Most of these institutions are global—such as the WTO and the IMF. But the region does have soft multilateral institutions that both the United States and Japan use for purposes of communicating and doing business. APEC, the ASEAN region forum, and the 6-Party talks on North Korea play their collective action functions.

The third way through which institutions play a more subtle role is by building confidence and legitimating state policy. Kiki Fukushima's chapter is most explicit in showing the way the United Nations plays a role in legitimating Japanese foreign policy in the region. The security dialogues in the region also play this soft role of bringing leaders together and letting long-term socialization and confidence building processes to operate. The actual impact of these institutional dialogues is uncertain. But they are dialogues that hard-headed political leaders and diplomats embrace and use. If they matter, it is because over the long term they help reshape the identities and deep preferences of states.

Finally, these chapters show the limits of institutions. Kirshner makes clear that simply because there are efficiency and positive-sum reasons to establish institutional cooperation in the monetary area, it does not mean that those institutions or rules will necessarily be forthcoming. Kirshner shows that the presence of substitutes—the IMF’s universal rules—and difficulties of translating interests into outcomes can leave the region less institutionalized than it might otherwise be. Berger also shows that changes in regional sensibilities toward human rights are driven more by domestic regime transformation than from the operation of anything approximating a human rights regime. Nonetheless, both the United States and Japan rely heavily on institutions to support their foreign policies in the region. This book suggests that there is an enduring logic that explains why this is so.

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  9. Keohane, *After Hegemony*.
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PART I

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*Logics of Institutions*

## CHAPTER 1

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# Institutions of Convenience: U.S. Foreign Policy and the Pragmatic Use of International Institutions

*Michael Mastanduno*

International relations scholars continue to debate an issue of enduring significance—the role of international institutions in world politics. Within the past 20 years, those working within the liberal theoretical tradition have developed a clear sense of how and why international institutions matter. Robert Keohane, writing in *After Hegemony* and elsewhere, argues that international institutions and regimes should be viewed in terms of their functional attributes.<sup>1</sup> Regimes facilitate cooperation by providing frameworks for interaction and communication among states in an uncertain environment.<sup>2</sup> They enhance transparency by conveying information about the intentions of actors, and they help states to reduce the transaction costs associated with bargaining to reach international agreements. Keohane goes as far as to suggest that international institutions might substitute for a dominant power as a means to maintain international order. A dominant power, or hegemon, may be required to create viable international institutions, but as hegemony fades, international institutions can take on a life of their own and become functional substitutes for the power of dominant states.

John Mearsheimer developed a provocative response to these arguments during the mid-1990s.<sup>3</sup> Mearsheimer sought to demonstrate that

international institutions did not matter, that is, that they had little impact on the resolution of major conflicts in international relations. He went further by arguing that the promotion of international institutions by scholars and practitioners as problem-solving devices was counterproductive, and likely to be harmful to U.S. foreign policy interests and international order. International regimes could not substitute effectively for the balance of power; to place faith in them might tempt policymakers, at their own peril, to ignore the fundamental realities of the international system. Mearsheimer's critique inspired predictable and spirited responses from scholars working various sides of this paradigmatic debate.<sup>4</sup>

Academic debates of this sort typically remain unresolved, but they do focus on important issues that might otherwise be overlooked. The liberal emphasis on the functional attributes of regimes led some to explore whether cooperation in international politics was inhibited more by the fear of cheating and defection or by concerns over relative gains, that is, that one state in a cooperative venture might benefit disproportionately and subsequently threaten its partners.<sup>5</sup> The realist argument questioning the utility and effectiveness of international institutions led other scholars to ask why, if institutions mattered so little, do policymakers—especially those in powerful countries such as the United States—seem to devote so much attention to them?<sup>6</sup>

In this chapter, I try to provide one answer to that question by focusing on U.S. foreign policy toward Japan and more generally, East Asia. My emphasis is on developments since the end of the cold war, but I do necessarily reach back to the cold war era in an effort to develop the overall argument. I focus on the interplay of U.S. foreign policy and international institutions in both the security and economic areas.

My analysis steers between the paradigmatic realist and liberal positions. I argue, contrary to some realists, that international institutions do matter—though not in the way and for the reasons typically advanced by liberals. My examination of U.S. foreign policy toward East Asia suggests that U.S. officials view international institutions as instruments of statecraft—and as rather important ones. U.S. officials approach institutions pragmatically, as instruments of convenience. They typically have been motivated by a concern over “what works” in terms of broader foreign policy objectives, rather than by some grander vision of the ideal or most desirable institutional design. U.S. policymakers have exhibited no special attachment to a particular type or form of institutionalization, such as multilateralism.<sup>7</sup> They have relied variously on bilateral and multilateral institutional arrangements, and on formal, informal, and ad hoc ones.

“What works” has varied across region, time, and issue area. The pattern of institutionalization pursued by the United States in postwar Europe differed significantly from that pursued in postwar East Asia.<sup>8</sup> In East Asia in the security area during the cold war, U.S. officials explored the possibility of multilateral arrangements but eventually settled on a series of bilateral institutional arrangements, most importantly with Japan, in order to serve U.S. foreign policy objectives. After the cold war, the United States has maintained and strengthened bilateralism in security affairs. At the same time, it has proved willing to promote some multilateral initiatives as a supplement to its core bilateral alliances. Multilateralism, in terms of both formal institutions and more informal coalitions, has come to play what might be best described as a supporting role in U.S. security strategy as it pertains to East Asia.

In the economic area, the early cold war approach of the United States suggested a clear preference for multilateralism, through the development and expansion of institutions such as the General Agreement on Tariffs and Trade (GATT) and the monetary arrangements of the Bretton Woods system. By the 1970s and 1980s, however, U.S. officials shifted to a bilateral approach in dealing with its principal East Asian ally and trade partner: Japan. The United States institutionalized sector-specific trade negotiations as a means to open Japan’s domestic markets. U.S. officials sought, by the early 1990s, to institutionalize an even broader bilateral initiative, the Structural Impediments Initiative (SII). It became apparent by the middle of the 1990s that bilateralism had run its course. The United States subsequently shifted its emphasis back to the promotion of multilateral institutions, in particular the World Trade Organization (WTO) and to a lesser extent, the Asia-Pacific Economic Cooperation (APEC) initiative.

International institutions have mattered considerably to the United States in its East Asian foreign policy, and U.S. officials have relied on a variety of institutions as strategic instruments. Their preference for a particular type of institutional arrangement has been driven by both the nature of foreign policy objectives, and by the particular regional opportunities and constraints they have faced in pursuit of those objectives. As objectives and constraints have shifted, so too has the inclination of U.S. strategists to promote and utilize different institutional arrangements. Institutions have not been ends in themselves; they have been a pragmatic means to serve particular foreign policy objectives.

The shock of September 11, 2001 brought significant change to U.S. foreign policy. To many observers, the Bush administration used that event to reinforce a decisive shift from multilateralism to unilateralism in U.S. foreign policy. Although the Bush administration has proved

more willing than most to act unilaterally and without apology, it is misleading to depict either that administration or September 11 as marking a fundamental shift in the U.S. approach to international institutions. Rather, September 11 reinforced the U.S. tendency to treat international institutions as pragmatic instruments. In a crisis-filled atmosphere, Bush administration officials proved all the more concerned with “what works,” based on considerations of power and interests, rather than abandoning a previous commitment to international institutions or adhering consistently to any particular institutional approach.

The remainder of the chapter develops the arguments outlined earlier. The next section focuses on the interaction of U.S. foreign policy and regional security architecture, first during the cold war era and then since its end. The second section examines U.S. economic strategy in East Asia and the role multilateral and bilateral institutions have played. The third section considers the impact of September 11 and its aftermath on the institutional preferences of the United States. A concluding section briefly summarizes the argument.

## **U.S. Security Policy in East Asia**

### ***Bilateral Solutions to the Cold War Problem of Containment***

The history of U.S. foreign policy at the outset of the cold war is well-documented and need not be rehearsed here.<sup>9</sup> It is clear that by 1950, containment had emerged as the grand strategy of the United States, as a reaction to what U.S. officials perceived as an ominous series of developments related to the intentions and capabilities of the Soviet Union. The logic of containment evolved from the thinking of George Kennan and was codified in the infamous Truman administration planning document, NSC-68.

In the application of containment, the United States confronted different regional constraints in Western Europe and East Asia. In Europe, the security threat was both internal communist subversion and the possibility of direct Soviet conquest of the European land mass. Hitler had tried and nearly succeeded at the latter task, and U.S. officials feared the Soviet Union might make a similar attempt. The associated political challenge was to reconcile former adversaries, in particular France and Germany. The solution was a set of multilateral institutional arrangements designed simultaneously to bridge the Franco-German political divide, engage the United States more permanently in European security

affairs, and provide a military counter to the quantitatively superior conventional forces of the Soviet Union. NATO, in Lord Ismay's often quoted phrase, was intended to keep "the Americans in, the Russians out, and the Germans down." A multilateral institutional arrangement was deemed necessary by both American and European officials to accomplish this task. The United States at the same time supported, but did not participate in, the complementary multilateral task of European economic and industrial integration.

In East Asia, the problem of political reconciliation was similarly acute, involving Japan and the countries it had occupied during the 1930s and World War II. The cold war security problem confronting the United States, however, was quite different. The major concern was not, as in Europe, the possibility of rapid occupation and conquest of a land-mass of contiguous states. The problem, instead, was the double threat of domestic instability serving as a breeding ground for communist political subversion, and external threats to individual (but not contiguous) states. The threats emanated from the Soviet Union, China, and their proxies (e.g., North Korea, and later, North Vietnam), perceived by U.S. officials to be operating as a more or less monolithic bloc.

The eventual solution to these security challenges was a set of bilateral alliance arrangements. In the context of the Korean War, the United States forged bilateral security alliances with Japan, the Philippines, Taiwan, and South Korea, and a trilateral security pact (ANZUS—Australia, New Zealand, United States Security Treaty) with Australia and New Zealand.<sup>10</sup> After the collapse of the French position in Indo-china in 1954, the Eisenhower administration pushed for the creation of a multilateral entity, the Southeast Asia Treaty Organization (SEATO), which was modeled on NATO.<sup>11</sup> SEATO's purpose was to demonstrate the U.S. commitment to the region and serve as a means to contain Soviet and Chinese expansion. However, this multilateral entity never evolved to play the kind of central regional role that NATO came to play in the European context. SEATO instead served more as a cover for subsequent U.S. military intervention in Vietnam. When the U.S. position in Indo-china collapsed in the 1970s, SEATO disappeared without much fanfare.

The series of bilateral alliances, far more so than Eisenhower's multilateral initiative, developed the core of U.S. security strategy in East Asia. U.S. officials "drew lines" and defended them. They sought to defend South Korea from North Korea, and South Vietnam from North Vietnam. They sought to defend Japan from Soviet or Chinese attack, and to protect Taiwan from any effort by the mainland communists to absorb it into their system. At the same time, U.S. officials engaged



closely in the domestic politics of these bilateral security partners. The United States recreated the Japanese political and constitutional system and promoted the economic reconstruction of Japan and the economic development of South Korea, Taiwan, and the Philippines. U.S. officials engaged in an ambitious and ultimately unsuccessful “nation-building” experiment in South Vietnam. These and other regional initiatives were part of a larger U.S. strategy, yet not one that was institutionalized multilaterally in any meaningful decision-making sense.<sup>12</sup>

The U.S.-Japan alliance proved to be the cornerstone of U.S. security strategy in Asia.<sup>13</sup> That alliance was based on a tacit bilateral deal. For the United States, the benefits included a stable, noncommunist political friend and a base to project naval power across the region. Whereas U.S. bases in South Korea served primarily to deter or defend against a North Korean attack, U.S. bases in Japan provided “strategically irreplaceable flexibility” and numerous regional options for U.S. decision makers and regional military commanders.<sup>14</sup> For its part, Japan received the security protection of a stronger ally and the economic benefits of access to the U.S. market and the sources of raw materials protected by the forward deployment of U.S. military forces. The U.S.-Japan alliance arguably became *more* important as the cold war progressed. It was in Asia, more so than in Europe, where the United States found itself engaged in “hot” wars against proxies of the Soviet Union and China. And, once the Soviet Union developed during the 1970s a so-called blue water navy with a more global reach, the United States needed Japan’s assistance—due to its geographical location—to keep the Soviet Pacific fleet bottled up in Vladivostok in the event of a major and most-likely global war.

The bilateral U.S.-Japan alliance was of course asymmetrical in that it involved a more dominant and more dependent partner. The United States was committed to defend Japan, but Japan, limited constitutionally to self-defense, was not obligated to defend the United States. This asymmetry, however, still served the security needs of each side. The United States needed Japan and Japanese bases to thwart any Soviet naval advance and to project its own power in the region. And, since any Soviet naval advance in the Pacific would almost certainly require occupying or at least neutralizing Japan, Japan’s interest in and commitment to self-defense complemented nicely the U.S. strategy of global containment.

### **After the Cold War: Bilateral and Multilateral Strategies to Preserve U.S. Preponderance**

In the aftermath of the cold war, the principal strategic objective of the United States has shifted from containment of the Soviet Union to the

preservation and strengthening of a U.S.-centered international order.<sup>15</sup> The United States has found itself, after the Soviet collapse, as the world's dominant or "unipolar" power, and not surprisingly U.S. officials have seized upon their fortunate structural position as an opportunity to shape global politics in a manner consistent with U.S. interests and values.<sup>16</sup> Since September 11, 2001, the United States has devoted considerable attention to homeland defense and security; it has not, however, abandoned its efforts to sustain a U.S.-centered global order. If anything, the events of September 11 have reinforced the view that the U.S. security requires a strategy of global engagement.

In East Asia, the preference for bilateralism as the principal institutional form continues to dominate U.S. security strategy, for three major reasons. First, there is strong political inertia. The bilateral arrangements that already exist were well-developed and institutionalized during the cold war. In institutions, as in other aspects of social life, the familiar have certain advantages over the unfamiliar. It has been relatively easy to carry over, albeit with modification and further development, these established practices and approaches after the cold war.<sup>17</sup> It is interesting to observe a similar pattern in the European context. Despite the fact that the Soviet Union no longer poses the political and military threat that gave birth to NATO, that multilateral arrangement continues to exist and to find new rationales (e.g., stabilization of Central Europe and the Balkans) to justify its continued political and institutional existence.

Second, multilateralism as an overall security architecture still has limited appeal in East Asia. Resentments and suspicions continue to linger in the region some 50 years after the end of World War II. Although some progress has been made, East Asian states lag behind their European counterparts in terms of their ability to put the experiences of occupation and war behind them.<sup>18</sup> In the absence of fuller political reconciliation, the appeal and practicality of multilateralism remains limited. In Europe, robust multilateral institutions resulted from both the political "push" of the United States and the political "pull" from states within the region itself. In Asia after the cold war, neither the push nor the pull forces appear particularly strong.

This suggests a third reason: U.S. officials have good strategic incentives to be comfortable with a series of bilateral security arrangements, or what might be viewed as a hub-and-spokes approach to regional security.<sup>19</sup> An overall interest of U.S. security policy is to prevent the formation of a balancing coalition among other major states, for example, Russia, China, Japan, and India. Hub-and-spoke security arrangements, if developed effectively, will help limit that geopolitical possibility. They allow a dominant state to adopt a "divide and conquer" mentality. In other words, in

the absence of a viable multilateral arrangement that the United States can influence strongly, its preference is for effective bilateral relationships rather than for the kind of multilateralism that might minimize or even undermine U.S. regional security objectives.

So it should not be surprising to find that after the cold war U.S. officials have attempted to develop or deepen “special relationships” with each of the major players in the region. Specifically, they have sought to reassure their cold war allies, Japan and South Korea, that long-standing security arrangements remain viable and desirable despite the collapse of the Soviet threat and end of the cold war. U.S. officials have tried to reassure their Japanese counterparts that Japan, while needing to take on a greater security role, need not do so independently of the United States. On the contrary, U.S. officials and concerned members of the U.S. foreign policy community have urged that the U.S.-Japan security relationship be strengthened and updated to meet the demands of a more uncertain political and structural environment.<sup>20</sup>

The United States also has tried since 1990 to develop a special partnership with China, as part of an effort to integrate China into the U.S.-centered regional and global order. This effort has met with mixed success, in part due to Chinese ambivalence and resistance regarding U.S. hegemony, and in part due to differences within the U.S. policy community over the appropriate response to a rising power and potential challenger.<sup>21</sup> Nonetheless, the dominant thrust of U.S. strategy has been to integrate rather than contain China. The same is true of U.S. relations with Russia, which, though currently more marginal, has the potential in the long term to be a major player in the Asian region. The U.S.-Russian “special relationship,” envisioned immediately after the cold war, faced significant challenges during the late 1990s but has been revived in the context of mutual United States and Russian concerns over the problem of international terrorism.<sup>22</sup>

It is important to recognize that although bilateralism still dominates, multilateral institutions have taken on a key *supporting* role in U.S. security strategy. Multilateralism and minilateralism in the form of ad hoc coalitions have helped to soften U.S. hegemony by giving other states some say in initiatives taken by the United States that directly affect their security. The Persian Gulf War of 1990–1991 serves as a general example, and the initiation of the Korean Peninsula Energy Development Organization (KEDO) as part of the solution to the North Korean nuclear crisis of 1994 is a noteworthy example particular to the Asian region. In the aftermath of September 11, U.S. officials sought to enlist a wide array of states in its counterterrorism efforts. But it neither

looked primarily to existing global institutions nor sought to create new ones to meet this previously unanticipated security challenge. Instead, U.S. officials have relied on what they term “coalitions of the willing”—more or less informal arrangements that U.S. officials seem to believe will contribute to U.S. efforts without significantly constraining U.S. autonomy.

Multilateralism also plays a supporting role by helping U.S. officials manage domestic constraints. The U.S. Congress and public are sensitive to burden-sharing concerns, that is, the perception is that other states are not always bearing their “fair share” of the costs of maintaining international order. Division of labor strategies in which allied states make various kinds of contributions help U.S. officials reassure domestic constituencies that others are not “free-riding.” This principle was raised to a fine art during the first Persian Gulf War, when U.S. officials aggressively solicited financial contributions from its coalition partners. Japan contributed generously yet subsequently resented what it viewed as insufficient U.S. gratitude. Similarly, European partners of the United States have expressed resentment over a division of labor in which the United States takes responsibility for military action and then expects others to bear the burden of reconstruction, as occurred in the Balkans and Afghanistan. U.S. officials seek simultaneously to manage the costs of diplomatic resentment while reaping the domestic benefits of burden-sharing.

Multilateralism further serves U.S. interests in Asia by facilitating dialogues and confidence building among states that are suspicious or uncertain about others’ intentions. U.S. officials have supported the Asian Regional Forum (ARF) as a vehicle for ASEAN members to voice their security concerns and explore the potential for preventive diplomacy and maritime cooperation. U.S. officials similarly have supported the Northeast Asia Cooperation Dialogue (NEACD) among China, Japan, Russia, the United States, and the two Koreas. NEACD offers the United States a “safe” way to involve Japan and Russia in regional security dialogue, as well as an opportunity to defend and explain U.S. bilateral alliances with Japan and South Korea to suspicious Chinese and Russian officials.<sup>23</sup>

In summary, U.S. officials clearly view multilateral initiatives as supplements to, not substitutes for, core bilateral security relationships. In times of crisis they turn not to regional institutions but prefer instead to rely on U.S.-led diplomatic efforts and institutional structures that the United States can more comfortably control. In the North Korean nuclear crisis of 1994, the United States relied on ad hoc diplomacy and established KEDO as a new entity to implement its agreement. During

the Asian financial crisis, U.S. officials rebuffed Japan's proposal for a new regional financing facility and instead concentrated the management of the crisis on the more comfortable terrain of the IMF (International Monetary Fund).

## **U.S. Economic Policy and East Asia**

### *The Cold War: From Multilateralism to Bilateralism*

During the cold war, U.S. officials exhibited a clear preference for multilateral arrangements in the governance of the world economy. This preference was consistent across the regions of Europe and East Asia.<sup>24</sup> In relations with East Asian countries, however, bilateralism eventually was adopted by the 1980s and institutionalized as a second-best strategy.

The overall U.S. objective focused on the development of an open world economy characterized by the free movement of goods, services, and finance. Multilateral liberalization served U.S. economic interests because the postwar U.S. economy was productive, technologically dynamic, and export competitive. Liberalization served U.S. security interests because U.S. officials envisioned that free trade and increased economic interdependence would facilitate peaceful relations among countries.

Multilateralism was the preferred institutional arrangement because U.S. officials, reflecting on the bad experience of the interwar years, believed that economic nationalism, preferential trade arrangements, and the emergence of competing, discriminatory regional economic blocs led the world into depression and even to war. Enemies in the marketplace became enemies on the battlefield. Multilateralism and nondiscrimination in the world economy would help the major powers to avoid this geopolitical trap and simultaneously serve U.S. economic interests.<sup>25</sup>

The early cold war strategy of the United States centered on efforts to rebuild European and Asian economies break up residual preferential trading arrangements, and institutionalize a multilateral regime, the GATT. The GATT itself was a second-best alternative to a more ambitious and comprehensive, yet ultimately unsuccessful multilateral regime, the International Trade Organization (ITO). During the 1950s, the United States worked for the inclusion of Japan into the GATT—even though the advanced industrial states of Europe were reluctant to go along because they felt Japan would not be in a position to provide reciprocity in the opening of domestic markets. U.S. officials persisted and Japan joined. More than a decade later, the Tokyo Round of GATT negotiations, launched in the early 1970s, was so named to symbolize

the importance of fully integrating Japan into the multilateral trading order.

The United States even conceived of economic discrimination strategies in multilateral terms. U.S. officials organized multilateral export control regimes, COCOM (Coordinating Committee for Multilateral Export Controls) and CHINCOM (China Committee, established in 1952 within COCOM), to isolate China, the Soviet Union, and their allies from the technological benefits of the open world economy. These regimes included the NATO states and Japan as formal members, and the United States enlisted the informal cooperation of a wider array of Asian and European states as well.<sup>26</sup>

By the late 1970s and through the 1980s, however, U.S. officials gradually turned to bilateralism in economic relations in Asia. Most importantly, they became frustrated by the inability of multilateral negotiations to open the rapidly growing Japanese economy. The Tokyo Round lasted seven years (1973–1979) and made relatively little headway on the difficult problems of nontariff barriers.<sup>27</sup> Multilateral momentum stalled as it took until 1986 before a subsequent trade round—the Uruguay Round—could be launched. By 1990, the Uruguay Round seemed destined for collapse under the collective weight of an overly ambitious market-opening agenda, conflicts among developed and developing states, and a U.S.-European struggle over the politically sensitive problem of agricultural trade liberalization.

During the 1980s, as multilateralism stalled, Japan came to be perceived by U.S. officials as posing special “structural” problems. Its model of developmental capitalism, characterized by government intervention in the economy, close business-government and corporate sector partnerships, a national commitment to export-led growth, and a bewildering array of nontransparent barriers to imports, made liberalization through the familiar multilateral bargaining channels virtually impossible. As the bilateral trade deficit with Japan mounted, and as the Japanese model came to be emulated by emerging Asians “tigers” such as South Korea and Taiwan, U.S. officials faced political pressure from the American business and labor communities to devise alternative strategies.<sup>28</sup>

The pragmatic U.S. solution was to devote more and more resources to bilateral negotiations with Japan and, to a lesser extent, South Korea and Taiwan. These at first were on an ad hoc basis and involved the politically most sensitive sectors such as textiles, steel, and autos. Over time, U.S. officials made efforts to institutionalize them. They developed, for example, the MOSS (Market-Oriented, Sector Specific) talks, and instituted annual meetings of the U.S.-Japan Trade Committee,

a forum devoted essentially to U.S. efforts to pry open Japanese markets across a variety of sectors. U.S. legislation further codified and broadened the bilateral approach, through revisions in U.S. trade law that led to Section 301, Special 301, and Super 301 market-opening initiatives.

Proponents of the multilateral trading system, both in the United States and abroad, worried that the U.S. use of bilateral (and so-called unilateral) measures would undermine the political foundations of the GATT regime.<sup>29</sup> U.S. officials responded, predictably, by emphasizing the instrumental nature of their institutional choices. They argued that multilateralism was preferable, but that bilateralism was necessary to resolve the special problems posed by Japan and developmental capitalism. Shortly thereafter, and in response to European integration initiatives, they argued that first the bilateral U.S.-Canada Free Trade Agreement and subsequently the North American Free Trade Agreement (NAFTA) were appropriate institutions to pursue free trade, despite concerns that such regional initiatives had the potential to divert efforts from the established multilateral arena.

This U.S. preference for “instrumental institutionalism” was not confined to the trade area. U.S. officials who sought to stabilize the world economy during the unstable 1970s turned not to the established IMF, but to a newly created entity, the Group of Seven (G-7). The G-7 provided the United States immediate and regular access to the leaders of the world’s most important economies—leaders whose cooperation U.S. officials needed in order to stabilize a more interdependent world economy.<sup>30</sup> The United States did not abandon the IMF; in fact, it turned back to the IMF in the 1980s as the most appropriate institutional vehicle for addressing the Latin American debt crisis. These examples illustrate again the U.S. preference for selecting and utilizing the most desirable institutions from a range of alternatives, or if necessary, creating a new one.

Through the SII, launched in 1989, U.S. officials sought to institutionalize a bilateral negotiation that went beyond trade to encompass virtually every aspect of the Japanese (and, since Japan insisted on a reciprocal framework, the American) political economy.<sup>31</sup> The underlying assumption was that trade practices were embedded in larger political, economic, and social structures, and that one needed to address those fundamental structures in order to get at the root causes of trade discrimination. The SII involved discussions of corporate structures, business-government relations, the savings and spending habits of consumers, and even the divergent work and leisure patterns that characterized American and Japanese societies. These negotiations took place

with an implicit U.S. threat to resort to more coercive tactics, such as Super 301 trade sanctions, in the background. The Japanese participated, with reluctance, yet continued to press for a renewed multilateralism that would constrain the United States from focusing such direct bilateral political pressure on its problematic trading partners.

By the early 1990s, bilateralism was the primary mechanism of U.S.-Japan trade negotiations, and had assumed a prominence at least equal to that of multilateralism in U.S. trade policy more generally. U.S. officials consistently argued, however, that the bilateralism, regionalism, and even unilateral measures were simply alternative means to achieve the broader goal of an open, nondiscriminatory world economy. This answer proved less than satisfactory to U.S. trade and alliance partners, and by the 1990s, U.S. officials found themselves once again reordering their preferred use of institutional instruments.

### *After the Cold War: A Return to Multilateralism*

Three interrelated developments are most relevant in assessing the shift on the part of the United States during the 1990s back to a preference for multilateral economic institutions. First, as suggested earlier, bilateralism—referred to as “aggressive unilateralism” by its critics—as practiced by the United States led to considerable discontent in the global trading community. Japan was the most important target, though certainly not the only one. Japan, among other states, eventually came to resist U.S. bilateral initiatives. A series of trade wars with the European Community, primarily over agriculture, and Japanese resistance to U.S. ultimatums to open markets in the auto parts and photographic film sectors illustrated to U.S. officials that the bilateral instrument was of declining utility in relations with what were now much stronger economic partners.

Second, and more or less simultaneously, multilateral economic institutions became stronger. The Uruguay Round, which seemed dead in 1990, was revived by the priority efforts of the Bush and Clinton administrations and ended successfully in 1994. Participating governments, at the urging of the United States, agreed to replace the GATT with a more prominent WTO. The WTO came with a binding dispute settlement mechanism that was considerably more forceful than the informal procedures that were part of the GATT. The completion of the Uruguay Round also brought in an array of previously excluded trade issues under the auspices of the renewed multilateral regime. These included trade in services, intellectual property, trade-related investment measures, and



even agriculture, where the United States, the European Union, and Japan each committed to market liberalization. With the inauguration of the WTO, the United States turned back to multilateralism as a principal institutional mechanism and even proved willing to accept practical restraints on the bilateral weapons—that is, Section 301—that it had relied upon extensively in the prior decade.

Third, U.S. officials renewed their commitment to the global multilateralism of the WTO as a way to deflect a growing momentum toward regional blocs. Regionalism seemed to have emerged almost simultaneously in the early 1990s as both an alternative to multilateralism and as a defense against U.S. bilateral pressure. The European integration project led the way. As it became more ambitious, eventually leading to a single currency, it carried greater potential to divert European government and business attention from the multilateral project. NAFTA was in part a response to the European project. But to U.S. officials, NAFTA was appropriate only as a “building block,” and as a tactic to shape the direction of European integration. But NAFTA and the European integration project seemed to inspire similar initiatives in Asia, in the form of the East Asian Economic Caucus (EAEC), and eventually the APEC initiative.

U.S. officials gave no indication that they would *prefer* a world of regional blocs, particularly if it meant the demise of the multilateral system. Regionalism and bilateralism were pragmatic second-best solutions. The ideal solution for U.S. officials was an effective multilateral system because it would best serve the economic interests of the world’s largest and, by the 1990s, once again the most flexible and dynamic national economy.

The U.S. response to European and Asian regionalism is illustrative. U.S. officials insisted on “open regionalism” and that the United States be a player in any regional entity. The United States was not a member of the European Union, but as the Union’s single integrated market project commenced, U.S. officials in the first Bush administration demanded “a seat at the table,” that is, the direction the project would take. The main U.S. concerns were that U.S.-based firms receive equal access to this attractive integrated market, and that the European processes of market integration not lead to new barriers to U.S.-origin goods and services. Similarly, U.S. officials insisted that Asian regionalism be open to U.S. political influence and economic interests. The Bush and Clinton administrations pressed U.S. allies in Asia, most importantly Japan, to say no to regional schemes proposed by Malaysia that would exclude the United States. The United States was determined to be part

of APEC, and APEC, U.S. officials reasoned, could actually be useful to the United States in pursuing the broader objective of liberalizing Asian economies and markets.

This diplomatic initiative succeeded and over time, U.S. officials even came to see APEC as a useful forum to push broader political objectives—in much the same way that the G-7 became transformed over time from an instrument to coordinate macroeconomic policy to a more flexible platform to address whatever the pressing political concerns of the era happened to be. In 1999, APEC became an institutional setting for addressing the regional crisis in East Timor. In 2001, President Bush used the APEC summit in Shanghai to develop support for a global, U.S.-led coalition against terrorism. The declaration on terrorism issued in Shanghai in October 2001 marked the first formal adoption by APEC of a security-related initiative.

### *After September 11, 2001: Pragmatism Reigns*

The terrorist attacks of September 11, 2001 were a profound shock to the United States and led to important changes in U.S. foreign policy. These events prompted the United States to initiate a global war on terrorism and to refocus foreign policy around the concerns of homeland security. U.S. officials perceived as a pressing threat the combination of rogue states, weapons of mass destruction, and terrorism. They proved willing to accept increased risks in order to meet that perceived threat. During the 1990s, U.S. officials approached military interventions cautiously, seeking to minimize both financial commitments and casualties. In contrast, the Bush administration intervened boldly in both Afghanistan and Iraq, accepting in the latter case the highest costs since Vietnam in both financial and human terms in order to depose a dictatorial regime and impose a nascent democracy.

What are the implications of America's transformed foreign policy for the U.S. approach to international institutions? For many analysts, the Bush administration's reaction to September 11 signaled a disturbing yet decisive shift from multilateralism to unilateralism. In the aftermath of September 11, the Bush team made clear its intention to fight the war on terrorism on its own terms, inviting and challenging other countries to be either "for us or against us." This approach to the war on terror, coupled with the administration's defiance of institutional opportunities such as the Kyoto Protocol, the International Criminal Court, and the land mine treaty led observers in the United States and abroad to conclude that the United States had undertaken a sharp break with its past

institutional preferences. Not surprisingly, presidential challenger John Kerry responded to these concerns and promised to restore America's commitment to multilateralism as part of his unsuccessful election campaign of 2004.<sup>32</sup>

As the argument of this chapter suggests, it is inappropriate to depict the United States as having a default preference for multilateralism. The default preference of the United States has been institutional pragmatism, and a commitment to what works, rather than multilateralism. Along similar lines, it is inaccurate to view the U.S. approach after September 11 as a decisive shift toward unilateralism. U.S. officials frequently resorted to unilateralism prior to September 11, and after September 11 unilateral initiatives continued to coexist with bilateral and multilateral ones. The overall U.S. approach has continued to treat international institutions as instruments of statecraft rather than as objects of foreign policy that possess intrinsic value. This is apparent across international security and economic policies.

The U.S. approach to the wars in Afghanistan and Iraq is illustrative. America's NATO allies responded to the attack on the United States by invoking Article 5—the clause calling on alliance members to come to each other's aid in the event of external aggression—for the first time in the history of the alliance. Bush administration officials welcomed this show of support yet with regard to Afghanistan decided, perhaps based on the U.S. experience in Kosovo, that it would be preferable for the U.S. military to act more on its own rather than accept the complications and constraints of coordination through NATO. After conducting an essentially unilateral campaign to overthrow the Taliban regime, U.S. officials proved eager to invite NATO “back in” to play an institutional role in the reconstruction and nation-building phase in Afghanistan.

Pragmatism characterized the U.S. approach to Iraq as well. Bush administration officials sought and would have welcomed the clear backing of the UN Security Council and NATO, but only on the administration's preferred terms and timetable. Failing that, and in the face of opposition from two core NATO partners, France and Germany, the United States chose to undertake a preventive war with the close support of Great Britain and a broader “coalition of the willing” that included many NATO members acting independently of that alliance structure. Rather than adjust its foreign policy to the absence of a clear institutional consensus, the United States selected a more ad hoc institutional arrangement to carry out its preferred foreign policy. Secretary of State Donald Rumsfeld drove home the point bluntly and undiplomatically with his assertions that the United States would not permit “old Europe”

to dictate its foreign policy agenda. Yet, rather than signal the demise of NATO, these sentiments suggested a preference for using NATO more selectively and conveniently. As in Afghanistan, U.S. officials urged NATO to take on a prominent institutional role in the pacification and reconstruction phases of the Iraq intervention.

Bush administration officials also applied a “coalition of the willing” approach in their efforts to stem the proliferation of weapons of mass destruction. The Proliferation Security Initiative (PSI), first suggested by President Bush in a speech in Poland in 2003, emerged by 2004 as an “active network of partnership and practical cooperation” among 17 core states including many NATO members in Europe and Japan, Australia and Singapore in East Asia.<sup>33</sup> The PSI is a clear example of the tendency of U.S. officials to “shop around” for institutional vehicles that best serve U.S. foreign policy interests. President Bush publicly challenged the UN in September 2003 to act more assertively on the proliferation problem. When China and Russia responded cautiously, the Bush team, rather than wait for a UN consensus to form, launched the PSI as its own initiative. Russia subsequently joined as the eighteenth core member, and over 60 countries sent senior level officials to the May 2004 PSI meeting. Once Russia joined, the Bush administration leveraged the fact that all G-8 states were core participants of the PSI to get agreement on a G-8 action plan for nonproliferation at the June 2004 G-8 summit held in the United States.

Bush officials selected yet a different institutional approach in dealing with North Korea. When a renewed crisis over North Korea’s nuclear programs broke out late in 2002, Bush officials faced pressure from North Korea and some countries in the region to initiate a direct bilateral dialogue with North Korean leaders. The Bush administration resisted on the grounds that a bilateral approach would confer, inappropriately, political legitimacy on Kim Jong-Il regime. U.S. officials at first contemplated a coercive approach involving tighter economic sanctions and possibly military action, but concluded the costs and risks were too high. They chose to hold the coercive instruments in reserve and opted instead for diplomacy in the form of an ad hoc multilateral arrangement that came to be known as the Six Party Talks. These talks, involving China, Japan, North and South Korea, Russia and the United States, quickly became institutionalized with the establishment of working groups and plenary sessions in successive rounds of negotiation in an effort to resolve the impasse. U.S. officials, accused generally of abandoning the multilateral instrument, were quick to point to the North Korean case as an instance in which ad hoc multilateralism, or minilateralism,

was their preferred institutional choice, even though some other countries pushed the United States to take a more unilateral approach.

Pragmatism reigns as well in the post–September 11 approach to international economic institutions. The Bush administration used the shock of September 11 to gain trade promotion authority from the U.S. Congress—authority the Clinton administration lacked since the conclusion of the Uruguay Round in 1994. Bush officials used that authority to help launch in 2001 the Doha Development Round of multilateral negotiations under the auspices of the WTO. Multilateralism remained the preferred institutional choice, but the initial meetings of the Doha Round led to a frustrating stalemate between developed and emerging economies, making it clear that the 2005 deadline for completion of the round was unlikely to be met. The U.S. response to this setback was predictable and pragmatic. The United States neither abandoned the multilateral effort nor accepted it as the only viable alternative to trade liberalization. Instead it moved on multiple institutional tracks, continuing to press for progress in the Doha Round while negotiating and concluding bilateral trade agreements with an array of countries ranging from Peru in Latin America to Morocco in the Middle East to Singapore, Thailand, and Australia in the Asia-Pacific. Bilateral accords served both to reward countries for their contributions to the war on terrorism, and, along with regional initiatives, to serve as a second-best path to liberalization in the event multilateral negotiations remained protracted and inconclusive.<sup>34</sup>

The U.S. institutional approach similarly proved pragmatic and multifaceted with regard to international finance. Recall that during the 1970s the G-7 usurped the role of the IMF as the key instrument of macroeconomic coordination. The G-7's pivotal role continued during the 1980s, culminating in the Plaza Accord of 1985—a coordinated effort to bring down the value of the dollar in the interest of global economic stability.<sup>35</sup> At the same time, U.S. officials returned to the IMF as a key instrument to handle the Latin American debt crisis of the 1980s, the effort under the auspices of the “Washington Consensus” to liberalize the financial markets of emerging economies during the 1990s, and the subsequent financial crises in Mexico and East Asia. On the macroeconomic front, during the 1990s, U.S. officials preferred to allow market forces to determine the value of the dollar; as a result the G-7's role as economic coordinating mechanism among advanced industrial states faded into the background. The United States simply transformed the G-7 into more of a political instrument, turning it into the G-8 to confer status on a struggling Russia, and, since September 11 using annual summits to bolster antiterrorism

and weapons proliferation initiatives. By 2004, as sizable U.S. budget and external deficits mounted, concerns of global macroeconomic stability returned to the forefront of U.S. foreign economic policy. The Bush administration opted at least initially for a bilateral approach, seeking to persuade the largest holders of U.S. currency reserves, China and Japan, to revalue their currencies and open their markets to U.S. exports.

## Conclusion

The use of international institutions by the United States, in East Asia and more generally, is characterized by pragmatism. U.S. officials approach institutions as instruments of convenience across time, regions, and economic and security issues. U.S. political rhetoric since the end of World War II has emphasized the importance of multilateralism and the need for the international community to act collectively. But in actual practice, the U.S. approach reflects a process of trial and error, a willingness to focus on what works, and a tendency to reorient those institutions whose initial instrumental purpose is no longer essential.

This analysis demonstrates that those who fear that the United States has abandoned multilateralism should rest assured that multilateral initiatives will remain important and useful to U.S. officials in some, although probably not in all, contexts. U.S. foreign policy will continue to reflect in the future, as it has in the past, a pragmatic mix of unilateral, bilateral, regional, and multilateral institutional arrangements, both formal and informal. U.S. officials value foreign policy autonomy more highly than they value consistent adherence to any particular type of international institution.

## Notes

A version of this chapter appears in *Australian Journal of International Affairs*, Vol. 59 (September 2005): 317–333. I wish to thank Victor Cha, John Ikenberry, Takashi Inoguchi, and William Tow for their comments.

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2. Subsequent work includes Lisa Martin, *Coercive Cooperation* (Princeton University Press, 1992); Lisa Martin and Beth Simmons, “Theories and Empirical Studies of International Institutions,” *International Organization*, Vol. 52, No. 4 (1998): 729–757; and Christina Davis, *Food Fights over Free Trade: How International Institutions Promote Agricultural Trade Liberalization* (Princeton: Princeton University Press 2003).
3. John Mearsheimer, “The False Promise of International Institutions,” *International Security*, Vol. 19, No. 3 (1995): 5–49.

4. Robert Keohane and Lisa Martin, "The Promise of Institutional Theory"; Charles A. Kupchan and Clifford A. Kupchan, "The Promise of Collective Security"; John Gerard Ruggie, "The False Promise of Realism"; and Alexander Wendt, "Constructing International Politics," all in *International Security*, Vol. 20, No. 1 (1995): 39–81.
5. Joseph Grieco, *Cooperation among Nations* (Cornell University Press, 1990); David A. Baldwin, *Neorealism and Neoliberalism: The Contemporary Debate* (New York: Columbia University Press, 1993); and Lloyd Gruber, *Ruling the World: Power Politics and the Rise of Supranational Institutions* (Princeton: Princeton University Press, 2000).
6. For example, G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton University Press, 2001), Richard Rosecrance, "Has Realism Become Cost-Benefit Analysis?" *International Security*, Vol. 26, No. 2 (Fall 2001) 132–154.
7. For various perspectives on this question see John Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an Institutional Form* (Columbia University Press, 1993) and Stewart Patrick and Shepard Forman, eds., *Multilateralism and U.S. Foreign Policy: Ambivalent Engagement* (Boulder: Lynne Rienner, 2002).
8. Joseph Grieco, "Realism and Regionalism: American Power and German and Japanese Institutional Strategies During and after the Cold War," in Ethan Kapstein and Michael Mastanduno, eds., *Unipolar Politics: Realism and State Strategies after the Cold War* (New York: Columbia University Press, 1999), pp. 319–353, and John Duffield, "Asia Pacific Security Institutions in Comparative Perspective," in John Ikenberry and Michael Mastanduno, eds., *International Relations Theory and the Asia Pacific* (New York: Columbia University Press, 2003), pp. 243–270.
9. For example, John Lewis Gaddis, *Strategies of Containment: A Critical Reappraisal of Postwar American National Security Policy* (New York: Oxford University Press, 1982) and Walter LaFeber, *America, Russia, and the Cold War, 1945–2002*, 9th ed. (New York: McGraw Hill, 2002).
10. For discussion see Michael Schaller, *Altered States: The United States and Japan since the Occupation* (New York, Oxford University Press, 1997), pp. 40–44.
11. SEATO members included the United States, Great Britain, France, Australia, New Zealand, Pakistan, Thailand, and the Philippines.
12. One of the key reasons for the prevalence of bilateralism can be traced, of course, to the residual animosity that characterized relations among U.S. Asian alliance partners after World War II. The best discussion of South Korean and Japanese antagonism within the U.S. alliance context could be found in Victor Cha, *Alignment despite Antagonism: The U.S.-Korea-Japan Security Triangle* (Stanford: Stanford University Press, 1999).
13. Schaller, *Altered States*, effectively traces the origins of this strategic relationship.
14. Paul S. Giarra, "U.S. Bases in Japan: Historical Background and Innovative Approaches to Maintaining Strategic Presence," in Michael J. Green and Patrick M. Cronin, eds., *The U.S.-Japan Alliance: Past, Present, and Future* (New York: Council on Foreign Relations, 1999), pp. 114–138.

15. Michael Mastanduno, "Preserving the Unipolar Moment: Realist Theories and U.S. Grand Strategy after the Cold War," *International Security*, Vol. 21, No. 4 (1997): 49–88.
16. G. John Ikenberry, ed., *American Unrivaled: The Future of the Balance of Power* (Ithaca: Cornell University Press, 2002) and Kapstein and Mastanduno, *Unipolar Politics*.
17. See Green and Cronin, *The U.S.-Japan Alliance*, for various perspectives on the post-cold war evolution of the bilateral alliance.
18. Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma," *International Security*, Vol. 23, No. 4 (1999): 49–80.
19. Josef Joffe, "Bismarck or Britain? Toward an American Grand Strategy after Bipolarity," *International Security*, Vol. 19, No. 4 (Spring 1995): 94–117.
20. See, for example, the so-called Armitage report, *The United States and Japan: Advancing toward a Mature Relationship*, INSS Special Report (Washington, DC: Institute for National Strategic Studies, National Defense University, 2000), October 11.
21. For contrasting views, see Robert Ross, "Bipolarity and Balancing in East Asia," in T.V. Paul, James J. Wirtz, and Michel Fortman, eds., *Balance of Power: Theory and Practice in the 21st Century* (Stanford: Stanford University Press, 2004), pp. 267–304, and Mastanduno, "Incomplete Hegemony and Security Order in the Asia Pacific," in Ikenberry, *American Unrivaled*, pp. 181–210.
22. William Wohlforth, "Russia," in Richard J. Ellings and Aaron L. Friedberg, eds., *Strategic Asia, 2002–03: Asian Aftershocks* (Seattle: National Bureau of Asian Research, 2002), pp. 183–221.
23. Ralph A. Cossa, "U.S. Approaches to Multilateral Security and Economic Organizations in the Asia-Pacific," in Rosemary Foot, S. Neil MacFarlane, and Michael Mastanduno, eds., *U.S. Hegemony and International Organizations* (Oxford: Oxford University Press, 2003), pp. 193–214.
24. Yet here as well, the U.S. preference for "whatever works" was prevalent. U.S. officials devoted considerable efforts to create the International Bank for Reconstruction and Development (the World Bank) in 1944. Several years later they created and relied instead on the Economic Recovery Program (the Marshall Plan) as the principal means to aid European allies in postwar reconstruction.
25. Robert Pollard, *Economic Security and the Origins of the Cold War, 1945–1950* (New York: Columbia University Press, 1985).
26. Michael Mastanduno, *Economic Containment: CoCom and the Politics of East-West Trade* (Ithaca: Cornell University Press, 1992).
27. Gilbert Winham, *International Trade and the Tokyo Round Negotiation* (Princeton: Princeton University Press, 1986).
28. Classic statements of the problem include Edward J. Lincoln, *Japan's Unequal Trade* (Washington, DC: Brookings Institution, 1990) and Clyde V. Prestowitz, *Trading Places: How We Are Giving Our Future to Japan and How to Reclaim It* (New York: Basic Books, 1993).



29. Jagdish Bhagwati and Hugh Patrick, eds., *Aggressive Unilateralism: America's 301 Trade Policy and the World Trading System* (Ann Arbor: University of Michigan Press, 1991).
30. Robert Putnam and Nicholas Bayne, eds., *Hanging Together: Cooperation and Conflict in the Seven Power Summits* (New York: Sage Publications, 1987).
31. Michael Mastanduno, "Framing the Japan Problem: The Bush Administration and the Structural Impediments Initiative," *International Journal*, Vol. 47, No. 2 (1992): 235–264.
32. A good example of the thinking that informed the Kerry campaign is Josesh Biden, Jr., "A Democratic Foreign Policy," *Wall Street Journal*, November 9, 2004, p. A14. Biden suggested a new administration would "say goodbye to unilateralism," restore traditional alliances, and rely on international organizations.
33. The information on PSI is drawn from Ralph Cossa, "Multilateralism and Democracy March on, to Many Different Drummers," *Comparative Connections*, Vol. 6, No. 4 (2004): 1–18.
34. See, for example, Edwin Feulner, John Hulsman, and Brett Schaefer, "Free Trade by Any Means: How the Global Free Trade Alliance Enhances America's Overall Trading Strategy," *Backgrounder # 1786* (Washington, DC: Heritage Foundation, 2004), August 10. The authors, in tune with the approach of the current U.S. administration, call for a free trade "coalition of the willing" to accelerate the process of trade liberalization.
35. Yoichi Funabashi, *From the Plaza to the Louvre* (Washington: Institute for International Economics, 1987).

## CHAPTER 2

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# Japan: Bilateralism at Any Cost?

*Takashi Inoguchi*

### War and Diplomacy in Modern Japan

When examining the Japanese tradition of the use of institutions in international relations, bilateralism stands out.<sup>1</sup> It is bilateralism that matters when the issue is who came to open the ports and the country. It is bilateralism that matters when the issue is where Japan had to dispatch troops to deal with the protection of compatriots abroad. It is bilateralism that matters when Japan had to negotiate the lack of tariff autonomy with major powers.

When Japan opened its ports and the country, the world was in the hands of the West. It was a world of competition among major powers. It was a world of colonialism and imperialism. To Japan it was furthermore a world of transition—a transition in the sense of adjustment from the Chinese-referenced world order to the Western-referenced world order in the mid-nineteenth century. In a transition the framework and the concept governing it are more likely to be fuzzy and murky in the first place.<sup>2</sup> Thus it was natural that Japanese leaders concluded that, before understanding the basic philosophy of international relations, the concrete pattern of behavior must be studied case by case bilaterally, that is, as Japan faced its adversary.<sup>3</sup>

Not only the Western powers but also the neighboring countries that had to be dealt with bilaterally. Japan's neighbors were not numerous. Most countries in Asia had been colonized. Japan's immediate neighbors were Korea and China. They must be studied closely and in depth and handled bilaterally.

It is not a coincidence that Japan was not so good at multilateralism. Multilateralism in the nineteenth century did exist then but only among

major states in the West. There were mechanisms whereby major Western powers competed with each other. There were a certain set of shared norms and rules that guided them because they were all Western powers.<sup>4</sup> There was a modicum of international organizations in the Western world that detached key functions from violent use of force in settling international disputes. They included the Red Cross, international postal communication, international navigation, and so on.<sup>5</sup> It is clear that, given the mid-nineteenth century non-Western context of Japan's war and diplomacy, the coerced opening of Japanese ports and country was the direct origin of Japanese preference for bilateralism.

After World War I a new world was on the horizon at least for the two major articulators of the day: Woodrow Wilson and Vladimir Lenin.<sup>6</sup> They put forward their visions of the world in terms of new key norms and principles that they believed ought to permeate the world and prevail in the minds of people. It was natural after the unprecedented horror and calamity of World War I that Europeans started to envisage the elementary mode and level of global governance. They included no-war announcements and disarmament treaties of many kinds. It was not surprising to find that Japan was again an outlier. Earlier it was an outlier as the first non-Western power, and now it was an outlier as the state hesitant to bring itself to a multilateral treaty. Two major disarmament treaties that Japan grudgingly acceded, the Washington Treaty and the London Treaty, became later the symbol of multilateral constraints from which Japan wanted to depart, in order to carry out the self-claimed mission of achieving a greater East Asian peace and prosperity.<sup>7</sup> To quote Prince Konoe,

In short, the principle of peace as propounded by Britain and the United States is the principle of peace at any price supported by those who favor the status quo and this [principle] has nothing to do with justice and humanity. . . . That is, those who will most benefit are Britain and the United States. Even if other countries, lured by the beautiful words of justice and humanity, join the League of Nations, it may not simply be that they will shrink economically [because of Anglo-American economic imperialism]. This being the case, it cannot be allowed [for this to take place] not only from the Japanese point of view but also from the viewpoint of justice and humanity. Therefore, the problems that have to be put forward at the forthcoming conference [at Versailles] prior to her joining the League of Nations are at least the rejection of [Anglo-American] economic imperialism and the equal treatment of the white and yellow races. After all, it is not just militarism alone that harms justice and humanity. Although the world was saved from the smoke of power and the hail of

bullets because of the German defeat, is it just the military force alone that threatens the equal right of the survival of nations?<sup>8</sup>

After World War II the Japanese preference for bilateralism was further consolidated. Japan was defeated and occupied by the Allied Powers led by the United States. At the time of a peace treaty with the Allied Powers, the cold war, then already deepening year by year, led Japan to conclude a Peace Treaty excluding the Soviet Union and its allies. Most Asian countries were not yet independent. Furthermore, East and Southeast Asian countries needed to get some things settled before normalizing diplomatic relationship, including war indemnities and related issues. Therefore in 1952 when it achieved independence again after seven years' occupation, Japan's space for its diplomacy was severely limited. Japan's diplomacy was virtually synonymous with its relations with the United States.<sup>9</sup>

The key arrangement with the United States made during the occupation was the combination of the new constitution and the Japan-United States Security Treaty. The new constitution, largely drafted in 1946, followed much of what was contained in the UN Charter, signed on June 26, 1945, as far as war and diplomacy are concerned. In other words, the preamble stipulating war renunciation and Article 9 on the use of force denied for the settlement of international disputes are those parts that have made Japan a country of pacifism of very special kind. As the impact of the cold war was world-wide and the time to grant independence to Japan was approaching, the other key arrangement was designed. The Japan-United States Security treaty came into force in 1952 when Japan gained independence. Through the Security treaty, Japan entrusts its national security to the United States. The United States takes care of Japan's deterrence and defense whereas Japan renders all the facilities and services (military bases, free sky, fuelling and repairing, hospitals and comfort) into the hands of the United States. This is equivalent to putting all the eggs in one basket: United States.<sup>10</sup> And this is another origin of Japan's preference for bilateralism at any cost or bilateralism *über alles* in the post-1945 context. Without first settling major disputes or differences with the United States, Japan could not negotiate freely. In this context of bilateralism *über alles*, as applied Japan's relations with the United States, with the complications associated with the constitution and the Security treaty, it was quite natural to see the North American Bureau and the Treaties Bureau in the Ministry of Foreign Affairs carry heavy weight.

### Bilateralism in Action before 1990

Immediately after Japan regained independence in 1952, extending and restoring normal diplomatic relationship to as many nations as possible was regarded as a very high priority. Since 1952, the three pillars of Japanese diplomacy are (1) alliance with the United States; (2) friendship with Asian countries; and (3) UN-centered diplomacy.<sup>11</sup> These three pillars were rather the wish than the reflection of diplomatic reality at that time, because Japan had virtually nothing other than the alliance with the United States. The other two were the wish of the Japanese people and government striving to attain the “honorable place in the community of nations.” The three pillars are required to be given equal emphasis because the first pillar, the alliance with the United States, was in fact overwhelming vis-à-vis the other two. To placate anti-Americanism and to appease nationalism in Japan, it was widely regarded that the three pillars must be of the same strength.

However, until Japan’s accession to the UN was achieved in 1956, not much got done.<sup>12</sup> Only after Japan’s entry into the UN did the possibility of Japan normalizing its diplomatic relationship with the Soviet Union emerge. The center-right, which merged two parties into one to become the Liberal Democratic Party, was nearly split into two on the issue of negotiating with the Soviet Union. For nationalist reasons, Prime Minister Ichiro Hatoyama and Agricultural Minister Ichiro Kono were most vigorous in establishing diplomatic relationship with the Soviet Union.<sup>13</sup> They were moderately anti-American and unhappy about being virtually dictated to about the scope and direction of Japan’s foreign policy. The negotiations with the Soviet Union ended with a pronouncement on diplomatic normalization without settling territorial or peace treaty issues. Tanzan Ishibashi who was elected prime minister after Hatoyama wanted to normalize relations with the People’s Republic of China.<sup>14</sup> The task was complicated and difficult because Japan concluded peace with the Republic of China in 1951. Ishibashi resigned because of illness one and a half month after he took office. Therefore nothing substantial happened in this front.

Prime Minister Nobusuke Kishi, who succeeded Ishibashi, achieved two things that were meant to rectify what he regarded as the intolerable bias of the Security treaty and Japanese foreign policy.<sup>15</sup> First, he sought to revise the Security treaty in the direction of reducing the asymmetrical nature of treaty obligations into more reciprocal nature, which was achieved in 1960. He resigned immediately after a high-ranking official’s visit to prepare for President Dwight Eisenhower’s trip to Japan was blocked by demonstrations. Second, he initiated talks with

Southeast Asian countries about war reparations and diplomatic relationship.<sup>16</sup> He was ingenuous in linking reparations with trade exports and official developmental assistance. The point here is that even if bilateralism at any cost or bilateralism *über alles* was the basic principle of Japanese foreign policy, it did not necessarily prevent vigorous efforts to reduce asymmetrical dependence on the virtually overwhelming bilateral relationship with the United States from being undertaken. This is exactly what Prime Minister Kishi undertook toward revising what he regarded an excessively asymmetric alliance relationship with the United States. Also even the multilateralism that could be envisaged after Japan's accession into the United Nations did not go very far as long as Japan's foremost priority was the United States. However, it is noteworthy that even the most proalliance Prime Minister Kishi went so far to give priority to the following three issues at the UN: a proposal to oblige the registration of nuclear tests with the UN, an effort to mediate between Israelis and Palestinians, and a proposal to codify the principle of racial nondiscrimination.<sup>17</sup>

The issue of whether Japan maintained the alliance with the United States subsided at about the time when *The Economist* famously heralded the advent of Japan as an economic power in 1962.<sup>18</sup> Prime Minister Hayato Ikeda, who succeeded Kishi, announced the income doubling plan shortly after taking office in 1960, according to which Japan's per capita income would be doubled by 1970 with an average annual growth rate of 7.2 percent for ten years. The target was achieved before 1970. At any rate bilateralism during the period between 1960 and 1975 was bilateralism extended. By that I mean that bilateralism was increasing as Japanese economic expansion brought Japan to every corner of the globe. This period was when President Charles de Gaulle of France ridiculed Prime Minister Ikeda as a transistor salesman. More fundamentally, it was the period when the Yoshida doctrine was brought into diplomatic practice, defined by overwhelming security dependence on the United States and aggressive pursuit for economic wealth.

The period between 1960 and 1975 was one expanding of bilateralism.<sup>19</sup> At the basis lay bilateralism with the United States, which defined the parameters of most other bilateral relations. Alliance with the United States, trade, and other kinds of economic expansion overlapped considerably. When there was no formal alliance relationship with the United States, much slower expansion was observed. With respect to East and Southeast Asia until the end of the Vietnam War, this picture holds true more or less. Alliance, trade and investment, and all others went hand in hand most of the time during this time.

The three exceptions are Korea, China, and Russia/the Soviet Union. The Republic of Korea and Japan had no diplomatic relationship between 1952 and 1965.<sup>20</sup> Korea had an alliance with the United States, but no trade, or diplomatic relationship with Japan. Amid a wide array of issues stood their move toward normalization. Korea was a formal colony of Japan from 1911 to 1945. Any move in Korea in the direction of reconciliation with Japan was met with stiff resistance from the people. President Syngman Rhee, the founder, was a fierce anti-Japanese and anticommunist nationalist and exile experiences in Honolulu and Shanghai kept him in power through the Korean War of 1950–1953. His downfall was precipitated by democratic demonstrators in 1960 and a successful coup d'état by the military in 1961 that led Korea in a more consciously developmental authoritarian direction under the military leadership of President Park Chung Hee. It took four years before the two countries finally concluded the Basic Treaty formally ending the absence of diplomatic relationship between Japan and its geographically closest neighbor. The bilateral relationship since 1965 was no less hazardous. Yet it is very important to note that the quintessentially bilateral relationship was forged with Korea during the pre- and post-normalization periods. It was thick, dense, and provincial. The government and business firms eagerly nurtured Korea specialists. The scope of their attention and activities did not go beyond Korea, however.

China is another exception to cold war related bilateralism. China has been ruled by the communist government since 1949. Japan did not conclude a peace treaty with the People's Republic of China until 1978.<sup>21</sup> Instead, Japan joined the San Francisco Peace Treaty, which the Republic of China signed. After Prime Minister Ishibashi's frail and failed attempt at establishing diplomatic relationship with China foundered in two months in 1958, Prime Minister Ikeda encouraged nongovernmental relations with China to begin and grow during his tenure of 1960–1964. During this period, Tatsuo Takasaki and Liao Chengzhi concluded an annual agreement whereby a modicum of trade would be maintained between the two countries. China's political turmoil during the Cultural Revolution and the Gang of Four in the midst of the Vietnam War and of what China called the growing Soviet hegemony helped China to make rapprochement with the United States and Japan in 1971 and 1972, respectively. In 1972 diplomatic normalization between China and Japan was established, and in 1978 a peace treaty was concluded with China.<sup>22</sup> It is not necessary to detail the events before and after 1978 as they are available elsewhere. The point here is that Japan's bilateral relationship with China resembles its relationship

with Korea, that is, thick, dense, and provincial. It is a self-contained and intensely path-dependent kind of bilateralism. Indeed in Northern Asia it is not rare to see Japan's bilateral relations thick, dense, and provincial.

Russia is an example of cold war related bilateralism. Unlike its relationships with Korea and China, Japan's bilateralism with Russia is thin, sparse, and provincial. However, as with Korea and China, Japan's bilateralism with Russia has been a self-contained and intensely path-dependent one. It may come as a small surprise to see Japan's bilateral relations with Russia often referring back to 1875, when the territorial issues were first resolved, to 1905, when Japan won victory over Russia, to 1945, when Russia won victory over Japan, or to 1956, when the diplomatic relationship was established with a peace treaty remaining to be concluded, let alone those complicated interactions in the post-cold war period. A diplomatic relationship was achieved in 1956. But since then nothing has happened, during both the Soviet and Russian periods, which would lead to a peace treaty being signed with Russia. All the big names notwithstanding, Hatoyama, Tanaka, Nakasone, and Hashimoto on Japan's side and Khrushchev, Brezhnev, Gorbachev, and Yeltsin on Russia's side were not able to get a peace treaty signed.<sup>23</sup> There was modicum of interactions with Russia that existed for years that had to do with fisheries, salmon, and crab in the North Pacific. Territorial issues have been intensely negative on both sides until quite recently. Energy issues were occasionally explosive during the cold war period. More recently, however, energy issues are becoming seemingly more pragmatic. In both government and business firms Russian specialists have been nurtured and networked quite intensely, somewhat apart from the career patterns that are observed in those patterns discerned among those elite corps of generalists.

During the period of 1960–1975, multilateralism developed somewhat in tandem with Japan's accession to the Organization of Economic Cooperation and Development (OECD) in 1964. Just like the UN spurred Japan's interest in multilateralism in the preceding period of 1945–1960, Japan's accession to the OECD accelerated Japan's affiliation with and activities in international economic and financial institutions such as the World Bank and the International Monetary Fund. It is noteworthy that Japan made a good distinction between these economic and financial institutions like the World Bank, the International Monetary Fund, and the OECD on the one hand and the UN and other related institutions on the other precisely because the former is closely linked with the United States-led global economic governance. During



this period Japan was a member in good-standing, and Japan took its membership seriously. But its *modus operandi* was a rule-taker rather than a rule-maker, an agenda-taker rather than an agenda-setter. In other words, it worked quietly within the system with an eye at how the United States was thinking and taking action. To borrow Brian Job's characterization of Japanese multilateralism, it is the bilaterally networked multilateralism.<sup>24</sup> By that I mean Japan was bilaterally networked with the United States. Only on the basis of solid and sound bilateralism with the United States did Japan work in the framework of multilateralism. The scope of Japan's attention was confined to the economic, financial, monetary, technological, and energy-related aspects, never going into those security aspects. It must be noted that even a good rule-taker and agenda-taker Japan at times deviated from what it should be in terms of being a responsible stake-holder in the United States-led system. Japan's bilateralism with a focus on the United States has not been changed very much even after 1975. But the multilateral scope of its foreign policy was broadened considerably during the period. The oil crisis of 1973 shook the West fundamentally. The solidarity of the West floundered, especially when the United States was trying to disentangle itself from the Vietnam trauma and when the perennial Israeli-Palestinian conflict gave no hope for a possibility of a resolution. The Group of Five—the United States, the United Kingdom, France, Germany, and Japan—was born of a French initiative.<sup>25</sup> In the initial period of the Group of Five summits, Japan was so unaccustomed to the multilateral summit diplomacy that it developed the following *modus operandi*: a great deal of sherpa work prior to the summit meeting, a minimum amount of intervention, and a bilaterally managed highlighting of Japanese intervention by an annual chairperson. To cope with a large amount of uncertainty in the summit meeting, when linguistic difficulties of prime ministers cannot be underestimated and when the sociological aptitude of prime ministers in making its presence favorably felt cannot always be assured, Japanese bureaucrats helped accelerate the evolution of the summit in the direction of preparing well-scripted proceedings among the sherpas prior to a large degree. Japanese bureaucrats also helped accelerate the trend of ever more cabinet ministers' summit meetings prior to the summit meeting among presidents and prime ministers—hence the proliferation of summit meetings of foreign ministers, finance ministers/central bankers, defense ministers, and most recently internal ministers, etc. Since the number of actors was quite limited and an annually rotated chairperson is easily specified, Japan started to develop bilaterally networked multilateralism

in this context as well. Japan's bilaterally networked multilateralism has one of its direct origins here. However, it must be noted here that great variance exists across cases.

It is very important to emphasize that Japan's bilaterally networked multilateralism is best understood as a set of bilateral networks and joint works enveloped in a multilateral space. Only through working hard bilaterally could good multilateral outcomes be brought about. Emphasis is placed on bilateralism, not on multilateralism. It must be noted that the nature of a multilateral space in which bilaterally networked multilateralism seemingly works tend to be economic, financial, technological, legal and cultural, but never security-related. It has to do a lot with the way in which bureaucratic organizations are constituted in terms of prestige ranking. In the protocol of the Ministry of Foreign Affairs, multilateral institutions are not given as much weight and prestige as major powers, judging from the career patterns of bureaucrats assigned to departments dealing with major powers and from the career patterns of those assigned to deal with their counterparts from multilateral institutions. Things have been changing steadily, by conceptualizing multilateral institutions more in line with their increasing global importance in Japanese foreign policy. The point here is that Japanese multilateralism has its tenaciously held bilateralism *über alles* belief underneath.

Bilateralism itself was becoming more multilateral during the period of 1975–1990. The reason is quite simple. Economic globalization accelerated. Market is inherently universal and global. The Plaza summit of 1985 was a big accelerator of financial and economic globalization. It is important to note that in 1985–1986 the amount of currency trade surpassed the amount of trade of goods and services for the first time in history. The former became some 50–100 times larger than the latter by 1986. To help the United States mitigate its twin deficits (government and trade) and become more competitive, the United States government called for an intervention by Group of Five countries, to purchase huge amounts of government bonds in New York. Japanese and German money poured into New York. Since Germany was already contemplating a single European currency, the amount of its currency flowing into New York was somewhat restrained. Japan purchased a massive amount of government bonds in New York and fueled its bubble economy at home. The speed and ease with which money flew accelerated financial integration. The Asia-Pacific region could not be an exception. Regional and global arrangements became increasingly necessary and desirable. Not only global rearrangements like the WTO but regional arrangements like the

Asia-Pacific Economic Cooperation (APEC) forum were results of such trends. It is widely known that East Asia is arguably one of the least institutionalized regions in the world. The debate has been going on as to why the absence of such institutionalized cooperation is observed between realism and constructivism. Realism attributes this absence to conflicting interests whereas constructivism attributes this absence to lack of shaped ideas. Here it is suffice to note that Japan's robust bilateralism with regard to such issues as regional security, human rights, and agriculture may be a factor aside from realism or constructivism explains the degree of institutionalized cooperation on a regional scale.

In these multilateral organizations, multilaterally inspired bilateral consultations and coordination prospered. The number of summit meetings of Japanese prime ministers in 1960s and 2000s increased almost 100-fold. Prime Minister Eisaku Sato (1964–1972), for instance, did not go abroad at all in only one year of his eight years in power. Prime Minister Junichiro Koizumi (2001–present) meets 12 heads of state in one set of ASEAN Plus Three (refers to the ten member states of the Association of Southeast Nations and three Northeast Asian States, i.e., Japan, South Korea, and China) meetings, which is necessary and efficient. The same applies to the Group of Eight summit meetings. The period of 1975–1990 was one that of a transition, thus registering figures of an intermediate nature in this regard. Bilaterally networked and inspired multilateralism is accentuated by Japanese habit and preference. Japanese leaders find it more difficult to call for action through appeal of speeches, which is the normal practice in many multilateral meetings, and speech drafting and delivery is not one of the strengths Japanese are most proud of. Rather they prefer to court the support of each country individually. For instance, suppose that Japan presents a draft resolution at a UN General Assembly meeting, each and every ambassador of Japan has to report its estimate of the support patterns of the government she/he is assigned to the Ministry of Foreign Affairs. Logrolling matters here. Logrolling works more effectively bilaterally than multilaterally: you support me on this matter while I support you on that matter. It is simple and effective if both find the combination of the individual issues sufficiently attractive. Possible issues include: a vote for Japan as nonpermanent membership of the UN Security Council; a different item on the same agenda in the same meeting; and an item of official development assistance the government needs from Japan via a Japanese ambassador. Bilaterally inspired and networked multilateralism worked in 1975–1990 in perhaps the most classical fashion.

### **Bilateralism in Action: 1990–2005**

Bilateralism has undergone a metamorphosis during the period after the cold war and especially after the 9/11 terror attacks. American predominance and the proliferation of regionalisms came to the fore. The Japanese strategy to live with American predominance and unilateralism has taken the following scheme. Bilateralism has been further enhanced through their special relationship.<sup>26</sup> The personal friendship nurtured between Ronald Reagan and Yasuhiro Nakasone became political and was elevated to the status of a special relationship. Ronald Reagan delivered a speech in the National Diet of Japan in 1983 saying, “there is nothing that our two countries cannot do.” United States Ambassador to Japan Mike Mansfield went so far as to say that the United States and Japan had “the most important bilateral relations in the world—bar none.” The personal relationship has been further emphasized between George W. Bush and Junichiro Koizumi. Though not particularly eloquent in their speeches or conversations, they have established a very good relationship. When Koizumi met Bush in Crawford, Texas in June 2003 after the United States declared victory in the Iraq War, Koizumi’s “High Noon” was reciprocated by Bush’s heartfelt embrace. The Japanese strategy is best characterized as the voice-via-loyalty option in Albert Hirschman’s three categories: loyalty, voice and exit, for those facing difficulties in organizations.<sup>27</sup> By the voice-via-loyalty option I mean that only thoroughly demonstrating loyalty to the United States can Japan enlarge its freedom to speak its preference. Two examples will suffice to prove this.

First, Japan and Iran concluded an agreement to explore and exploit petroleum in Azadegan, southwestern Iran in 2004. In response, the United States government initially made two mutually contradictory statements about the deal, one mildly positive, the other plainly negative. In Congressional testimonies, it is now clear that two factors mattered to the United States government in giving the Japanese government freedom on this matter.<sup>28</sup> First, the Japanese ambassador in Vienna in charge of international organizations (including the International Atomic Energy Agency) delivered a strong speech fiercely opposing the Iranian government’s possible intention to produce nuclear weapons. Second, the Japanese government has sent and kept its 500 strong Self Defense Forces troops in Samawa, southwestern Iraq. When Spain, Norway, New Zealand, Thailand, the Philippines, and some other countries withdrew or were about to withdraw their troops from Iraq, Japan has shown its loyalty to the United States by keeping troops in the

country. Even though half the number of Americans are against President George W. Bush, 68 percent of Americans believe that Japan is reliable, the highest figure in the opinion polls the Japanese Ministry of Foreign Affairs conducts every year.<sup>29</sup>

Second, Japan and North Korea have been getting closer since September 2002 when Koizumi made a surprise visit to Pyongyang in his efforts to bring back Japanese abductees to Japan.<sup>30</sup> Five abductees came back, though children were left in Pyongyang having been told that their parents would be back soon. In July 2004 Koizumi made another visit to Pyongyang to bring the remaining members of Ms. Hitomi Soga's family to a reunion in Jakarta, Indonesia. Her American husband and two daughters made for a dramatic family reunification in Jakarta. Her husband, who underwent a surgery this spring in Pyongyang, did go through a more solid examination in Tokyo. To this news, the United States government expressed that the extradition agreement between the two countries was valid and effective, that he would be brought into the custody of one of the United States military bases in Japan to go through the military court, but that he would not be brought into custody in which he received medical treatment in Tokyo. In September 2004 he finally went to the military base in which he sought a legal deal that admitted his guilt.

The Japanese strategy of riding on the era of regionalisms is roughly as follows. As technology advances, the scale of the unit shifts from the state to the region and beyond. The strength of the European Union in shaping the norms and rules of the WTO because of its total trade volume and size of members has made a strong impression on the Japanese. Similarly, the negative experience Japan has gone through in its direct investment in Mexico, for instance, because of Japan's nonmembership in the North American Free Trade Agreement, is something Japan cannot forget. Therefore the regions are at least partially becoming the unit for its strategic planning. But the regional diversity in East and Southeast Asia has kept the area in open, loose regionalism and it is understood that the region is not really ready for any comprehensive regional free trade agreements in any near future.<sup>31</sup> The awareness that East and Southeast Asia has remained a region that is institutionalized and whose regional identity is yet to be nurtured has become very, very clear to many Japanese leaders. The Japanese sense of regional competition with China has made Japan move strongly to achieve agreements with the Association of Southeast Asian Nations (ASEAN). In the region Japan and Singapore made the first bilateral free trade agreement. It triggered, however, the bilateral agreement between China and ASEAN

concluded soon after. It agreed that both parties would work out the details in ten year's time. It is against the backdrop of this agreement that Japan has started to woo unusually vigorously ASEAN with a comprehensive free trade agreement called an economic partnership agreement. But as China has realized that any comprehensive regional bilateral free trade agreement with ASEAN is not really feasible in the near future, Japan is coming to its original skepticism that region-wide multilateral free trade agreement might also not really be feasible in the near future. Both China and Japan are returning to their original belief in the time-tested bilateralism or, more correctly, bilaterally networked multilateralism.

The tenacious adherence to bilateralism in the Japanese conduct of diplomacy since the opening of the ports and the country in mid-nineteenth century notwithstanding, multilateralism has become a no less salient feature of Japanese diplomacy during this post-cold war and post-9/11 period. In several areas of multilateral diplomacy, not only the sociological aspect of largely bilaterally focused networking but also the ideational aspect of policy package focused appeals have become another focal point of multilateral diplomacy. The areas of policy appeal-focused multilateralism include human rights, disarmament, and human security. Let me take each of the three to illustrate the point that Japan may be using multilateral institutions not only from the predominantly sociological point of view but also from the ideational appeals of policy packages Japan wants to get adopted by institutions.

Japan has been widely regarded as shy about human rights issues. Yet Japan's basic position, as contrasted to the United States position, has been that the historical and institutional legacies cannot be underestimated in dealing with human rights violations and that some cultural sensitivity and fluency in multiculturalism may be exercised in handling human rights issues.<sup>32</sup> More operationally, Japan's approach is what is called quiet suasion. It is an antidote to the adversarial approach of showing carrots and sticks. It is the reconciliational approach of inducing voluntary action when carrots are offered. Economic sanctions are not an oft-used weapons in Japanese diplomacy. Even when such action is taken, Japan tends to lift economic sanctions to come sooner than other major powers. That was the case with Japan lifting economic sanctions in 1991 on China with regard to the Tiananmen massacre of 1989. Arms embargo is not an option to Japan as it is prohibited by the National Diet resolution. Japan's view does not lean, however, to the position that a universal definition of human rights does not exist. Rather Japan's position is to encourage the creation of an environment more conducive to the solid observance of human rights. A good example is the prelude to the

Cambodian peace talks. Among the three parties fighting each other, Japan proposed that when reconciliation was made and a peace accord reached by the three parties, official developmental assistance would be offered to aid economic reconstruction in the postconflict period.<sup>33</sup>

Disarmament is an issue area in which Japan has made a great initiative with regard to the eradication of small arms and light weapons, using a community-based strategy that uses the ownership concept quite cunningly.<sup>34</sup> Earlier, the individualistic approach prevailed in this area: if you surrender a gun, you are given, say, 10 U.S. dollars. The problem with this individualistic approach is that people tend to collect guns from everywhere and that individual efforts do not lead to any positive benefits to a village or a town as a whole where such an effort is undertaken. Instead, Japan proposed to adopt the following formula: if a village or a town collects guns on a communal basis, then that village or town is given a hospital or a school or some other public facilities for communal use. Based on the ownership concept, this approach encourages voluntary action on a communal basis. In other words, since this village is ours, we must work out how the guns will be collected and surrendered and how the collectively owned public facilities will be constructed and maintained. This formula has been moderately successful in Cambodia and Afghanistan, and increasingly in some parts of Africa. Needless to say, keeping such facilities function on a daily basis costs a huge amount of costs and organizational attention.

Human development is a new policy area in which Japan has found a new niche wherein its strengths can be applied. It is a concept articulated by Amartya Sen, a Nobel laureate in economics.<sup>35</sup> It argues that economic development can only be fully achieved when each and every individual enjoys freedom to identify and develop her/his potential. When India was subjected to British colonialism, large-scale famine took place quite often, because Britain did not care very much about the imminent famine and thus such information did not reach the relevant government offices. Since India's independence, India has not seen any large-scale famine even during the very difficult transition period of partition. Rather than envisaging economic development in poverty-stricken societies as if the task were for engineers to build dams and power stations, one must envisage how individual citizens may be able to drink good water, to study language, to learn about hygiene, to acquire computer skills, to become self-sustaining farmers, to learn to teach, etc. The United Nations Development Program (UNDP) has spearheaded the area of human development by publishing Human Development Report every year.<sup>36</sup>

In addition to promoting concepts and ideas to institutions, Japan has started to supply their professionals to multilateral institutions. Since institutions are composed of ideas, personnel and finance, how these components are generated and supplied should not be underestimated. The premise is that Japan must man organizations at a higher level in order to lead organizations. Japan has been a rare member in that the amount of money Japan contributes to such institutions is counter-proportional to the number of professionals working there. This is very clear at the UN, for instance. No less serious is the large number of Japanese nationals working at lower levels in international organizations. No less disturbing is the extreme imbalance of female Japanese nationals compared to male nationals working in such institutions. The ratio of female nationals over male nationals is 8:2, reflecting the relatively closed job market for female professionals in Japanese society. To pay more attention to multilateral institutions, the Ministry of Foreign Affairs placed those divisions immediately under the Minister's Cabinet starting in July 2004 rather than the Bureau of Foreign Policy Planning, which was the case between 1993 and 2004.<sup>37</sup>

A serious problem in enhancing Japan's influence in multilateral institutions is that the bureaucrats who are regarded as slightly less competent fill the highest positions in each bureaucratic agency, and they nearly monopolize the high-level positions in multilateral institutions, and these bureaucrats rotate their positions among themselves. Given the generally high-level income level compared to multilateral institutions and the generally domestic orientation in career design, it is not very easy to appoint the very high-level heads of multilateral institutions from among domestic-oriented elite bureaucrats. Much needs to be improved if Japan's use of multilateral institutions is upgraded in terms of effectiveness to materialize its ideas and interests.

### **Bilateralism in the Future as Seen from Organizational Reform**

So far I have stressed that bilateralism has been the primordial mode of handling Japan's international relations. That is why I turn this idea of bilateralism at any cost or bilateralism *über alles*. That is why I borrow the concept of bilaterally networked multilateralism from Brian Job. In this section I speculate how Japan might use multilateral institutions on the basis of the Ministry of Foreign Affairs' career patterns in the past and from now on. Which career paths are most salient among the occupiers of the top position of the diplomatic corps? Who are sociologically



well-situated in terms of reaching number one position in the diplomatic corps?

In order to answer the question I pose, it is first necessary to describe briefly what composes the Ministry of Foreign Affairs.<sup>38</sup> The diplomatic corps consist of some few hundred, each year employing about two dozen new cadre candidates. Departments include the Minister's Cabinet and a dozen or so bureaus.

Of all the bureaus two are outstanding: the Treaties Bureau and the North American Bureau. This fact is borne out by the fact that virtually all the Deputy Administrative Foreign Ministers, Japan's number one diplomats, have come to the top position primarily through Treaties Bureau and secondarily through North American Bureau. All the Deputy Administrative Foreign Ministers from 1952 until today came through the Treaties Bureau. The Treaties Bureau plays two indispensable roles: (1) providing drafts of pertinent answers to questions regarding the constitution and the Japan-United States Security Treaty for Prime Minister and Foreign Minister in the National Diet, thus playing the sensitive role of the guardian of the constitution and the friendship between Japan and the United States; (2) dealing with all sorts of demands, requests, and suggestions and combining accommodation, rejection, and prolongment, thus confronting issues with well-thought-out and well-prepared arguments in a very legalistic fashion. The North American Bureau plays the key role in dealing with the United States government in all areas and making suggestions to other bureaus and as a matter of fact to other bureaucratic agencies as well about other agendas that might be of conflict with the estimated preference of the U.S. government, thus paving the way to the continuous U.S.-centered bilateralism in Japanese diplomacy. It is not an exaggeration to say that cadre candidates of the Ministry of Foreign Affairs must be strong at legalistic argumentation on any matter to sustain the delicate relationship between the constitution and the Japan-United States Security Treaty to legislators in the National Diet and to public opinion leaders and adept at reading minds of the United States government and maintaining friendship irrespective of the difficulty of issues dealt with. It is very clear that defensive legalism and U.S.-centered bilateralism dominate the Ministry of Foreign Affairs. Below these two areas of primordial importance are the bilateral bureaus dealing with various regions. Then come the functional areas like Economics, Economic Cooperation, Information and Research, and Cultural Exchange (known as Public Diplomacy since 2004). It is curious to know that other bureaus such as the UN and Information and Research have been subject to occasional organizational mergers and eclipses.

But in 2004 a few organizational changes inside the Ministry of Foreign Affairs that would enable one to make a glimpse at the future of the Japanese use of multilateral institutions took place. First, the Treaties Bureau has been renamed the International Legal Bureau, whose main task now is to assign internal law experts to major negotiations that other bureaus deal with. Its emphasis has shifted from being a legal guardian at home to being a legal expert abroad. This change may herald the end of dominance of the Treaties/International Legal Bureau. Second, a few International Information/Policy Coordinators have been set up. They are assigned to the task of coordination and aggregation of positions on a certain set of issues, which are to be identified and tackled each time issues come up with a flexibly organized team. This organizational change is expected to mitigate one of the perennial weaknesses of Japanese organizations, that is, its segmented and disaggregated nature. Largely bilaterally oriented bureaus are thought of as slightly lower-prestige units dealing with routine and mundane matters. In light of steadily growing power of the Prime Minister's Office, this change may as well mean one step forward toward the "quasi-colonization" of the Ministry of Foreign Affairs by the Prime Minister's Office. This feature was salient especially when Junichiro Koizumi was prime minister (2001–2006) but whether this is a trend is a moot question. Third, the Disarmament Division has been graded upward. It signifies a growing awareness that disarmament questions are big multilateral issues that Japan must deal with a little more effectively. It is curious to note that of all the English school diplomats (those cadre candidates who are assigned for early training at English-speaking universities in the United States or the United Kingdom) the Treaties Bureau and the North American Bureau were most coveted bureaus to be assigned whereas Disarmament Division's predecessor was not a particularly popular place, its rank being slightly lower than a dozen or so bureaus.

These changes do not seem to suggest that a revolutionary change is in the offing in Japan's use of institutions in a multilateral setting. Although Japan has apparently recognized that multilateralism is the wave for the future, it has not been well-prepared to be an agenda-setter and rule-maker in many areas of multilateral diplomacy. Rather it still remained largely an agenda-taker and rule-taker. In a number of areas like international trade, finance, and money, where Japan has at times been a fairly solid agenda-setter and rule-maker, much remains to be done if Japan is to be a proactive agenda-setter and rule-maker in other areas of multilateral diplomacy. What form of institutionalization (global versus regional, for instance) is "ideal" is a subjective matter.

With regard to professional training, it is widely recognized that many of freshman cadre candidates have not necessarily acquired solid proficiency of English and that their speech drafting ability is somewhat limited as speech drafting is normally done first in Japanese and then translated into English, without paying much attention to how to appeal to the audience in terms of agenda-setting and rule-making. And needless to say, their oratorical capacity remains to be significantly improved.

Although its use of institutions is still primarily bilateral, Japan has come to realize that multilateralism is the wave of the future if they started to signal this shift in a modest way with the latest organizational changes. It would signal the gradual shift from U.S.-centered bilateralism and defensive legalism to bilaterally networked multilateralism and in the direction of offensive-framing and agenda-setting approach.

### Notes

1. Whether Japan's diplomacy places emphasis on bilateralism or multilateralism aroused wide attention when the Japanese government issued a blue-ribbon commission report on Japanese defense after the cold war in 1996, Akiko Fukushima, *Japanese Foreign Policy: The Emerging Logic of Multilateralism* (New York: St. Martin's Press, 1999). Portions of its report mentioned some merits of multilateralism in Japan's attempt to reduce its over-dependence on the alliance arrangement with the United States. The report aroused somewhat perplexed comments by the United States. In the 2000s, an economic dimension was added to the debate. As globalization deepens, the benefits accrued to free trade agreements, whether it is bilateral or multilateral, are openly sought after. Ironically Japan was not so eager at least initially in the late 1990s and early 2000s to conclude bilateral or regional free trade arrangements as it was more or less content with the arrangements with the WTO and with protectionism at home in such sectors as agriculture, banking, retailing, transport, communications, and education pose an enormous barrier to free trade agreements. However, as China rose up steadily and especially as China concluded in 2003 a free trade agreement with the ASEAN, Japan accelerated its moves toward free trade agreements, focusing on such agreement with ASEAN with the target agreement year being 2006. Ellis S. Krauss and T.J. Pempel, *Beyond Bilateralism: U.S.- Japan Relations in the New Asia-Pacific* (Stanford: Stanford University Press, 2003); Kuniko Ashizawa, "Japan's Approach toward Asia-Pacific Regional Security: From 'Hub-and-Spoke' Bilateralism to 'Multi-Tiered,'" *The Pacific Review*, Vol. 16, No. 3 (2003): 361-382.
2. Takashi Inoguchi, "Korea: Japanese Visions of Regional Order: From Chinese-Referenced Regional Order to Western-Referenced Regional Order," in Charles Armstrong, Gilbert Rozman, Samuel Kim, and Stephen Kotkin, *Dynamics of Regionalism in Northeast Asia*, eds., *Korea at the Center*

(New York: M.E. Sharpe, 2006). This chapter focuses on the transition of the Japanese vision of regional order in East Asia from 1853 to 1894.

3. How the Japanese faced and reacted to Commodore Perry's visit to Japan is given rich and nuanced pictures in Mitani Hiroshi, *Perry no raiko* [Perry's Visit] (Tokyo: Yamakawa shuppansha, 2003). The benign nature of the Perry visit is stressed in Kato Yuzo, *Bakumatsu gaiko to kaikoku* (Tokugawa Diplomacy and the Opening of the Country in Early and Mid-Nineteenth Century) (Tokyo: Chikuma Shobo, 2004). The historical background of Perry's expedition is given in Inoguchi Takashi, "Perry teitoku Nihon enseiki o yomu (Understanding the Narrative of the Expedition of an American Squadron to the China and Japan Performed in the Years 1852, 1853 and 1854)," in Inoguchi Takashi, ed., *Perry teitoku enseiki* (Tokyo: NTT Shuppan, 1999), pp. 257–283.
4. Hedley Bull, *The Anarchical Society* (Stanford: Stanford University Press, 1977). Fukuzaka Yukichi, a well-respected thinker in the Meiji Period, reported that his first dream of the year in 1885 was that Japan joined the seven Western powers to take the public law among nations in their hands. Japan's assiduous learning of international law was facilitated by her acute awareness that Japan was an outlier among the major Western powers. The thought was that only by becoming a good pupil of the West would Japan be accepted by the West as a driving force.
5. Craig Murphy, *International Organization and Industrial Change: Global Governance since 1850* (New York: Oxford, 1994) and Akira Iriye, *Global Community: The Role of International Organizations in the Making of the Contemporary World* (Berkeley: University of California Press, 2002). The Japanese study of international relations was until recently one of the most stubborn in portraying world politics as essentially and nearly exclusively Westphalian style relationship among sovereign states. Takashi Inoguchi, "Political Science in Three Democracies, Disaffected (Japan) Third-Wave (Korea) Fledgling (China)," paper presented at the International Studies Association annual meeting, Montreal, March 17–21, 2004. How Japanese academics view international relations from what I call the Westphalian, Philadelphian, and anti-Utopian paradigms is examined in Takashi Inoguchi, "Three Japanese Scenarios for the Third Millennium," in Immanuel Wallerstein and Armand Clesse, eds., *The World We Are Entering, 2000–2050* (Amsterdam: Dutch University Press, 2002), pp. 189–202. For a general description of these three paradigms, see Takashi Inoguchi, "Peering into the Future by Looking Back: The Westphalian, Philadelphian and Anti-Utopian Paradigms," *International Studies Review*, Vol. 1, No. 2 (1999): 173–191. Karma Nabulsi, *Traditions of Wars : Occupation, Resistance and the Law* (Oxford: Oxford University Press, 1999).
6. Arno Mayer, *Political Origins of the New Diplomacy, 1917–1918* (New Haven: Yale University Press, 1959). Norman Gordon Levin, *Woodrow Wilson and World Politics; America's Response to War and Revolution* (Oxford: Oxford University Press, 1970). Their ideological impacts on the Japanese

conception of international relations were essentially minimal. Hence the difficulty of Japan in acting “correctly” amidst the new *Zeitgeist* after the Versailles and Washington treaties. See Akira Iriye, *After Imperialism* (Cambridge, MA: Harvard University Press, 1965). See also Sakai Tetsuya, “Sengo gaikoron niokeru risoshugi to genjitsushugi (Idealism and Realism in the Debates on the Postwar Diplomacy),” *Kokusai Mondai* [International Affairs], No. 432 (March 1996), pp. 24–38.

7. Nihon kokusai seiji gakkai, ed., *Taiheiyo senso eno michi* [The Road to the Pacific War] (Tokyo: Asahi Shimbun Sha, 1963). See also Dorothy Borg and S. Okamoto eds., *Pearl Harbor as History* (New York: Columbia University Press, 1973) and Hosoya Chihiro, Irie Akira, and Oshiba Ryo, eds., *Kioku to shiteno Pearl Harbor* (Pearl Harbor as Memory) (Kyoto: Minerva shobo, 2004). Also, see James William Morley, ed., *Deterrent Diplomacy: Japan, Germany, and the USSR, 1935–1940: Selected Translations from Taiheiyo Senso e no michi, kaisen gaiko shi* (The Road to the Pacific War: A History of the Process Leading to the War) (New York: Columbia University Press, 1976), *Japan Erupts: The London Naval Conference and the Manchurian Incident, 1928–1932: Selected Translations from Taiheiyo Senso e no michi, kaisen gaiko shi* (The Road to the Pacific War: The Process Leading to the War) (New York: Columbia University Press, 1984), *The Fateful Choice: Japan's Advance into Southeast Asia, 1939–1941: Selected Translations from Taiheiyo Senso e no michi, kaisen gaiko shi* (New York: Columbia University Press, 1980); Christopher G. Thorne, *The Limits of Foreign Policy: The West, the League and the Far Eastern Crisis of 1931–1933* (London: Hamilton, 1972), *Allies of a Kind: the United States, Britain, and the War against Japan, 1941–1945* (New York: Oxford University Press, 1978).
8. Prince Konoe, “We Reject the Peace Only Favorable to Anglo-American Powers,” in *Nihon to Nihonjin* [Japan and the Japanese], 1918, quoted in Miwa Kimitada, *Matsuoka Yosuke* (Tokyo: Chuo Koronsha, 1971), pp. 60–61.
9. John Dower, *Embraced by the Defeat: Japan in the Wake of World War II* (New York: Norton, 1999).
10. Katzenstein Peter, *Cultural Norms and National Security: Police and Military in Postwar Japan* (Ithaca: Cornell University Press, 1998); Thomas U. Berger, *Cultures of Antimilitarism—National Security in Germany and Japan* (Baltimore: Johns Hopkins University Press, 1997). Takashi Inoguchi, “Not a Challenger, but a Supporter,” *Journal of Japanese Studies*, Vol. 12, No. 1 (1986): 95–115. More recently, however, the pacifism and antimilitarism of postwar Japan has been experiencing some metamorphosis for the last decade, triggered in part by the potentially destabilizing moves developing in North Korea and China and the increasingly proactive orientation of the United States as well as by more domestic factors in Japan.
11. Gaimusho, *Gaiko seisho* [Diplomatic Blue Book] (Tokyo: Okurasho, 1957). It was in 1957 when Kishi was prime minister.

12. See Akiko Fukushima's chapter on Japan and the United Nations in this volume.
13. Donald C. Hellmann, *Japanese Foreign Policy and Domestic Politics: The Peace Agreement with the Soviet Union* (Berkeley: University of California Press, 1969). Other aspects of Japanese-Russian relations can be seen in John J. Stephan, *The Kuril Islands: Russo-Japanese Frontier in the Pacific* (Oxford: Clarendon Press, 1974); Tsuyoshi Hasegawa, *The Northern Territories Dispute and Russo-Japanese Relations* (Berkeley: University of California, International and Area Studies, 1998); Kimie Hara, *Japanese-Soviet/Russian Relations Since 1945: Difficult Peace* (London and New York: Routledge, 1998); Tsuyoshi Hasegawa, *Racing the Enemy* (Harvard: Harvard University Press, 2005).
14. Yoshihide Soeya, *Japan's Economic Diplomacy with China, 1945–1978* (New York: Oxford University Press, 1998). Quansheng Zhao, *Japanese Policymaking: The Politics Behind Politics: Informal Mechanisms and the Making of China Policy* (Westport: Praeger, 1993).
15. George Packard, *Protest in Tokyo* (Princeton: Princeton University Press, 1966).
16. Nakamura Takafusa, *Lectures on Modern Japanese Economic History: 1926–1994* (Tokyo: LTCB International Library Foundation, 1994); Nakamura Takafusa and Miyazaki Masayasu, eds., *Kishi Nobusuke Seiken to Kodo Seicho* [Kishi Nobusuke, *Its High Economic Growth*] (Tokyo: Toyo Keizai Shinposha, 2003); Hatano Sumio, ed., *Ikeda, Sato Seikenki no Nihon Gaiko* [The Foreign Policy of Japan during the Ikeda and Sato] (Kyoto: Mineruva Shobo, 2004).
17. Inoue Juichi, "Kichi Nobusuke," in Mikuriya Takashi, ed., *Rekidai Shusho Monogatari* [Stories of Prime Minister] (Tokyo: Shinshokan, 2003), pp. 176–183.
18. *The Economist*, September 1, 1962, p. 11.
19. Inoguchi Takashi, "NichiBei kankei kara mita Nihon gaiko ron [Japanese Diplomatic Policy Lines as Seen from Japan-United States Relations], *Kan*, Vol. 16 (January 2004): 14–22.
20. Chae-Jin Lee, *Japan Faces China: Political and Economic Relations in the Postwar Era* (Baltimore: Johns Hopkins University Press, 1976). Japanese-South Korean relations has been characterized by the manifold density and intensity of their legacies and interactions. See, for instance, Kimura Kan, *Chosen/Kankoku Nationalism to shokoku ishiki* [Korean Nationalism and Small Country Consciousness] (Kyoto: Minerva shobo, 2000).
21. Haruhiro Fukui, "Tanaka Goes to Peking: A Case Study in Foreign Policymaking," in T.J. Pempel, ed. *Policymaking in Contemporary Japan*, (Ithaca: Cornell University Press, 1977), pp. 69–70. Deng Xiaoping is known to have said that unless China and Japan do not get along with each other, one half of the heavens would fall down. The point is how to find a compatible and enduring solution.

22. Soeya, *Japan's Economic Diplomacy with China*; Tanaka Akihiko, *Nitchu Kankei, 1945–1990* (Tokyo: Tokyo Daigaku Shuppankai, 1991).
23. Hiroshi Kimura, *Japanese-Russian Relations Under Gorbachev and Yeltsin* (New York: M.E. Sharpe, 2000). Japanese-Russian relations have been semi-frozen most of the post–1945 years irrespective of the cold war and post–cold war periods. Hence after World War II there has been neither peace treaty nor territorial settlement.
24. William Tow, Russell Trood, Toshiya Hoshino, eds., *Bilateralism in a Multilateral Era: The Future of the San Francisco Alliance System* (Tokyo: Japan Institute of International Affairs, 1997).
25. Robert Putnam and Nicholas Payne, *Hanging Together* (London: Sage, 1997); Shiro Saito, *Japan at the Summit: Its Role in the Western Alliance and in Asian Pacific Co-Operation* (London: Routledge, 1990); Davis Bobrow and Mark Boyer, *Defensive Internationalism* (Ann Arbor, MI: University of Michigan Press, 2004).
26. Takashi Inoguchi, “America and Japan: The Political Is Personal,” *Open Democracy*, June 17, 2004.
27. Albert Hirschman, *Voice, Exit and Loyalty* (Cambridge, MA: Harvard University Press, 1970).
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PART II

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*Institutions and Political Control*

## CHAPTER 3

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# Layering Institutions: The Logic of Japan's Institutional Strategy for Regional Security

*Tsuyoshi Kawasaki*

### Introduction

Compared with earlier periods, one feature stands out in Japan's post-cold war security policy: to an unprecedented extent, the island state has woven itself into a web of new Asia-Pacific security institutions.<sup>1</sup> This situation is in sharp contrast especially to the cold war period, when the bilateral alliance with the United States was practically the only security institution with which Japan involved itself. Far from being the "reactive state" of yesteryear,<sup>2</sup> post-cold war Japan has been proactive in erecting and nurturing this web of security institutions.

The extent of Japan's involvement with the regional security institutions is impressive indeed, including both bilateral and multilateral organizations. Some are government-to-government (called track one) institutions like the ASEAN Regional Forum (ARF),<sup>3</sup> while others are nongovernment (called track two) ones such as the Council for Security Co-Operation in the Asia Pacific (CSCAP). Tokyo even coordinates its North Korea policy with Seoul and Washington in the framework of the Trilateral Coordination and Oversight Group (TCOG). Beyond these clearly security-focused institutions, Japan engages in political-security dialogues within ostensibly nonsecurity institutions like Asia-Pacific Economic Cooperation forum (APEC) and ASEAN Plus Three.<sup>4</sup>

In justifying and explaining their new stance, Japanese policymakers have stressed that the Japan-U.S. alliance still remains the core institution

in Japan's security policy, and the newer institutions supplement—and even protect—this core. They imply that these two sets of institutions are compatible with each other, and constitute a coherent system in Japan's regional security policy. Such a sense of compatibility and coherence is reaffirmed when Japanese academics and journalists describe Japan's new “web of security institutions” centering on the Japan-U.S. alliance.<sup>5</sup>

However, these Japanese policymakers and analysts have not systematically articulated the logic of connecting the two sets of institutions in question. It was Hughes and Fukushima who exposed the vagueness of the Japanese logic.<sup>6</sup> After careful examinations, they concluded that “Japan's participation in multilateral security frameworks does not necessarily involve a straightforward development upward and outward from the base of U.S.-Japan bilateral cooperation, nor does it imply that both types of approaches to security are capable of developing equally or are sustainable in conjunction.”<sup>7</sup> Contrary to the standard Japanese arguments, according to Hughes and Fukushima, these two types of security institutions are actually “uncomfortable and even irreconcilable bedfellows.”<sup>8</sup> Such a biting criticism, then, leaves United States wondering: What exactly is the Japanese logic of bonding the Japan-U.S. alliance to the other regional security institutions?<sup>9</sup>

In answering this question, the present chapter argues that Japan has pursued quite an innovative strategy of institutional building in the face of new security challenges in the post-cold war period. The essence of this strategy is to layer additional institutions carefully and selectively on top of the Japan-U.S. alliance in such a way to generate cumulative effects. The goal is to build a system of security institutions, centering on the core alliance, that will provide a wider range of utilities Japan can tap into in the post-cold war security environment. At the same time, Japan has been careful not to undermine the core alliance while pursuing this strategy. Thus, the growth of new institutions in this system is sustainable and need not undermine the foundation provided by the bilateral alliance.

With new institutions, on the one hand, Japan has sought to strengthen the functions that the core alliance provides. There are two types of institutions in this regard: some institutions supply functions that the alliance does not generate, whereas others augment a function that the alliance is already supplying. To start with, as will be elaborated later, the core alliance provides Japan with three functions: power aggregation, reassurance, and governance. To this set of three, the TCOG adds interalliance coordination, bridging the Japan-U.S. alliance and the

South Korea-U.S. alliance. Likewise, Japan's recent security cooperation initiatives with Canada address a void in the framework of the Japan-U.S. alliance: the relative absence of actions directed at the emerging agenda of human security. With these new institutions, therefore, Japan can now utilize five different functions from its institutional "tool kit." Furthermore, Japan uses the ARF, the CSCAP, and all other regularized and dialogue activities on security issues—whether in bilateral or multi-lateral in forms—to augment the reassurance function of the Japan-U.S. alliance. These institutions are designed primarily for strengthening the region's confidence in Japan's nonaggressive intentions. In short, Japan has "grafted" various new institutions onto the bilateral alliance in such a way that they support this core institution.

In this "functional grafting" process, on the other hand, Japan has carefully differentiated the level of its commitment across these three sets of institutions to maintain clear hierarchy among them, so that it can maintain the Japan-U.S. alliance as the most important in this hierarchy. First, the United States remains the only state with which Japan coordinates its actual defense plans (including procurement) that lie at the heart of its entire security program. It follows that Japan takes as binding the defense plan decisions that it makes with the United States. This is a deepest commitment that Japan makes. Next, Japan coordinates some of its broader political-security policy, but not its core defense policy, with U.S. allies like South Korea (in the TCOG) and Canada (on human security) to acquire additional functions that the core alliance does not provide. These institutions for security cooperation constitute the second tier in the hierarchy, and their decisions are not binding to Japan. The least important institutions are dialogue forums, such as the ARF and the CSCAP, with which Japan does not coordinate its security policy with other states in any significant way. In these institutions, Japan's measures are largely unilateral in nature (e.g., revealing defense-related information and assessing the security environment), designed to reassure the neighboring countries about Japan's nonthreatening intention, while expecting some reciprocal action on the part of other member states, including potentially threatening ones.<sup>10</sup>

Through the processes of "functional grafting" and differentiating commitment levels, therefore, Japan has connected new institutions to the core alliance in order to establish a larger, multifunctional system that is also stable in terms of its internal organization. This system grew (i.e., new institutions were incorporated) steadily every time Japan sought solutions for a new security problem during the 1990s. As such,

Japan's strategy is characterized by its pragmatic, problem-solving orientation, rather than concerns for power, control, or prestige. Japan sees new regional security institutions as different kinds of tools, each suitable for a different task that its security policy must address. For Japan, in other words, the new Asia-Pacific security institutions are not hedging or power-deflecting instruments against U.S. unilateralism.<sup>11</sup> Nor does it conceive them as vehicles for dominating the region or for gaining some international prestige. These *realpolitik* conceptions are hard to find in the Japanese logic of layering new security institutions on top of the alliance with the United States.<sup>12</sup> In addition, Japan is under no illusion that its alliance with the United States, the only superpower, is the best asset it has.

In the following sections, this chapter explicates the three sets of institutions in order, clarifying the specific functions that they perform and the nature of interinstitutional linkages. Each section, furthermore, elaborates the implications of functional analysis to the specific type of security institution under study. This chapter concludes by suggesting some of the implications of its analysis.

### **The First Tier: The Japan-U.S. alliance**

As was noted earlier, the alliance with the United States has three functions. It serves Japan as a power-aggregation mechanism, as a signaling device to other Asian states about Japan's nonaggressive intentions, and as a political framework governing interactions with the United States. These functions can be referred to as power-aggregation, reassurance, and governance functions, respectively.

#### ***Power-Aggregation Function***

An alliance often serves states as a vehicle to aggregate two states' military capabilities against a third party. The Japan-U.S. alliance is no exception. By allying itself with the United States, Japan seeks to increase its ability to deter potential aggressors. If and when a military operation is required, furthermore, Japan with the United States would be able to perform better in protecting its territories and other interests. The alliance enhances Japan's power-aggregation ability in two ways: it extends U.S. military capabilities to protect Japan's interests and enhances Japan's own defense capabilities.

First, the alliance signals potential aggressors that they would risk antagonizing the United States, a military superpower, if they ever threaten Japan's territory and other interests.<sup>13</sup> The presence of U.S. bases in Japan's territory embodies the U.S. commitment to protect Japan. Similarly, since U.S. naval forces stationed in Japan can project their power beyond Japan's territory, they protect Japan's vital interests beyond home defense—for example, the freedom of navigation all the way to the Middle East, as well as peace and stability in the Korean peninsula and the Taiwan straits.<sup>14</sup> In other words, the region-wide effect of U.S. military bases in Japan helps deter any military challenge to the regional status quo under U.S. naval hegemony.

Second, the alliance strengthens Japan's own military capabilities. With this alliance, for example, Japan can gain the otherwise highly limited access to the advanced military technology and vast intelligence information held by the United States.<sup>15</sup> Japan can also train its troops well in joint military exercises with its U.S. counterparts—after all, in contrast to the U.S. forces, Japan's Self-Defense Forces have no substantial combat experience. In short, Japan can tap into rich U.S. military resources, both tangible and intangible.

In addition to access to U.S. resources, the Japan-U.S. alliance provides Japan with a subtle yet fundamental military advantage: the alliance presents a realistic framework for actual defense planning, so that Japan can more efficiently concentrate its defense efforts than it could without the alliance. For example, Japan can focus its defense plans on potential threats from the Asian continent given that Japan's Pacific front is secured by an alliance with the transpacific naval power. While this point is usually taken for granted, geographically and historically Japan had the challenging problem of managing two fronts simultaneously—one in the Asian continent and the Korean peninsula, and the other in the Pacific. Japan's experience in World War II shows how difficult this task is. The alliance with the United States narrows down a range of military scenarios for Japan in another way: Japan can rely on the United States in the areas of nuclear weapons and strategic offensive weapons (e.g., ballistic missiles, strategic bombers, aircraft carriers), while focusing its limited resources on other types of weapons and the modest and defensive military missions for which such weapons are suitable. Without the alliance, Japan could find itself in a highly stressful situation: a highly urbanized state without much strategic depth because of its narrow geography, Japan is not really suited for war involving the weapons of mass destruction. With the alliance, and the

division of labor that comes with it, Japan does not have to prepare itself for that type of war.

### ***Reassurance Function***

While the alliance protects Japan like a powerful shield, it generates another kind of stabilizing effect: it signals to its Asian neighbors that Japan is basically content to be constrained by the alliance; that Japan is not planning to pursue Gaullist-type, independent military aggrandizement to become a military superpower commensurate with its economic power; and that Japan is not interested in precipitating an arms race in the Asia-Pacific region. It is one thing to indicate to a potential aggressor that Japan's military protection is robust. It is another thing not to drive that state to pursue military buildup out of fear of Japan. Sending the aforementioned signals about Japan's nonaggressive intension helps to dampen such fear, reassuring the potential aggressor that Japan is interested in its own security and regional stability, not in military aggrandizement and regional hegemony. In other words, the reassurance effect of the alliance increases the level of predictability of Japan in the view of its Asian neighbors, which in turn helps reduce the level of uncertainty in the region. While neoliberal institutionalist scholars have stressed this type of informational effect, they see this affecting the relationship between states that share a particular institution.<sup>16</sup> In the case of the Japan-U.S. alliance, in contrast, the reduction of uncertainty is affecting those states that do *not* belong to the alliance institution in question.

Thus, the Japan-U.S. alliance contributes Japan's security in two ways: power-aggregation and reassurance. The power-aggregation effect raises the cost of resorting to military forces against Japan's interest, while the reassurance effect reduces the likelihood that an arms race, fueled by fear and misunderstanding, would break out. Together, these two effects tend to stabilize the security relations among states in the Asia-Pacific region, as they "lock in"—or *koteika* in Japanese—these states to a situation in which the incentives to use force are weakened substantially. In other words, the alliance works as a stabilizing mechanism that suppresses volatility and fluidity in Asia-Pacific security relations. It was perhaps Takuya Kubo, the author of the 1976 National Defense Program Outline, who started the Japanese government's systematic thinking about the twin functions of the Japan-U.S. alliance.<sup>17</sup> His conceptualization of the alliance's role became the standard argument of the Japanese government for justifying the continuation of

the alliance. This is still the case in the post–cold war period. As far as the Japanese government is concerned, the alliance with the United States is still performing the same twin functions, greatly serving Japan’s interest in maintaining peace and stability in East Asia. That is precisely what Japanese officials mean when they refer to the need for, and the contribution made by, the Japan-U.S. alliance in the maintenance of regional stability.

### ***Governance Function***

The formal security arrangements of the Japan-U.S. alliance, the most important of which is the Japan-U.S. Mutual Security treaty, constitute, as a group, a governance framework for the interactions between the two states, including interactions on economy. According to Paul Schroeder, an eminent diplomatic historian, alliances were often used as “tools of management,” and such a notion captures well the governance function of the Japan-U.S. alliance.<sup>18</sup> At the most fundamental level, they symbolize goodwill, common values (e.g., liberal democracy), and the friendly nature of the relationship between the Japanese and Americans. The political context set up by the alliance institutions facilitates active and smooth economic and cultural transactions between the two states. Furthermore, it helps Tokyo and Washington solve and contain their bilateral problems. Without it, in other words, the flow of economic and cultural transactions would be more stagnate or unstable because of political uncertainty if not antagonism. Likewise, bilateral problems would be less constrained and their solutions would be more elusive without a friendly Japan-U.S. political framework, although the existence of such a framework per se does not prevent serious disputes from happening, as the 1980s showed.

Central to the governance function is the realization that this transpacific alliance is ultimately a political pact: Japan and the United States are two partners who share common values—liberal democracy and capitalism. Since Yoshida Shigeru signed the Japan-U.S. Security Treaty in 1951, the alliance with the United States, for the Japanese, is more than just a military agreement that Japan accepts U.S. military presence in its territory for power-aggregation purposes while the United States can maintain military bases in a region vital to its global-strategic interests.<sup>19</sup> In the early post–cold war years, as we see later, Japanese policymakers—and their U.S. counterparts—reminded themselves about this amorphous yet integral element of the alliance. The 1996 Joint Declaration on Security reads that “the Prime Minister and the President



agreed that the three legs of the Japan-U.S. relationship—security, political, and economic—are based on shared values and interests.”<sup>20</sup> and that these values are “the maintenance of freedom, the pursuit of democracy, and respect for human rights.” In other words, the Joint Declaration suggests that what unites Japan and the United States, ultimately, is their common values of liberal democracy and freedom, not some external military threat, and that this value-based unity is what really sustains the alliance. September 11 and its after-effects have only strengthened this view.

### *Continuity and Change in the Three Functions*

Thus far, we have clarified the three major functions of the Japan-U.S. alliance seen from the Japanese perspective. As was indicated earlier, these functions, collectively composing the overall framework of the alliance, are still operating despite the disappearance of Soviet threat. Even during the cold war years, as was noted earlier, the alliance was more than a mere response to external military threat—in other words, it had more than a power-aggregation mechanism. The balance of threat theory of alliances,<sup>21</sup> which hypothesizes that the formation of alliances is significantly shaped by such threat, would lead United States to expect conspicuous erosion in the coherence of the Japan-U.S. alliance after the cold war. Yet because it was an institution with three functions, the alliance did not follow such a trajectory. This suggests that the relative weight of the power aggregation function, in relation to the other two functions, is not as great as the balance of threat theory would imply within the framework of the Japan-U.S. alliance. The other two functions are significant in their own right, which helps United States explain the basic continuity of the alliance despite the dissipation of the military threat emanating from a superpower. To use Wallander’s terminology, the Japan-U.S. alliance had sufficient institutional assets to allow adaptation.<sup>22</sup>

The fact that the overall framework of the alliance did not fundamentally change does not mean that the transition from the cold war years was smooth. On the contrary, Japan went through a difficult process of soul searching in its security policy now that Soviet threat was gone. Indeed, the alliance seemed to be drifting in the early 1990s.<sup>23</sup> The continuing relevance of an alliance with the United States was openly questioned among Japanese, particularly when the social costs of maintaining U.S. military bases in Okinawa attracted highly emotional public attention. Some Japanese opinion leaders entertained alternatives to the

alliance—mostly multilateral security arrangements—as the way of the future.<sup>24</sup> Even the government-sanctioned Higuchi report of 1994 (“The Modality of the Security and Defense Capability of Japan”) seemed to acknowledge the limitation of the alliance as it advised more active multilateralism in Japanese security policy. In short, the Japanese were raising questions about the *raison d’être* of the alliance. Under these circumstances, the Japan policy of Clinton’s first administration was not helpful. With its highly antagonistic economic policy and rhetoric, the U.S. administration treated Japan as if it were the new kind of enemy, which alienated many Japanese. But security policy officials in Tokyo and Washington worked hard to confirm Japanese and U.S. commitments to the alliance. While bilateral consultations continued, U.S. thinking was crystallized in the form of the Nye report of 1995 (“East Asia Strategy Report”) that affirmed the continuation of 100,000 U.S. troops stationed in East Asia. In Japan, Tokyo issued a new National Defense Program Outline in the same year. Then, bilateral consultation itself culminated in the announcement of the aforementioned 1996 Joint Declaration that reaffirmed the three functions of the alliance.

The end of the cold war brought about not only uncertainty in the Japan-U.S. alliance but also significant policy changes, although the overall framework was reaffirmed. Such changes were twofold, both of which are direct results of the disappearance of clear and present Soviet threat. First, among the three functions of the alliance, the relative importance of the power-aggregation function declined. Japan now tends to stress its alliance with the United States as the central stabilizing mechanism for the entire Asia-Pacific region. This does not mean, of course, that Japan underappreciates the alliance’s power-aggregation function; after all, concerns about China and North Korea remain. Nevertheless, the narrow conceptualization of the alliance as primarily a protective shield has lost its persuasive power it enjoyed during the cold war period. Some Japanese even stress the public good nature of the alliance (“beneficial to the entire region not only for Japan”) in the post-cold war Asia-Pacific region.<sup>25</sup>

Second, within the realm of the power-aggregation function itself, the primary context of Japan-U.S. military cooperation expanded beyond Japan’s homeland protection to include “contingencies in areas surrounding Japan” (*shuhen jitai*). During the cold war, Japan-U.S. military cooperation was planned largely for the case of Soviet attacks on Japan, while excluding contingencies in the Korean peninsula and the Taiwan straits for which the United States alone was responsible. This policy was reflected in the 1978 Guideline for Japan-U.S. Defense Cooperation. In

the post–cold war period, Japan no longer faces threat from Russia, but Tokyo has come to the conclusion that the likelihood of Japan facing regional contingencies has actually increased, now that the old fear of regional war escalating to global war has dissipated, as demonstrated by the 1991 Gulf War.<sup>26</sup> With the 1997 revision of the Guideline, Japan is now prepared to provide logistic support to frontline U.S. military operations near its territorial waters.

### Summary

The Japan-U.S. alliance as an institution, thanks to its multifunctional nature, has turned out to be quite resilient even after the Soviet threat dissipated. Japan and the United States have reaffirmed their commitments to the overall framework of the alliance that is composed of three functions—power-aggregation, reassurance, and governance. The end of the cold war did cause uncertainty in Japan regarding the future of the alliance. Yet, it also gave Tokyo some opportunities to articulate Japan’s view on the alliance in the newly emerging security environment of the Asia-Pacific region. Tokyo has redefined the nature of the alliance, and it has slightly shifted the emphasis among the three functions and it modified the modality of Japan-U.S. military cooperation in the realm of power-aggregation. By conceptualizing this transpacific alliance as an institution with several functions, we can explain both continuity and change.

### The Second Tier: Security Policy Institutions

As we have discussed, the end of the cold war posed questions to Japan regarding the continuing relevance of its alliance with the United States. At the same time, however, Japan came to recognize that the alliance alone was not sufficient as new security challenges emerged in the region, and that new security institutions were necessary. Three types of new challenges deserve mentioning here. First, North Korea started to develop nuclear weapons and long-range missiles. Because of North Korea’s proximity, Japan regarded that its vital interests were at stake. Yet Japan or the Japan-U.S. alliance alone would not be able to solve the problem sufficiently without the cooperation of South Korea and China. Second, a variety of security problems emerged in the post–cold war Asia-Pacific region and beyond, for which the massive and quick mobilization of military capabilities—typical in interstate war—was not an adequate policy tool. These new problems often belonged to the category of

human security, and they were concerned typically with civil wars and the postconflict reconstruction of civil society (e.g., East Timor), as well as nontraditional security issues such as piracy and illegal migration. They did not pose a military threat to Japan, but they did destabilize Japan's security environment. Solutions often required peacekeeping operations, multilateralism, and cooperation with NGOs, typically under the UN banner. Japan needed partners beyond the Japan-U.S. alliance to engage in these emergent human security problems. Third, in the early post-cold war period, uncertainty and anxiety prevailed, particularly regarding the intentions of three major powers: Japan, the United States, and China. Dialogue, most likely in multilateral settings, was needed to increase the transparency of their intentions so that mistrust-driven arms buildup could be avoided in the region, and to cultivate the sense that the states in the region would share their security with each other rather than compete for security at the expense of others. As was noted earlier, the Japan-U.S. alliance did reduce the level of uncertainty about Japan in the region, but this reassurance function alone was insufficient without formal and inclusive multilateral forums for security dialogue. Consequently, the concept of cooperative security emerged in policy discussion to address this policy problem.

Japan responded to these three different security challenges by establishing institutions with other states. To deal with the North Korean problem, Japan joined South Korea and the United States to erect the TCOG in 1999, and it maintained its membership in the Korean Peninsula Energy Development Organization (KEDO) that was established in 1994. For human security issues, Japan started institutionalized security cooperation with Canada and other states. Finally, Japan helped the ASEAN to institutionalize the ARF, while initiating other dialogue processes with other states and actively participating in track two organizations such as the CSCAP. This section explicates the TCOG and Japan-Canada security cooperation initiatives as examples of policy-coordinating institutions. The ARF and other confidence-building institutions are dealt with in the next section.

### *The TCOG*

After the cold war ended, North Korea lost both political backing and economic support from Russia. Russia and North Korea's other patron, China, even recognized and established diplomatic relations with South Korea. Furthermore, North Korea's national economy suffered a series of serious setbacks to the extent that it was unable to feed its own people.

Across the Demilitarized Zone, meanwhile, the South Korea-U.S. alliance remained robust and formidable. North Korea's strategic environment was deteriorating, to the extent that the survival of the Kim regime itself seemed to be in jeopardy.

The Kim regime's answer to this quandary, apparently, was to use its nuclear and missile programs as bargaining chips to win concessions from the United States in the forms of diplomatic opening and economic assistance. The United States, in its turn, was considering the use of economic sanctions (and even military action) against North Korea. Tensions mounted. In 1994, the two governments concluded the Agreed Framework and the crisis ended: North Korea would halt its nuclear-weapon programs in exchange for receiving assistance in building light-water nuclear power plants (which do not produce plutonium for nuclear weapons), as well as heating oil until the construction would be completed. Then, the KEDO was established to implement this accord. Japan became a member of the KEDO, which was one of the few formal contact points that Tokyo had with North Korea.

In 1999, the Clinton administration commissioned former Defense Secretary William Perry to review U.S. policy toward North Korea. In preparing his policy recommendations, Perry consulted with the South Korean and the Japanese governments. In the Perry process, the U.S. government agreed to regularize their tripartite consultative process and to meet quarterly at the working level on the question of North Korea. The three governments shared their security concerns about North Korea and they all wanted a nonthreatening North Korea. Yet, the exact nature of concerns differed among the states. For example, the United States was most concerned about the spread of the weapons of mass destruction and missile technologies by North Korea. While sharing the U.S. concerns (North Korea had launched its Taepodong missile over Japan in 1998), Japan was also interested in normalizing diplomatic relations with North Korea, including the returning of the Japanese citizens kidnapped by North Korean agents. For South Korea, North Korea's conventional weapons were historically a more serious source of a concern than nuclear weapons. Another dividing line among the three states concerned the use of force against North Korea: compared with South Korea and Japan, the United States tended to be more willing to consider the option of military strike. Thus, it was a logical step for these three governments to inform and consult each other very closely on a regular basis, and to coordinate their North Korean policies if possible. Yet, no such formal mechanism existed until 1999—the KEDO, which included North Korea, was not an adequate institution for tripartite

security consultation and such policy consultation had taken place only on an ad hoc basis. This was the beginning of the TCOG, and the three member governments have been meeting frequently since its inception.

What is the nature of the TCOG? The TCOG, at least initially, was not meant to create a new and binding North Korea policy out of the three governments' respective policies.<sup>27</sup> It is not, in other words, a decision-making mechanism among the three governments. Nor does it operate as a vehicle to formulate joint defense plan (the three governments' representatives are actually led by foreign affairs officials, not military personnel). It is primarily a consultation body where the three governments are informed of the others' policy development, so that they could maintain the common front without undermining one another's stance against North Korea. As such, it is an institution for coordinating security policy, rather than for allocating defense tasks—the latter is done in the South Korea-U.S. alliance and the Japan-U.S. alliance, respectively.<sup>28</sup> Another way to characterize the TCOG is that this institution fills the gap between these two formal U.S. alliances. Each alliance, as an institution, has its own functions including a power-aggregation function, and the TCOG helps bridge the two alliances, strengthening the hitherto weak Japan-South Korea leg among the tripartite politico-security relations. It should be stressed here that the TCOG is not designed to integrate the two alliances into one, unified tripartite alliance. As was noted already, defense planning and coordination remain squarely in the jurisdiction of the two bilateral alliances that the United States has. But without robust Japan-South Korea consultation, the North Korea policy of Japan and South Korea would be coordinated only through the United States, which in turn would be highly inefficient when the three states collectively want to confront North Korea's threat.

The TCOG seems to be operating well in two accounts.<sup>29</sup> First, it has been satisfying its original goal of helping the three member governments to maintain a common front against North Korea without gravely sacrificing any governments' interests. True, serious gaps remain among the three members' individual concerns and approaches. For example, compared with Seoul and its "sunshine policy" (engagement policy) toward North Korea, Washington under President George W. Bush is more hawkish. But what is remarkable about the TCOG is the fact that despite such differences, the three members do maintain their general unity against North Korea and seek to induce Pyongyang to give up its nuclear weapon and missile programs through diplomatic means rather than military strikes. Second, the TCOG has helped

improve the political climate between Japan and South Korea. To be sure, other forces and activities have warmed up—or cooled down—the relationship between the two states.<sup>30</sup> Furthermore, the TCOG itself may have been a product of improved Japan-South Korea relations rather than the other way around. Nevertheless, the TCOG has helped both reassure South Korea about Japan's security policy and reduce the level of anxiety about Japanese intentions. In sum, for Japan, the TCOG seems to be a successful institution that supplements its alliance with the United States in relation to North Korea, while it has generated favorable reassurance effects on Japan's relationship with South Korea.

### *Japan-Canada Security Cooperation Initiatives*

In the post-cold war period, Japan has seen many nontraditional types of security problems such as the question of how to rebuild a stable Cambodia. These human security issues are typically concerned with intrastate conflicts and/or with transnational problems, and the Japan-U.S. alliance alone is not sufficient in addressing them—after all, the alliance (or for that matter, the TCOG as well) was primarily designed for interstate conflicts. Japan's awareness of human security issues as a new policy challenge can be found, for example, in the aforementioned Higuchi report of 1994. After recommending that Japan participate in UN peacekeeping operations, the report continued to argue for NGO participation in peacekeeping operation and postconflict reconstruction, as well as for using foreign aid for this purpose.<sup>31</sup> It also recommended exchanges with Australia and Canada that have much experience with UN peacekeeping.<sup>32</sup> It was against this background that the Japan-Canada security cooperation initiatives emerged.<sup>33</sup>

In 1996, Tokyo and Ottawa commissioned two academics, one from Japan and the other from Canada, to write a policy paper for a joint action program. This Job-Nishihara report ("Japan-Canada Security Cooperation Study: Broadening the Agenda") was submitted to the two governments in the spring of 1997. While recommending more frequent meetings between Japanese and Canadian high-ranking foreign ministry officials and military officers, the report presented a list of potential areas for mutual cooperation including: (1) peacekeeping that is inclusive of NGOs; (2) arms control for small arms and antipersonnel landmines; and (3) human security issues such as illegal migration, postconflict reconstruction, and transnational crimes.<sup>34</sup>

The two governments were quick to follow up on the report. After holding bilateral political-military talks at the working level in September 1997, Tokyo and Ottawa started to prepare for a symposium, to explore the areas of future security cooperation that would include not only government officials but also nongovernmental participants from the NGO, media, and academic sectors. These working-level initiatives were strongly boosted by top political-level support, when Prime Ministers Hashimoto and Chrétien made a joint statement in Ottawa in November 1997. Then, the first Japan-Canada symposium on security cooperation was held in Vancouver in September 1998. The momentum was accelerated again by prime ministerial support when the two prime ministers (Obuchi had succeeded Hashimoto then) agreed in Tokyo on a framework agreement entitled “Japan-Canada Action Agenda for Peace and Security Cooperation” in September 1999. At the same time, the two governments hosted a conference in Tokyo on the question of development and peace-building involving NGOs. The Japan-Canada symposia on security cooperation have become institutionalized: Tokyo sponsored another one in November 2000 and Ottawa the next one two years later. Meanwhile, government-level cooperation continued to deepen between Tokyo and Ottawa, in the fields of military-to-military visits and consultations, UN peacekeeping operations (e.g., in the Golan Heights), and foreign aid operations.

Two points can be mentioned as the distinguishing characters of Japan-Canada security cooperation. First, as has been suggested already, human security issues have become the central area of bilateral cooperation since the first symposium. From the Japanese perspective, it is in these issues precisely that Canada has rich expertise and experiences. This does not preclude cooperation with other states in the area of human security, nor does it mean that Japan-Canada cooperation excludes traditional security issues. But the framework of the Japan-U.S. alliance—despite the oft-heard language of Japan-U.S. broader cooperation beyond that framework—is not adequate to address the human security agenda, which is after all not based on the traditional notion of military threat when conceptualizing the nature of security. Japan has sought different partners to pursue its human security agenda.

Second, nongovernment actors have played prominent roles in Japan-Canada security cooperation, which can be seen, for example, in the key status of the Job-Nishihara report and NGOs, as well as in the frequency of symposia, as reviewed earlier. This point stems partly from the nature of human security activities themselves, including the active involvement



of NGOs. But it is also a reflection of government policy practice: the use of nongovernmental actors is one traditional feature of Canadian security policy, and Tokyo has come to accept the inclusion of nongovernmental actors more positively in its security policy formulation and implementation—the Ministry of Foreign Affairs even started its own initiatives to strengthen its ties with Japanese NGOs in human security affairs. In comparison with the Japan-U.S. alliance (or any other traditional security arrangements), the inclusion of nongovernment actors stands out in Japan's emerging security cooperation with Canada.

### Summary

This section has analyzed two security policy institutions, the TCOG and Japan-Canada security cooperation initiatives. They are mechanisms to coordinate security policies—as opposed to mechanisms to negotiate binding decisions—among U.S. allies. Put another way, they involve the process of establishing political coalitions of sort among like-minded states in the Asia-Pacific region. As such, they have supplemented the Japan-U.S. alliance well. More specifically, they are designed to supplement the Japan-U.S. alliance by providing the functions that this alliance lacks, such as facilitating interalliance coordination (the TCOG) and tackling the human security agenda (Japan-Canada security cooperation). In addition, these security policy institutions have helped raise the comfort level—that is, the reassurance effects—between Japan and its partners.

Beyond these two institutions, one may also find other policy-coordination institutions in Japanese security affairs—even beyond the circle of U.S. allies. For example, Japan has been seeking regularized multilateral cooperation with other states in the area of transnational crime (e.g., international terrorism, organized crime activities including narcotics, and illegal migration)—human security.<sup>35</sup> Although contemporary Japan has few serious concerns about its own terrorists (e.g., the Japanese Red Army), such international cooperation measures have become politically important particularly after the September 11 terrorist attacks. As new nontraditional security problems are likely to emerge more in the post-cold war period, this kind of policy-coordination institutions will only increase in Japanese security relations.

The arguments developed thus far suggests that in Tokyo's view, the pursuit of human security goals does not necessarily contradict or conflict with traditional state security goals, as long as they both help the maintenance of the status quo. This is in sharp contrast to the oft-heard

dichotomous views: on the one hand, traditional security specialists, who employ the threat-focus conception of security in interstate affairs, tend to dismiss human security agendas as marginal at best; on the other hand, “progressives” tend to characterize human security as a new idea fundamentally transforming the traditional “war-prone” ways of thinking about security. In either view, state security and human security do not mix well. The Japanese government—more specifically, the Ministry of Foreign Affairs—thinks otherwise. Unlike traditional security specialists, it acknowledges the importance of intrastate security questions as an important policy challenge that the need to be addressed systematically. At the same time, it does not share the progressives’ romanticism about human security and its attitude is more practical: intrastate security problems need to be solved by their own rights, regardless of, and separately from, interstate security affairs. On this rather pragmatic conception of relationship between state security and human security, Tokyo has set up a functional division of labor in its system of security institutions.

### **The Third Tier: Dialogue Forums**

Among the institutions that Japan has embraced in the post-cold war period, the vast majority belong to the category of dialogue forums. These institutionalized meetings are designed at least to reduce the level of uncertainty and distrust and at most to raise the level of comfort and confidence among participants. Some are bilateral in nature—for example, military-to-military visits and information-exchange meetings, as well as joint exercises in search and rescue at sea. For example, Japan has conducted joint search and rescue exercises (as well as consultations and dialogues) with Russia and South Korea. Beyond these two states (and of course, the United States), post-cold war Japan has held regularized consultation or dialogue sessions with Australia, Canada, China, Singapore, and Thailand, as well as with France, Germany, the United Kingdom, and NATO.<sup>36</sup> Other dialogue forums are multilateral in orientation, whether subregional or truly region-wide in terms of membership. For example, beside the ARF and the CSCAP, Japan participates in the Northeast Asia Cooperation Dialogue and the Trilateral Forum on North Pacific Security, as well as in such uniformed-officer meetings as the Chiefs of Defense Conference, the Pacific Armies Chiefs’ Conference, the Western Pacific Naval Symposium, and the Pacific Air Chiefs’ Conference.<sup>37</sup>

The central concept of Japanese policy in these dialogue forums is reassurance: Japan wants to reduce the level of anxiety on the part of its

neighbors. Japan is aware that Asian states get nervous, given the history of Japanese aggression until 1945, when it tries to take proactive security policies. As was noted earlier, the Japan-U.S. alliance dampens such fear up to a point—but only up to a point. After all, its reassurance effects are only indirectly exerted in the region. Thus, dialogue forums are meant to extend and strengthen such reassurance effects. Through dialogue forums, furthermore, Japan itself could enjoy more transparency in other states' intentions. Consequently, the process of transparency-enhancement through dialogue activities is reciprocal, which in turn helps stabilize Japan's strategic environment.

### *The ARF*

Among these dialogue forums, the ARF deserves our attention, because it is the only track one organization of this type that includes all of the states in the Asia-Pacific region. It was officially established in 1994. At the highest level, the foreign ministers of the member states meet once a year, chaired by an ASEAN state, and the chair issues a statement. But the real locus of activities is at working-level meetings, the results of which are submitted at the foreign minister meeting. Two kinds of working-level meetings are particularly important: the senior official meeting and the intercessional support group on the question of confidence-building measures. They both meet annually. Other working-level meetings, in which nongovernmental players sometimes get involved, focus on specialized topics such as peacekeeping operations, transnational crimes, and search and rescue. While having regularized dialogue through these meetings is, in itself, a confidence-building measure, the ARF has achieved some concrete practices of confidence-building. These practices are typically unilateral information disclosure measures—that is, opening up otherwise undisclosed or difficult-to-acquire defense-related information on a voluntary basis. A case in point is the publication of defense white papers. Establishing such practices constitutes the first stage of the ARF's development according to its Concept Paper. The second stage involves the development of preventive diplomacy mechanisms, followed by the establishment of conflict resolution mechanism in the future. Since the ARF is committed to the principle of consensus in decision making and some states are not keen to move to the second stage, the majority of the ARF's achievements are found in the area of confidence-building measures.

Japan has been actively involved in the ARF since its inception. In fact, while the ASEAN states remained in the driver's seat all along,

Japan played the role of a rear engine of the ARF—for example, by persuading a reluctant United States to understand the need of an ARF-like multilateral dialogue forum in the Asia-Pacific region. But in the very early post-cold war years, Japan itself was actually hostile to the idea of promoting multilateral security forums because it believed that such forums would merely undermine the Japan-U.S. alliance. This is a cold war legacy as the Soviet Union used to promote multilateralism precisely for the purpose of weakening the Japan-U.S. alliance. Thus, Japan gave Canada a cold shoulder when Canada first promoted its North Pacific Cooperative Security Dialogue in the very early post-cold war period. It follows that Japan was highly suspicious of the concept of cooperative security, a concept underlying multilateral security dialogue. Japan changed its course 180 degrees in the early 1990s, as Midford brilliantly analyzes.<sup>38</sup> It came to embrace multilateral security dialogue forums as institutions that supplement the Japan-U.S. alliance.

After the collapse of the Soviet Union and particularly after the Gulf War of 1991, Tokyo realized that it should pursue a larger security role, but that such a role would inevitably invoke a strong sense of anxiety if not outright fear in Asia. It saw the need of an additional institution—beside the Japan-U.S. alliance—to reassure noncommunist states in the region that Japan would not be interested in military aggrandizement or a regional hegemon. At this pre-ARF stage, Japan's concern was primarily about the projection of its image. It was less concerned about the transparency of Chinese intentions, the ASEAN states' major concern. Furthermore, Japan was addressing its policy of reassurance to those states that belonged to the ASEAN Post-Ministerial Conference (ASEAN PMC)—which excludes Russia and China. Thus, it was careful not to equate the concept of reassurance to that of confidence-building, because the latter concept, originating in cold war Europe, was meant to apply to enemies, and Japan did not want to imply that these noncommunist states were Japan's enemies.<sup>39</sup> These points were crystallized in the so-called Nakayama proposal of 1991 in which the then Foreign Minister Nakayama proposed to discuss security issues among the ASEAN PMC members.

In the process leading to the advent of the ARF, Japan became more flexible on the question of ARF membership and it came to accept Russian and Chinese membership as Russia was no longer promoting multilateralism to undermine the Japan-U.S. alliance and as the need was increasingly felt to incorporate China, a rising power, into the international community. This change in Japan's attitude implied that the logic of reassurance could now be extended to China in two ways that

were highly compatible with the ASEAN states' policy preference regarding China: through dialogue processes, Japan could reassure China, along with noncommunist states, of its nonhostile intentions; and China could reduce the level of distrust and anxiety about its intentions, as perceived by government officials in Japan and other noncommunist states in the Asia-Pacific region. Thus, the interests of the ASEAN states and Japan converged. In July 1994, the ARF—which officially uses the concept of confidence-building rather than reassurance—began as a dialogue forum for “mutual reassurance.” Since then, Japan continues to commit itself to the growth of the ARF.

### Summary

At first glance, dialogue forums like the ARF seem insignificant. They look like talk shops that discuss seemingly marginal security issues, without making any binding decisions made among participants.<sup>40</sup> Yet as a group they occupy an integral part of Japan's post-cold war security policy because they share a reassurance function with the Japan-U.S. alliance. They are, in other words, a functional extension of the core alliance. Such a functional analysis clarifies the consistency (rather than contradiction) that Japanese policymakers and analysts see between the ARF and other dialogue forums on the one hand and the Japan-U.S. alliance on the other. It follows that although the distinction is often noted between bilateralism (i.e., the Japan-U.S. alliance) and multilateralism (e.g., the ARF), this analysis indicates that such a distinction may be misleading. Furthermore, as seen in the history of the ARF formation, Japan's proactive attitude toward dialogue forums was an about-face. Yet the analysis of the intended function of the ARF reveals that beneath this change lies a fundamental continuity in Japan's policy of security institutions: its commitment to reassurance policy in the post-cold war years.

### Conclusion

Post-cold war Japan's policy toward various Asia-Pacific security institutions is best characterized as a strategy of layered institutions. It has yielded a fairly coherent system, in which the Japan-U.S. alliance stands at the core while security policy institutions (e.g., the TCOG and Japan-Canada security cooperation initiatives) and dialogue forums (e.g., the ARF) operate as supplementary bodies to the core. Although on the surface, the linkage among the three tiers of institutions may be vague, an analysis of the functions performed by the respective institutions clarifies

the logic of such linkage. From this perspective, the core alliance has three functions, which fundamentally did not change at the end of the cold war: power-aggregation, reassurance, and governance. The new security policy institutions perform functions that the Japan-U.S. alliance does not: for example, interalliance coordination (the TCOG), and cooperation in the area of human security, particularly in multilateral settings (Japan-Canada security cooperation initiatives). As Japan faced new security challenges in the post-cold war period, it has erected or joined new security policy institutions with other U.S. allies. While these new institutions supplement the Japan-U.S. alliance by performing additional functions, Japan has used dialogue forums to augment the core alliances' reassurance function. In these ways, the new institutions were layered on top of the Japan-U.S. alliance, so that Japan can maximize its "institutional tool kit" in the new security environment. At the same time, Japan was very careful to differentiate its policy commitment across the three groups of institutions so as to not undermine the core alliance.

Focusing on institutional functions yields additional observations. Two deserve mentioning here. The first one concerns the formal linkage mechanisms between institutions. One key feature of the Japanese case under study is the absence of such formal linkages among the three groups of institutions. For example, there is no formal provision in the ARF or TCOG regarding the Japan-U.S. Mutual Security Treaty, or vice versa. This situation is in sharp contrast to the interinstitutional relations we find in Europe. For example, there is the formal linkage between the Organization for Security and Cooperation in Europe (OSCE) and North Atlantic Treaty Organization (NATO).<sup>41</sup> The absence of formal interinstitutional linkage stems perhaps from the fact that no need for such a linkage exists as far as the Japan-U.S. alliance is concerned. Formal linkage mechanisms become necessary only when there is a need of policy coordination between institutions, which in turn is a function of two structural features of interinstitutional relations: hierarchy or priority on the one hand, and functional (dis)similarities on the other. That is to say, when it is not clear which one of two (or more) institutions is clearly the most important, some formal mechanisms become necessary to determine which institutions' decisions should be given higher priority. Similarly, if institutions have very similar functions, their roles must be set out formally to avoid confusion. Since the relationships among the Japan-U.S. alliance, security policy institutions, and dialogue forums form a hierarchy and a clear functional division of labor, it follows that Japan sees no need to establish any formal mechanisms among the three.

Second, Japan's layering strategy is in sharp contrast to other institution-building strategies such as expansion strategy found in the case of NATO.<sup>42</sup> In the case of the TCOG, for example, the Japan-U.S. alliance was not expanded to include South Korea. The TCOG supplemented the Japan-U.S. alliance from Japan's perspective. Likewise, the Japan-U.S. alliance was not expanded to become the ARF; as was repeatedly stressed, the ARF is a functional extension of the Japan-U.S. alliance as far as Japan is concerned. Why do states choose one strategy over another? While the aforementioned hypotheses on interinstitutional relations may be helpful, more research is necessary.

Institutions are policy instruments in Japan's security affairs. They serve Japan's national interests. Japan is likely to be quite flexible in adding or eliminating noncore institutions, while maintaining the basic framework of the Japan-U.S. alliance, in light of new policy challenges. As the security scene of the Asia-Pacific region continues to evolve, Japan's "new security institutionalism" is likely to keep adapting in the foreseeable future. Perhaps, the biggest challenge for Japan in this context is to establish a security institution covering the entire Northeast Asia subregion, which inevitably must address the question of the Korean peninsula. Will Japanese security institutionalism succeed on this task? Only the future will tell.

## Notes

I thank the participants of this project, especially Professors Ikenberry and Inoguchi, for comments on an earlier draft.

1. Since the focus of this volume is on the Asia-Pacific region, Japan's security activities outside the region (e.g., Japan's dispatch of the Self-Defense Forces to the Indian Ocean and Iraq since 2001) are outside the purview of this chapter's analysis.
2. Kent E. Calder, "Japanese Foreign Economic Policy Formation: Explaining the Reactive State," *World Politics*, Vol. 60, No. 4 (July 1988): 517–541.
3. ASEAN stands for the Association of Southeast Asian Nations.
4. AEAN Plus Three consists of (1) the ten member states of the ASEAN (Brunei, Cambodia, Indonesia, Laos, Myanmar, Malaysia, the Philippines, Singapore, Thailand, and Vietnam) and (2) China, Japan, and South Korea.
5. Good examples can be found in two special issues of *Gaiko Forum* (1996, 1999), a publication representing mainstream views on Japanese security policy.
6. Christopher W. Hugh and Akiko Fukushima, "U.S.-Japan Security Relations: Toward Bilateralism Plus?" in Ellis S. Krauss and T.J. Pempel, eds., *Beyond Bilateralism: U.S.-Japan Relations in the New Asia-Pacific* (Stanford: Stanford University Press, 2004), pp. 78–84.

7. *Ibid.*, p. 79.
8. *Ibid.*, p. 80.
9. Available academic publications do not help us to get a systematic answer on this question. See, for example, Peter Katzenstein and Nobuo Okawara, "Japan, Asia-Pacific Security, and the Case of Analytical Eclecticism," *International Security*, Vol. 26, No. 3 (Winter 2001–2002): 153–185; Nobuo Okawara and Peter Katzenstein, "Japan and Asia-Pacific Security: Regionalization, Entrenched Bilateralism, and Incipient Multilateralism," *The Pacific Review*, Vol. 14, No. 3 (2001): 165–194; Tsuyoshi Kawasaki, "Between Realism and Idealism in Japanese Security Policy: The Case of the ASEAN Regional Forum," *The Pacific Review*, Vol. 10, No. 4 (1997): 480–503; Paul Midford, "Japan's Leadership Role in East Asian Security Multilateralism: The Nakayama Proposal and the Logic of Reassurance," *The Pacific Review*, Vol. 13, No. 3 (2000): 367–397.
10. Outside of the system composed of these three groups of institutions that lie other regional security institutions such as the Six Party Talks and the Proliferation Security Initiative (PSI). In the early 2000s, the Six Party Talks emerged as a disguised bargaining table between North Korea and the United States, while the PSI started as a shipping inspection program on weapon materials. Japan belongs to both. It is still too early to judge how and when they—along with post-9/11 APEC with its antiterrorism agenda—will become incorporated into Japan's three-tiered system of security institutions. My remarks on "new regional security institutions" in the rest of the chapter concern only the three-tiered system.
11. Canada has used multilateralism to deflect U.S. power. On this and other functions of multilateralism in Canadian foreign policy, see Tom Keating, *Canada and World Order: The Multilateralist Tradition in Canadian Foreign Policy* (Toronto: McClelland and Stewart, 1993), pp. 9–23.
12. While neorealists tend to underemphasize the role of international institutions in world politics, classical realists better appreciated international institutions as tools of statecraft. On such a neorealist position, the reader can consult Kenneth Waltz, *Theory of International Politics* (New York: Random House, 1979) and John Mearsheimer, "The False Promise of International Institutions," *International Security*, Vol. 19, No. 3 (Winter 1994/1995): 5–49. As for the classical realist position, see, for example, E.H. Carr, *The Twenty Year's Crisis, 1919–1939: An Introduction to the Study of International Relations*, reissued with a new introduction and additional material by Michael Cox (New York: Palgrave, 2001), Chapter 10. Recently, some scholars have "rediscovered" the insights of classical realists on international institutions and are advancing these insights under the banner of realist institutionalism. See, for example, Ronald Krebs, "Perverse Institutionalism: NATO and the Greco-Turkish Conflict," *International Organization*, Vol. 53, No. 2 (Spring 1999): 343–377; Randall Schweller and David Priess, "A Tale of Two Realisms: Expanding the Institutions Debate," *Mershon International Studies Review*, Vol. 41, Supp. 1 (May 1997): 1–32; also see G. John Ikenberry,



*After Victory: Institutions, Strategic Restraints, and the Rebuilding of Order after Major Wars* (Princeton, NJ: Princeton University Press, 2000). The present chapter joins this movement as it analyzes the Japanese statecraft of international institutions, and it does so by crossing the realist-liberal divide: it incorporates the approach utilized by neoliberal institutionalism that focuses on the functions of institutions. The recent neoliberal institutionalist literature includes Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984), Part 2; Helga Haftendorn, Robert Keohane, and Celeste Wallander, eds., *Imperfect Unions: Security Institutions over Time and Space* (Oxford: Oxford University Press, 1999); Celeste Wallander, "Institutional Assets and Adaptability: NATO and the Cold War," *International Organization*, Vol. 54, No. 4 (Autumn 2000): 705–735; Barbara Koremenos, Charles Lipson, and Duncan Snidal, "The Rational Design of International Institutions," *International Organization*, Vol. 55, No. 4 (Autumn 2001): 761–799.

13. Such U.S. actions would be based on Article 5 of the Japan-US Mutual Security Treaty.
14. Article 6 of the Japan-U.S. Mutual Security Treaty is the legal foundation of such protection, as far as U.S. military action in the Western Pacific region is concerned. Since 1997 (with the introduction of the new Guidelines for Japan-U.S. Defense Cooperation), Japan has committed itself to providing U.S. forces with rear-end logistical support.
15. This by no means implies that Japan is content with its reliance on U.S. military technology. As for Japan's past attempts to develop independent military technology, see, for example, Michael Green, *Arming Japan: Defense Production, Alliance Politics, and the Postwar Search for Autonomy* (New York: Columbia University Press, 1995) and Richard Samuels, *"Rich Nation, Strong Army": National Security and the Technological Transformation of Japan* (Ithaca, NY: Cornell University Press, 1994).
16. For example, Keohane, *After Hegemony*.
17. See, for example, Takuya Kubo, "Nichibei Anpo Jyoyaku wo Minaosu" [The Japan-U.S. Security Treaty Revisited], in Kubo Takuya Iko Tsuitoshu Kankokai, ed., *Kubo Takuya Iko Tsuitoshu* [In Memory of Kubo Takuya] (Tokyo: Kubo Takuya Iko Tsuitoshu Kankokai, 1981), pp. 40–58.
18. Paul Schroeder, "Alliances, 1815–1945: Weapons of Power and Tools of Management," in Klaus Knorr, ed., *Historical Dimensions of National Security Problems* (Lawrence: University Press of Kansas, 1976), pp. 227–262.
19. For Yoshida's view on this point, see Shigeru Yoshida, *Sekai to Nihon* [The World and Japan] (Tokyo: Bancho Shobo, 1963), pp. 123–127 and 157–158.
20. The text of the 1996 Joint Declaration can be found at the following web site: <<http://www.mofa.go.jp/region/n-america/us/security/security.html>>.
21. Stephen Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987).

22. Wallander, "Institutional Assets and Adaptability." See also Celeste Wallander and Robert Keohane, "Risk, Threat, and Security Institutions," in Haftendorn et al., eds., *Imperfect Unions*, pp. 21–47.
23. Yoichi Funabashi, *Domei Hyoryu* [The Drifting Alliance] (Tokyo: Iwanami Shoten, 1997).
24. For example, Shoichi Furuseki, Yuji Suzuki, Susumu Takahashi, Sakio Takayanagi, Yoshiaki Tsuboi, Tetsuo Maeda, Jiro Yamaguchi, Yasushi Yamaguchi, and Haruki Wada, "Ajia Taiheiyo Chiiki Anpo wo Koso suru" [Designing the Regional Security of the Asia-Pacific], *Sekai*, No. 602 (December 1994): 22–40.
25. See, for example, the Japan Forum on International Relations, "Building a System of Security and Cooperation in East Asia," the 22nd Policy Recommendation of the JFIR Policy Council, 18 December 2002.
26. Hitoshi Tanaka, "Shin-jidai no Nichibei Anpo Taisei wo Kangaeru" [On the Japan-U.S. Security System in a New Era], *Chuo Koron*, Vol. 111, No. 14 (December 1996): 113–114.
27. Hajime Izumi, "Nichi-Bei-Kan Sankokukan Kyocho no Genjo to Kadai" [Japan-U.S.-Korea Policy Coordination: The Current Status and Future Challenges], *Toa* (May 2000). <[http://www.kazankai.org/publishing/toa/2002\\_05/korea/01.html](http://www.kazankai.org/publishing/toa/2002_05/korea/01.html)>, accessed on January 31, 2003. See especially Note 2. For a similar assessment, see James L. Schoff, *The Evolution of the TCOG as a Diplomatic Tool* (Cambridge, MA: Institute for Foreign Policy Analysis, 2004).
28. See Izumi, "Nichi-Bei-Kan Sankokukan Kyocho." Also see Victor Cha, "Rooting the Pragmatic in Japan-ROK Security Relations," Pacific Forum CSIS Comparative Connections, 1999, <[http://www.csis.org/pacfor/cc/992qjapan\\_skorea.html](http://www.csis.org/pacfor/cc/992qjapan_skorea.html)>, accessed on January 25, 2003.
29. For a comprehensive assessment of the TCOG, see Schoff, *The Evolution of the TCOG*.
30. So-called history questions including Prime Minister Koizumi's visit to the Yasukuni Shrine have been a major "chilling" factor in Japan-South Korea political relations.
31. Boei Mondai Kondankai, "Nihon no Anzen Hoshō to Boeiriyoku no Arikata" [The Modality of the Security and Defense Capability of Japan], August 12, 1994, p. 8.
32. *Ibid.*, p. 9.
33. An overview of Japan-Canada security cooperation is available at the following website run by the Canadian Department of Foreign Affairs and International Trade, which itself is a product of such bilateral cooperation: <<http://www.dfait-maeci.gc.ca/ni-ka/peace-en.asp>>, accessed on January 31, 2003.
34. The Job-Nishihara Report is available at: <<http://www.dfait-maeci.gc.ca/ni-ka/job-nishihara-en.asp>>, accessed on January 31, 2003.
35. See, for example, Okawara and Katzenstein, "Japan and Asia-Pacific Security," pp. 173–182.

36. Boeicho. *Boei Hakusho, Heisei 12-nendoban* [Defense of Japan, 2000] (Tokyo: Okurasho Insatsukyoku, 2000). p. 187.
37. *Ibid.*, p. 193.
38. Midford, "Japan's Leadership Role in East Asian Security Multilateralism." See also: Kawasaki, "Between Realism and Idealism in Japanese Security Policy"; Tsutomu Kikuchi, *APEC: Ajia Taiheiyo Shin-Chitsujo no Mosaku* [APEC: In Search of a New Asia-Pacific Order] (Tokyo: Nihon Kokusai Mondai Kenkyujo, 1995); Masashi Nishihara, "Ajia Taiheiyo Chiiki to Takokukan Anzen Hoshu Kyoryoku no Wakugumi: ASEAN Chiiki Forumu wo Chushin ni" [The Framework of Multilateral Security Cooperation in the Asia-Pacific Region: With a Special Focus on the ASEAN Regional Forum], *Kokusai Mondai*, No. 415 (October 1994): 60–74; Yukio Satoh, "1995-nen no Fushime ni Mukete: Ajia Taiheiyo Chiiki no Anzen Hoshu" [On Coming Anniversaries during the Year of 1995: Security in the Asia-Pacific Region], *Gaiko Forumu*, No. 64 (January 1994): 12–23.
39. Yukio Satoh, "Asian-Pacific Process for Stability and Security," in the Japanese Ministry of Foreign Affairs, *Japan's Post Gulf International Initiatives* (Tokyo: Japanese Ministry of Foreign Affairs, 1991), p. 43.
40. This line of critical views include: Michael Leifer, *The ASEAN Regional Forum: Extending ASEAN's Mode of Regional Security*, *Adelphi Paper*, No. 302 (Oxford: Oxford University Press, 1996); Robyn Lim, "The ASEAN Regional Forum: Building on Sand," *Contemporary Southeast Asia*, Vol. 20, No. 2 (August 1998): 115–136.
41. Heiko Borchert, "Strengthening Europe's Security Architecture: Where Do We Stand? Where Should We Go?" in Heinz Gärtner, Adrian Hyde-Price, and Erich Reiter, eds., *Europe's New Security Challenges* (Boulder, CO: Lynne Rienner, 2001), pp. 177–179.
42. Peter Schmidt points out other state strategies in post-cold war European context in "The Comparability of Security Organizations and Policies in Europe," in Gärtner et al., eds., *Europe's New Security Challenges*, pp. 151–155.

## CHAPTER 4

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# Currents of Power: U.S. Alliances with Japan and Taiwan during the Cold War

*Victor D. Cha*

It should be noted that up to 1898—indeed to 1900—the American policy of respect for the territorial integrity of the Far Eastern nations had the effect of a purely self-denying ordinance. It did not enjoin on the United States the obligation of defending this territorial integrity from others. The United States was thus able to keep free of serious involvement in the politics of Eastern Asia.<sup>1</sup>

### Introduction

America's preference to remain detached and distant from Asia at the turn of the twentieth century stands in contrast to its deep engagement in a network of bilateral alliances during and fifty years after the cold war. U.S. missionary and commercial interests in the earlier period contrast starkly with its later expansive role as the core underwriter of security. Despite these differences, a common preference informed U.S. strategy toward Asia in both periods. This was the desire not to allow America to become overextended in Asia. Even when offering a security umbrella to countries in the region, the United States remained acutely sensitive to avoiding deep entanglements in the defense sector and affairs of the region.

In this chapter, I argue that this American fear of entrapment had a much deeper impact on the origins of U.S. cold war alliances in Asia than has been acknowledged in the past. The impact is measured in

terms of the *motivations* for alliance-building in Asia as well as the *type* of alliance deemed optimal for U.S. interests. I argue that fears of entrapment caused the United States to prefer bilateralism rather than multilateralism in Asia when it first built the alliances in the 1950s. Moreover, this fear of entrapment was distinct to Asia, and did not exist in U.S. motivations for building alliances in Europe. The United States created alliances in Asia and Europe to contain the Soviet threat, but a congruent rationale for the alliances in Asia was to *constrain* the ally from aggressive behavior that could pull the United States into a larger war. East Asia's security bilateralism today is therefore a historical artifact of American rationales for constructing alliance networks in Asia at the end of World War II. The United States sought relationships with these distant Asian countries not just for defense and deterrence but also as a means of exercising decisive power over their subjects' political and military actions. Alliances in Europe were also about establishing control, but in Asia, the primary purpose of this control was to prevent small countries from starting wars that could embroil the United States in a larger, unwanted conflict on the Asian mainland.

This constraint motivation behind U.S. alliances in Asia is what I refer to as the "powerplay" rationale. This rationale had an implicit yet powerful formative impact on the American-based postwar alliance system's evolution in Asia. Because the restraint of the ally was best exercised bilaterally, there was no compelling need to expand the American alliances in Asia to a larger multilateral framework.

I argue that the powerplay rationale informed American intentions vis-à-vis the United States-Republic of China (ROC) (1954). The United States established this alliance not only to contain communism, but also to keep Taipei from provoking conflicts that might embroil it in a larger war on the Asian mainland. This additional rationale impeded the need for a larger multilateral security framework in Asia. Washington best exercised control bilaterally. To have tried to exercise similar control in a larger multilateral regional framework would have diluted United States material and political influence. In Europe by contrast, there were no concerns about small aggressive states entrapping the United States in a larger war with the Soviet Union. This reduced the obstacles to forming a more complex, multilateral form of security organization.

The powerplay rationale for Japan was slightly different. The United States understood that Japan was the only candidate for great power status in the region after World War II. The powerplay rationale for the alliance therefore was to win Japan as an ally—that is, to exercise decisive influence over Japan's transformation from a defeated wartime

power into a status quo power supportive of U.S. interests in the region. This was accomplished through creating bilateral security dependence within the alliance. The Japan project was too important for the United States to leave to the vagaries of a committee of powers in a region of the world devoid of great power equivalents as in Europe. This powerplay rationale had the effect of isolating Japan from the rest of Asia, making reconciliation difficult. Japan's lack of postwar integration with the region in turn made multilateralism difficult.

The story of American alliances in Asia was therefore different from that in Europe. Alliances were not just instruments of containment against the adversary; they were also instruments of control over the allies. The supplementary powerplay rationale reduced the need for and made the prospects of organizing a NATO-like multilateral organization in Asia less likely.

The powerplay argument has implications for the recent work on multilateralism and the uses of power. It challenges the prevailing causal proposition in the literature that embedding a state in multilateral structures and rules is the best way to control power and dampen unilateralist inclinations.<sup>2</sup> In particular, I show that power asymmetries select for the type of strictures that work best for control. If small powers try to control a larger one, then multilateralism works. But if larger powers seek control over smaller ones, multilateralism is highly inefficient and ineffective.

The powerplay argument also challenges traditional propositions held out by alliance theory about abandonment and entrapment.<sup>3</sup> The prevailing causal proposition is that allies adopt generally passive, distancing strategies—such as weakening commitments, reducing aid, or even alliance abrogation—when faced with entrapment fears. The powerplay argument shows that, on the contrary, states may *tighten* rather than loosen the alliance in order to exert more direct restraint and stop the ally from taking undesirable actions. In this regard, I highlight the active rather than passive strategies for dealing with entrapment fears.

### Powerplay

I define the powerplay rationale as the creation of an asymmetrical alliance tie—hence security dependency of the lesser state—for the purpose of inhibiting the smaller ally's unilateral and aggressive actions that might entrap the larger ally. American preferences for forming alliances in East Asia at the start of the cold war were formed at the intersection of power and institutions. American planners sought to use the alliances

as *pactum de contrahendo* (pacts of restraint).<sup>4</sup> I argue that in East Asia, the United States created alliances not just as a means of containment (as was the case in Europe), but also as a means of constraining the ally from adventuristic behavior that might force U.S. involvement in unwanted larger military contingencies in the region.

Three simple conditions are necessary for the powerplay rationale to be operative within an alliance: (1) external threat; (2) power asymmetries between the allies; and (3) fears of entrapment. I detail these briefly here.

### *External Threats*

First, there must be an external threat against which the alliance is directed. In this regard, the powerplay rationale is a congruent one for alliances. It does not operate in lieu of the core rationales of defense and deterrence, but can run parallel to these. It usually operates implicitly rather than explicitly as the alliance's *raison d'être*. And it does not apply to all alliances. In America's European alliances, for example, the defense and deterrence rationales were operative, but the powerplay rationale was not. The United States formed alliances to defend the recovering states of postwar Europe but did not seek these ties for powerplay purposes—that is, there was comparably less concern in Europe about smaller countries lashing out against the Soviet Union and entrapping the United States in a larger, perhaps nuclear, war.

In Asia, by contrast, there were real concerns about smaller countries doing such things (for national purposes) and dragging the United States in a larger war with either China or the Soviet Union. Eisenhower's exasperated debate with one of his Asian allies in the early 1950s captured the nature of this U.S. concern: "when you say that we should deliberately plunge into war, let me tell you that if war comes, it will be horrible. Atomic war will destroy civilization. . . . The kind of war I am talking about, if carried out, would not save democracy. Civilization would be ruined . . . That is why we are opposed to war."<sup>5</sup>

### *Power Disparities*

Second, powerplay rationales become operative in alliances with large power disparities. States entering into alliances contend with a tradeoff between autonomy and security. As an efficiency exercise, they choose alliances over internal balancing to achieve security at lesser cost than diverting domestic resources to achieve the same result.<sup>6</sup> But the security savings achieved through alliances must always be discounted by the

costs of giving up some autonomy. For alliances between major powers, the discount generally consists of some form of mutual accommodation when interests are conflicting.

The observation that alliances are not just instruments of power aggregation but also instruments of potential control among allies has been well-established.<sup>7</sup> Bismarck noted that the best alliances occur when one ally is the horse and the other is the rider, not when you have two horses.<sup>8</sup> But there has been little theoretical development of the dynamics of control, the conditions under which control works effectively, and the types of alliance (bilateral versus multilateral) best-suited for control.<sup>9</sup>

The power gap between allies plays a critical role in the control aspect of alliances. If the alliance is between a large and small power, then bilateral alliances become powerful instruments of control over the smaller ally. The smaller ally does better by receiving security and power accretion, but it also becomes heavily dependent on the ally in ways that award the larger patron a great deal of control.<sup>10</sup>

The notion of bilateral alliances as instruments of control runs counter to some arguments about multilateral control that inform contemporary discussions in international relations and foreign policy.<sup>11</sup> If the objective is to control a state, structural liberalism assumes that this is best achieved by embedding the subject in multilateral rather than bilateral structures. As Ikenberry argues, multilateralism's logic centers on a set of agreed-upon rules and principles that require participants to trade a reduction in policy autonomy for predictability, transparency, and "voice" opportunities.<sup>12</sup> Be the state in question a rising China or even a unilateralist America, often we are drawn to discussions about using multilateral mechanisms to exercise control. Tying the subject into a myriad of rules, obligations, and procedures subject to the consensus of a committee of members is the best means of control.<sup>13</sup>

What differentiates the liberal conception of control and the power-play conception is power—and in particular who seeks control over whom. If control is being sought over a large power by smaller ones, then the Lilliputian strategy of control makes sense. Multilateral constraints sponsored by the many small states are necessary to bind the large state and discourage unilateral action. As Grieco observed, "the weaker but still influential partners will seek to ensure that the rules so constructed will provide for effective voice opportunities for them and will thereby prevent or at least ameliorate their domination by stronger partners."<sup>14</sup> Multilateralism equalizes power asymmetries to the advantage of the smaller players as everyone gets only one vote. This is why



Southeast Asian nations prefer to deal with China through the structure of ASEAN, and some have described NATO as source of multilateral constraint on American unipolar power.

If control is being sought, however, by the larger power over a small one, then this is best done bilaterally rather than multilaterally. If multilateralism gives the advantage to the smaller power, then bilateralism amplifies the large power's capabilities (the conditions under which powers seek to do this are elaborated in the next section). Big powers can maximize leverage by forging a series of bilateral deals with allies rather than being constrained by a multilateral agreement.<sup>15</sup> As Robert Kagan notes, those who are weak seek multilateralism, but those who are strong avoid universal rules and multilateral constraints.<sup>16</sup> John Foster Dulles was known to have liked the hub-and-spokes concept of bilateral alliances because it gave the United States more leverage and deprived its allies of other mediators or rule-makers.<sup>17</sup> Arguably, the Bush administration's foreign policy penchant today is not for multilateralism or even unilateralism, but intense bilateralism. Rather than going it alone or going it with others, intensive one-on-one relationships with hand-picked allies maximizes the U.S. capacity to get what it wants.<sup>18</sup> In sum, the larger power can exercise efficient control. Every issue does not need to be put to a committee vote. Moreover the more bilateral material dependence the large state can build up over the smaller one, the more control it can exercise.<sup>19</sup>

### *Entrapment Anxieties*

The third condition for powerplay rationales to operate is the fear of entrapment or chain-ganging within the alliance. Entrapment refers to "the anxiety that an ally might drag one into contingencies that one does not share or shares only partially."<sup>20</sup> Works by Christensen and Schweller explain the anxiety of entrapment as leading to "distancing" or "hedging" strategies on the part of the anxiety-ridden state.<sup>21</sup> If state A has fears of entrapment with regard to state B, then it could employ a range of strategies to alleviate these fears, including:

- Reducing or withholding material support for the ally
- Employing voice opportunities to castigate the ally's overzealousness
- Seeking conciliation with the adversary to avoid entrapment
- Abrogating the alliance.<sup>22</sup>

The powerplay argument reaches the counterintuitive finding that states when faced with entrapment fears may actually *draw closer* to the ally to alleviate this fear. This is because drawing closer, rather than distancing, offers more control over the ally's actions.

This is acutely the case for large powers in alliances. The smaller ally may have its own agenda, might feel emboldened by the larger ally's commitment, or might manipulate this commitment to its advantage. In either case the larger ally seeks control to prevent irresponsible acts by the smaller ally. As Snyder noted, this is often the dilemma big powers encounter regarding entrapment anxieties—rather than seeking control over the ally, the big power could choose simply to abrogate the alliance. But the latter choice often leads to perverse effects and potentially even worse security outcomes.<sup>23</sup> China wants to avoid becoming entrapped in a situation in which North Korea becomes a declared nuclear weapons state, for example, but avoiding entrapment by terminating its support of Pyongyang would lead to the perverse effect of heightening the North's perceived need for nuclear weapons.

In terms of alliance strategy, the powerplay rationale or control strategy represents a more proactive means by which states can deal with entrapment fears. If entrapment is about the anxiety of losing control of a situation created by the alliance, the traditional reaction, as explained in the literature, is a passive one—distancing from the problem or absolving responsibility for the alliance. The powerplay argument represents more of a “take the bull by the horns” approach to entrapment that allies can use. The strategy is proactive rather than passive, investing more in, rather than divesting from, the alliance.<sup>24</sup>

Generally speaking, the intensity of the entrapment fear will determine when states will pursue distancing or control strategies. The prevailing means by which states deal with entrapment fears—reducing material support; weakening commitments; castigating the ally—are generally not costly in material terms. These strategies may have reputational costs (e.g., reducing goodwill between allies, increasing mistrust) associated with them, but the material costs are not high. For this reason, they are often the preferred strategies.

The results of a distancing strategy—in terms of restraining the ally—are far from certain, however. It is a passive attempt at dealing with entrapment that is less costly but also potentially less effective. If entrapment fears are extremely intense, then the ally may prefer a more proactive control strategy. The costs of a control strategy are high relative to distancing. They usually require the ally to expend more military assistance,

expand defense commitments and cooperation and provide more economic cooperation. But the results may be more effective. The purpose of these increased expenditures is to make one state more dependent on the other such that the latter's control is enhanced.

For example, if ally A knows that regardless of the state of its relationship with ally B it must intervene and get dragged into any conflict started by B, then ally A is better off trying to exercise a proactive strategy of restraint over B's actions to minimize its fear of entrapment rather than a more passive distancing strategy. Ally A, by drawing closer to B and increasing B's dependence, can effectively control B's actions more effectively than would otherwise be the case. This is a more costly way of dealing with entrapment fears than a distancing strategy. But these preventive costs are reasonable compared with the actual costs of being dragged into the ally's war.

In sum, the notion of control that informs the powerplay argument therefore highlights the "darker side" of alliances as institutions. Alliances are not simply institutions of like-minded, equal parties defending against an external threat. They are institutions of control and restraint, or as Schroeder termed, *pactum de contrahendo* (pacts of restraint).<sup>25</sup> Institutionalists view multilateral alliances today as a means by which allies can restrain, curb, and modulate the power of the United States. This makes sense. But the obverse of this mantra is that bilateral alliance institutions can be used to amplify and channel power strongly in favor of the patron power over smaller subjects. As Bismarck noted, two horses do not make an alliance, but one horse and one rider do.

### Origins of the American Powerplay System in Asia

The Truman and Eisenhower administrations wanted to restrain smaller states from entrapping America in a larger war. The nature of this control was considerable as it essentially gave the United States control over another nation's sovereign right to use force. The capacity to exercise this type of control was through material and political dependency of the ally on the United States. This dependency was best created through maintaining deep, tight bilateral ties. Expanding this to a larger multilateral network was neither necessary nor desired. Contemplating such an expansion would have presented the United States with more costs than benefits—it would have diluted the United States's ability to control the allies and would offer little marginal value in terms of enhanced defense and deterrence. This "entrapment discount" faced by the United States in Asia meant that the benefits of multilateralism were not worth

the costs. In Europe by contrast, the absence of a comparable powerplay rationale made multilateralism much more feasible. Multilateralism offered many benefits to the United States and its allies in terms of transparency, efficiency gains, and credible commitments. These benefits were particularly attractive to planners for Europe precisely because they were not as heavily discounted by the costs and consequences of losing a degree of control over allied actions as was true in Asia.

### *Restraining Taiwan*

The United States formed alliances in Northeast Asia to contain the communist threat. But as the United States made these commitments, anxieties grew about emboldening certain allies in the Pacific. As a result, the United States sought the dual goals of containment and control in these new bilateral alliances: containment of the communist threat, but also control of adventuristic allied actions. Control in the case of Taiwan was exercised through a highly conditional defense commitment to the Chiang Kai-shek regime.

The Americans were prepared to abandon Taiwan after the CCP victory in 1949. Documented in a 1054-page report released in August 1949, the United States recognized that the communists had won the mainland and that Washington had to accommodate the new reality.<sup>26</sup> The North Korean invasion in June 1950, however, changed U.S. threat perceptions dramatically. A broader communist challenge was now perceived, and with the intervention in Korea, Washington also decided to interpose the Seventh Fleet to “neutralize” the Taiwan straits. This effectively manifested a new U.S. defense commitment that was later formalized in 1954 when the United States responded to the first offshore islands crisis by signing a mutual defense treaty and passing the Formosa resolution authorizing the use of force to defend Taiwan.

America’s new ally and Nationalist leader Chiang Kai-shek made no secret of his ambition to militarily retake the mainland. Chiang’s provocative actions included setting public timelines for when he would invade, ordering raids into China (by loyalists from Burma); dispatching ROC troops to disputed offshore islands closest to the Chinese coast; and claiming that loyalist guerilla units planted in China were ready to rise up against the communist government in Beijing.<sup>27</sup> Chiang told Eisenhower in 1953 that he could mobilize 60 divisions (500,000 ground forces) as the “spearhead” to an invasion of the mainland, and requested that this be coupled with a U.S. coastal blockade and bombing plan.<sup>28</sup> Internal State Department memos in 1958 openly assessed that

Chiang's objective was to pull the United States into a nuclear war with China.<sup>29</sup> Though his fiery anticommunism was appealing to the Truman and Eisenhower administrations, this Nationalist leader was a loose cannon and potentially very dangerous.

### *Controlling a Loose Cannon*

Chiang's revisionist ambitions posed a dual deterrence dilemma for the United States: signal enough resolve to deter China, but not so much resolve that Taiwan would assume a U.S. blank check.<sup>30</sup> Washington responded by utilizing the bilateral defense commitment itself as a means of restraining Taiwan. This restraint was first evident when the United States "neutralized" the Taiwan Strait during the Korean War. Secretary of State Acheson's rationalization was not only to keep Taiwan out of communist hands, but also to stop Chiang's amphibious raids into China that risked opening a second front in Asia.<sup>31</sup> This "control" aspect of Taiwan policy was formalized in President Truman's statement on July 3, 1950:

The occupation of Formosa by Communist forces would be a direct threat to the security of the Pacific area and to United States forces performing their lawful and necessary functions in that area. Accordingly, I have ordered the Seventh Fleet to prevent any attack on Formosa. As a corollary of this action, I am calling upon the Chinese Government on Formosa to cease all air and sea operations against the mainland.<sup>32</sup>

One could argue that the conditional nature of the U.S. commitment was not unusual, and was in fact, prudent policy. But this was more than routine diplomatic practice. First, the United States exhibited far less conditionality in its commitment to Europe when the communist threat in Asia arguably was more immediate. Second, Washington was not satisfied with merely making public statements, but also took the unusual step of documenting U.S. control over Taiwan's sovereign right to use force in a secret minute accompanying the defense treaty. In conjunction with the Formosa resolution authorizing the United States to use its forces to defend Taiwan, an exchange of notes between Secretary Dulles and ROC Foreign Minister George Yeh (December 10, 1954) stated that the use of force required "joint agreement" between Taipei and Washington.<sup>33</sup> Hence, Washington made the defense commitment to the Nationalists inseparable from the same commitment's capacity to restrain the regime.

When the neutralization of the Seventh Fleet was eventually lifted in early 1953, Eisenhower in NSC (National Security Council) meetings noted the “real trouble and danger [is] that Chiang Kai-shek might go on the warpath,” and instructed the U.S. Pacific commander “to expedite obtaining a commitment from the Chinese Nationalist government that the Chinese Nationalist Forces will not engage in offensive operations considered by the United States to be inimical to the best interests of the United States.”<sup>34</sup> Dulles pointedly relayed to Chiang that he should not interpret U.S. actions as support for aggressive actions against mainland China.<sup>35</sup> In addition, Dulles supported secret curtailment of arms transfers until Chiang committed to U.S. demands:

I have your memorandum of March 31 with reference to the worries of the JCS arising from the delivery of U.S. F-84 aircraft to Formosa. I share these worries. . . . We are attempting to get an agreement with Chiang Kai-shek that he will not use the new equipment we give him against the China mainland without our prior consent. . . . I believe that the Defense Department should suspend any deliveries of aircraft capable of attacking the mainland until we get the political agreement we want.<sup>36</sup>

During the second offshore islands crisis in 1958, Dulles wrote an internal paper that formed the basis of much of U.S. policy. In this work, Dulles laid out four key restraints on Taiwan action: (1) The Nationalist government should conduct itself as though there were an armistice in place with the mainland; (2) Chiang should reaffirm that he will not attempt to forcibly retake the mainland; (3) Chiang should refrain from commando raids, provocations, and overflights; and (4) the offshore islands should not be used as “jumping off” bases to conduct attacks against the mainland.<sup>37</sup> Even though the United States mobilized air and naval forces to break China’s attempted blockade of the island and hinted that it would use nuclear weapons to defend Taiwan, Eisenhower turned down requests by Taiwan to bomb Chinese artillery positions on the mainland. Dulles and Eisenhower, moreover, demanded Chiang evacuate his 100,000 troops (or one-third of the army) from the offshore islands.<sup>38</sup>

Eisenhower stated in NSC meetings that he saw these deployments not as “fortified stepping stones to retake the mainland” (i.e., Chiang’s rationale), but as an attempt to embroil the United States in a third world war.<sup>39</sup> Dulles was even more blunt expressing his distaste for Chiang’s tactics in personal correspondence with U.S. Ambassador Drumright in Taiwan: “[Chiang] should equally realize that we are up

against the charge that we are being dragged into a world war by Chiang, that we have put the destinies of the American people at his disposal, and that we have no flexibility in our position because Chiang is stubborn and will not agree because he feels that his only real hope is to precipitate world war.”<sup>40</sup> The conditional nature of the U.S. commitment was reasserted in public statements in September 1958.<sup>41</sup> Similar constraints were imposed by Kennedy on Chiang during the 1962 Quemoy-Matsu crisis.<sup>42</sup>

### *Contingency Planning*

This restraint aspect of the Taiwan alliance permeated U.S. operational plans that exhibited an order of battle phased in ways that would enable the United States opportunities to decipher whether a bonafide Chinese attack was underway without any Taiwanese provocation. Phase 2 was premised on an overt Chinese attempt to take one of the islands, in which case U.S. forces would directly assist in the defense of offshore islands including attack on enemy artillery positions and local airfields. Phase 3 was premised on a Chinese attempt to capture Taiwan or the Penghus, which would elicit a direct U.S. response against China, possibly including nuclear weapons. But most interesting in the context of the powerplay argument was phase 1 that was premised on the most likely scenario—a Chinese action short of major military attacks. In this scenario, direct U.S. military action would be expressly held in abeyance pending evidence that Chinese aggression was unprovoked. In the interim, the United States would only provide material support and logistics.<sup>43</sup> In retrospect, this was an extraordinary statement. The scenario posited some Chinese hostility (at the height of the cold war, no less), but did not give the Taiwanese the benefit of the doubt regarding who the instigator was.

As one expert of U.S.-Taiwan relations observed, the reason had to do with the powerplay rationale: “among the major motivations for the U.S. alliance with [Taiwan] was the determination to circumscribe its reach and ability to wreak havoc in international affairs.”<sup>44</sup>

### *Restraining Japan*

A different powerplay rationale was relevant for Japan. As the only major power in the region, Japan’s postwar rise, despite being defeated, was inevitable. Hence, the strategy was one of soft binding. The alliance’s purpose was, of course, to defend Japan and to contain the cold war

threat, but it was also to establish a deep and robust bilateral tie that would ensure the nation's reemergence after World War II as a power whose interests would be convergent with that of the United States. As George Kennan aptly described, the American objective was "to win Japan as an ally."<sup>45</sup>

American planners understood immediately that postwar Japan was the only great power in Asia. A November 1949 strategy paper for the president stated this in no uncertain terms: "[Regarding Japan] make every effort to see to it that political and economic progress in Japan is such as to demonstrate the advantages of close association with the United States and our ability as a democracy to deal with the [development and security] problems in Asia."<sup>46</sup> George Kennan, the architect of containment, believed that Japan was the key to Asia, just as Germany was the key to Europe.

For these reasons, American planners determined that there was a strategic and moral obligation to defend Japan, and to build a politically stable postimperial state that, "however constituted, consistently acted in ways that would advance United States interests."<sup>47</sup> The objective of the alliance, as Kennan surmised, was to mold Japan into the Britain of Asia.<sup>48</sup>

### *The "Beta" Strategy*

The powerplay rationale for Japan was still about control, but it was more subtle than the strategy exercised over Taiwan and South Korea. The vision was to shape Japan through the "beta" strategy. American State Department and White House foreign policy documents from the immediate postwar years through the 1960s offer a window into the American strategy. These documents show that there was an explicit rejection of the notion that postwar Japan should be fully disarmed in the long term. Known as the "alpha" option for Japan, this visualized a harsh treaty settlement, with the confinement of the defeated power to her home islands and with only modest defense capabilities. This strategy was considered undesirable for three reasons. First, it was based on the assumption that Japan would not reemerge as a major power in the region; second, it assumed that Japan would welcome such blatant controls; and third, it assumed that the alpha option would be detrimental to U.S. longer-term regional interests as a totally emasculated Japan would not provide a base for U.S. influence in the region. In the State Department's own words, this option, "did not sufficiently exploit the Japanese potential for a larger constructive role in Asia."<sup>49</sup>



The obverse to the alpha strategy was the “gamma” strategy. This called for an American postwar strategy that encouraged a militarily independent Japan capable not only of defending itself but also of projecting force in the region. While this strategy acknowledged Japan’s position as the region’s only great power, it too was rejected on the grounds that a rapidly reconstituted Japan might be destabilizing to the region, and that it might be detrimental to U.S. interests if Washington were perceived as pressuring for such a policy.<sup>50</sup>

What emerged between these two alternatives was a strategy that fully comprehended Japan’s eventual reemergence, but sought to shape this return substantially in America’s image. The “beta strategy” sought to craft and temper Japan’s postwar recovery in the context of the alliance. The idea was to create deep and robust ties and thereby create a Japanese reliance on the alliance to channel growth and development in a controlled direction beneficial to U.S. interests. This collaboration’s scope would be wide, across all sectors of politics and economics.

Implementation of this strategy was evident first in the decision to avoid a harsh treaty settlement against Japan at the end of the war. If the objective was to control Japan’s reintegration in a manner positively predisposed to the United States, then promoting a revisionist Japan unhappy with the status quo was not the answer.<sup>51</sup> As a result, the settlement after six years of American occupation was one of the most generous settlements ever offered by a victor over a defeated enemy.

In the run-up to the San Francisco treaty, an NSC memorandum (May 17, 1951) reflected on the four basic tenets that were employed as part of the beta strategy for the reintegration and shaping of postwar Japan:

- Assist Japan in the development of appropriate military forces;
- Assist Japan in the development of low-cost military material for use in Japan and in other noncommunist countries in Asia;
- Take all practical steps to assure Japanese membership in the United Nations and participation in a regional security arrangement;
- Establish appropriate psychological programmes designed to further orient the Japanese toward the free world and away from communism.<sup>52</sup>

In explaining how the alliance would perform these functions, Dulles stated that this was not to be accomplished through a multilateral security system (as in Europe), but was better accomplished through a bilateral alliance in which the United States would “permanently assume

the principal responsibility for sea and air defense of the Japan area.” The operational symbol of this bilateral control was to be American sea and air bases in Okinawa.<sup>53</sup>

The United States saw the mutual defense treaty with Japan, therefore, as serving two purposes. One was to build a bulwark against communism and to defend Japan. But the other was to control, manage, and restrain Japan’s reintegration into the world. In congressional testimony in 1951, Secretary Dulles stated that his primary concern was a resurgent Japan. Hence, he believed that one of the purposes of a defense treaty was to obstruct Japan’s independent military recovery outside the alliance. He saw the postwar treaty settlement and the alliance as part of a grand soft binding rationale: “the thing that is designed to be inhibited is not participation in collective security, but [Japan’s] recreation of the distinctive national force.”<sup>54</sup> In conversations with Australian and New Zealand foreign ministers, Dulles encapsulated the soft bind of Japan: “We have got to use delicate methods, a light tackle. We are absolutely confident that if Japan is basically committed to the free world and accepts U.S. troops in and about its territories we will have complete control over any rearmament plans Japan may adopt.”<sup>55</sup>

In a famous 1952 *Foreign Affairs* article laying out the U.S. postwar strategy for Asia, Dulles elaborated on the multifaceted nature of the alliance’s restraint rationale. He wrote that the alliance was legitimized in a regional context because it provided a “shield” for former colonies against a resurgent Japan. At the same time, however, Dulles wrote that it was imperative for the United States to utilize the alliance to shape Japan’s postwar recovery. The goal was a reformed, politically stable, economically prosperous Japan, without its colonies, that would become the linchpin of U.S. influence in the region.

If the goal was to prevent Japan from becoming an independent military force in the region and to cement the U.S. position of supremacy, then why was this not accomplished optimally through the alpha strategy? As Kennan explained, the goal was to shape Japan, not to stifle it. The “goldilocks” challenge for the U.S.-Japan alliance was therefore to create a postwar Japan that was not too weak, but also not too strong. The former was an important objective because the United States foresaw Tokyo playing an important role as an American proxy in the region with responsibility, for example, over the Korean peninsula.<sup>56</sup>

The powerplay rationale for the U.S.-Japan alliance was never formalized but was implicit. The closest to an official acknowledgment of the rationale was the Yoshida doctrine. This stated that Japan would maintain a small self-defense force limited to the protection of its home

islands and would focus the majority of its national efforts on postwar economic development.<sup>57</sup> This statement of Japan's grand strategy during Yoshida's government (1948–1954) signified Tokyo's embrace of the powerplay rationale for the alliance. The United States wanted Japan to play a larger military role than Yoshida was willing to commit, but Yoshida's focus on industrial development in the postwar liberal economic order and his designation of Japan's place within the U.S. sphere of influence constituted commitments consistent with the powerplay rationale. This was an informal empire arrangement, one in which Japan fared well.<sup>58</sup>

This powerplay rationale for the alliance is different from standard explanations of the dual nature of the alliance. One popular version states that the alliance is not only to defend Japan but also to contain it. This latter rationale refers to the alliance as the “cork in the bottle” of renewed Japanese militarism, or as the “gobanken-sama” (honorable watchdog). The problem with this analogy, however, is that the United States has historically supplied and encouraged a more modern Japanese military. It has sold more advanced weapons to Japan than to any country except Saudi Arabia and Taiwan. America's powerplay rationale for the U.S.-Japan alliance is more subtle than the cork in the bottle. It sought a reconstituted Japan, but one dependent on, and made in the American image.

### **Elaboration: Why the Powerplay Rationale Results in Bilateralism**

The powerplay rationale inclined United States preferences toward bilateral alliances in Asia rather than the multilateral security architecture being built simultaneously in Europe. The reasons for this were simple. Moving to a multilateral security structure in Asia offered little value-added in terms of the dual rationales for the alliances because: (1) the United States military capability was still far superior than that of any of the other countries in Asia and therefore not significantly enhanced by a collective security arrangement; (2) the United States commitment to Asia had already been demonstrated by the intervention in the Korean war and therefore would not be made more credible by a NATO-type arrangement; (3) the United States faced an “entrapment discount” if it went multilateral in Asia—that is, any appreciable gains in security has to be discounted by the increased likelihood of entrapment by the ally. This was because a multilateral structure took alliance decisions out of U.S. hands and put them in a larger collective body that

would have diluted control. The gains from security multilateralism were minimal while the costs in terms of losing control were significant. Moreover, creating a multilateral body in which Asian alliance partners could interact actually increased U.S. entrapment fears. The idea that Chiang Kai-shek in Taiwan and Syngman Rhee in Korea might conspire to jointly pull the United States into a rollback of communist China and North Korea was a serious concern. Hence, it was this added control rationale that spelled the difference for the United States in Asia.

### *More Control with than Without?*

Critics might argue that the powerplay argument creates a rationale for alliance-making that does not exist theoretically or empirically. Theoretically, critics would question the notion that entrapment fears create a desire to tighten an alliance rather than loosen it. Empirically, the fact that the United States had entrapment fears regarding Taiwan but chose to form alliances with it in spite of these fears does not validate the powerplay argument. Instead, it suggests that U.S. strategic interests in shoring up East Asia through the establishment of these alliances simply took precedence over any minor entrapment fears.

The problem with this criticism, empirically and theoretically, is that it does not take into account the imperatives that the cold war structure put on U.S. action and commitments. As explained earlier, whether a state chooses distancing or control strategies in response to entrapment fears depends on how intense those entrapment fears are. These fears will be much more intense when the ally *knows* it has no choice but to be dragged into B's conflict, however wasteful the conflict might be. In this situation, the costs of employing a control strategy (i.e., expending the resources and assistance to gain B's dependence) are lower than the costs of being entrapped in B's conflict.<sup>59</sup>

For the United States, the 1949 CCP victory, the June 1950 North Korean invasion, the 1954 Quemoy crisis, and the conflict in Indochina constituted a broad-based contest for not just one or two countries, but the entire Asian continent and the Pacific. The prevalence of the domino theory (if one small country fell, then many would follow) compelled the United States to intervene on behalf of Taiwan or the ROK (Republic of Korea), for example, regardless of whether these wasteful wars were provoked by Chiang or Rhee. Though the United States may have stated otherwise to discourage Chiang and Rhee, the United States understood this strategic imperative even before it was allied with these countries. To alleviate these intense entrapment fears merely through

a strategy of distancing was suboptimal on two counts. First, the lack of U.S. commitments could have emboldened the adversary to action; and second, Chiang (or Rhee) might still miscalculate and attack based on ambiguous U.S. statements. Given the stakes involved, it was more sensible to display clarity of commitment (*vis-à-vis* the adversary) and clarity of control (*vis-à-vis* the allies) by establishing alliance ties.

These alliance institutions and concomitant aid flows, once created, offered the United States many more instruments of control over Taiwan and Seoul than Washington would have had otherwise. Conceptually, it is hard to imagine one state giving up its sovereign monopoly over the use of force to another unless that state was a full patron. In addition, the amount of assistance that accompanied United States treaty commitments became a huge source of American leverage. In Taipei's case, between 1950 and 1965, the United States provided assistance that, on average, comprised 34 percent of Taiwan's total gross investment, financed some 40 percent of its import bill, and made up 6.4 percent of its GNP.<sup>60</sup> The United States provided South Korea with \$12.6 billion in economic and military assistance between 1946 and 1976, which amounted to more aid dollars per capita than any country except South Vietnam and Israel. Between 1953 and 1962, this aid financed 70 percent of South Korea's imports and comprised some 5 percent of the national GNP.<sup>61</sup>

This gave the United States inordinately more influence than a distancing strategy would have. Indeed, when Truman and Eisenhower were occasionally forced to threaten termination of aid or military assistance in order to reign in Chiang Kai-shek, the leadership cowered into submission. In 1953, upon assuming office, Eisenhower withheld deliveries of jet aircraft to Taiwan until Chiang agreed to defer to U.S. approval on any decision related to military actions against China.<sup>62</sup> In March 1955, Secretary Dulles went to Taipei and told Chiang that his continued talk about target dates for retaking the mainland would have deleterious effects on public and official support for the defense treaty, Chiang relented, pledging verbally to Dulles his promise to Eisenhower that he would not initiate provocative action against Beijing.<sup>63</sup> The core of the powerplay rationale is that the United States *could not have made similar threats as costly or as credible* if it had no preexisting tie/channel of assistance that it could leverage to control the leaders and thereby minimize U.S. entrapment anxieties.

## Conclusion

The powerplay argument unearths an aspect of U.S. cold war alliances that has been underemphasized. It focuses on the control motives inherent in

alliance institutions rather than the traditional focus on these institutions as instruments of containment and power accretion. The theoretical and empirical implications of this argument are wide-ranging.

The argument changes the way we need to think about the behavioral implications of entrapment. Alliance theorists have all explained the anxiety of entrapment as leading to distancing strategies on the part of the anxiety-ridden state. Fears of entrapment will usually cause the ally to abrogate the alliance, substantially reduce or withhold material or political support, employ voice opportunities to castigate the ally, or seek conciliation with the ally's adversary to avoid entrapment. The powerplay argument reaches the counterintuitive finding that states, when faced with entrapment fears, may actually *draw closer* to the ally to alleviate this fear rather than distance itself from the ally. This is most likely to happen when entrapment fears: (1) are intensely held; (2) are accompanied by power asymmetries (i.e., the larger power seeks control over the smaller one); and (3) when the smaller power has a revisionist agenda.<sup>64</sup> In terms of alliance strategy, the powerplay argument represents a more proactive means by which states can deal with entrapment fears.

The powerplay argument sheds light on the conditions under which states choose to exercise control through bilateral or multilateral institutions. Power differentials are critical in this regard. Multilateralism is preferred by smaller states because it is a power equalizer. They gain voice and vote opportunities by banding together to use rules and institutions to tie down the large power. Bilateralism is a power multiplier for large powers. They prefer divide and conquer strategies dealing with each smaller power individually where their power and control can be maximized.

The powerplay argument helps explain puzzles about Asian bilateralism that other schools of thought cannot. Realists cannot explain why the primary conflict that led to the multilateralization of security and coherence of NATO happened in Asia—that is, the Korean war—and not in Europe. They also cannot explain why the Korean war did not lead to similar security institutionalization in Asia. Liberals cannot explain why efficiency gains from multilateralism, in conjunction with the existence of support among Asian states for a NATO-type organization did not register with the United States. Constructivists use race and identity variables to explain why the United States favored Europe over Asia in postwar planning. But they cannot explain why racial biases would lead to institutional variations in security structures across the two regions.<sup>65</sup>

The powerplay argument is, I believe, a critical link in each of these explanations. For realism, the powerplay rationale for alliances had the

operational effect of causing the United States to reinforce security in reaction to the Korean war in distinct ways in the two regions. In Europe, this meant the militarization and reinforcement of a multilateral security structure. But in Asia, reinforcement through a similar multilateral institution could take place only by diluting control, which the United States felt uncomfortable with given the Asian allies' revisionist designs.

For liberalism, the powerplay rationale essentially compelled the United States to make disparate cost-benefit calculations in the two regions. In short, there was an entrapment discount in Asia. This caused any perceived benefits from trying European-style multilateralism in Asia to be discounted by the costs associated with giving up control over the allies' actions. In addition, the soft binding aspect of the powerplay with Japan set off a second variable indigenous to the region against multilateralism. As the United States treated Japan as its favorite son in Asia, this resulted in the unintended consequence of removing any incentive for Japan to seek reconciliation with the region. Everything it needed for postwar recovery, Japan could get from the United States, while the costs of reconciling with the region (politically and economically, particularly in terms of colonial reparations) were inordinately high, with little benefit. Thus there were two reinforcing cost-benefit calculations against multilateralism on the U.S. and Japanese sides that emerged from the powerplay rationale.

For constructivism, the powerplay rationale shows that the reason America built a more elaborate security and political architecture in Europe was not because of affect, affinity, or prejudice. Instead, it was a function of rational calculations about costs and benefits in each region, regardless of priority. Critics might respond that race still mattered because it was racial stereotypes that caused Americans to think they could control Asians more successfully than Europeans. But I would argue that this mentality was not the cause for alliance bilateralism in Asia. It was an effect, not the motivation. The motivation was to avoid entrapment.

The powerplay argument also runs contrary to previous empirical and theoretical claims about the inordinate power exerted by smaller countries over the United States during the early cold war. Sometimes known as the "big influence of small allies" argument, this says that small, strategically placed countries were able to extort defense treaties from the United States because Washington calculated it could not afford to lose any of these states to the Soviet orbit, or because this was the only way to placate the smaller countries as the United States rebuilt postwar

Japan and Germany.<sup>66</sup> But rather than this notion of smaller powers leveraging their strategic value to secure commitments from the United States, I argue that the operative dynamic behind these alliances was quite different. The United States entered into these agreements not because of a fear of losing smaller countries to communism, but because of a fear of being entrapped into fighting for them. In this regard, the bilateralism that emerged in Asia was by design, not by neglect or by default.

### Notes

1. A. Whitney Griswold, *The Far Eastern Policy of the United States* (New York: Harcourt, 1938), p. 7.
2. On alliances, multilateralism, and hegemonic controls of power, see Paul Schroeder, "Alliances, 1815–1945: Weapons of Power and Tools of Management," in Klaus Knorr, ed., *Historical Dimensions of National Security Problems* (Lawrence: University Press of Kansas, 1976), pp. 227–262; Joseph Grieco, "Understanding the Problem of International Cooperation: The Limits of Neoliberal Institutionalism and the Future of Realist Theory," in Robert Baldwin, ed., *Neorealism and Neoliberalism* (New York: Columbia University Press, 1993), pp. 301–338; G. John Ikenberry, "Is American Multilateralism in Decline?" *Perspectives on Politics*, Vol. 1, No. 3 (September 2003): 533–550; Joseph Nye, *The Paradox of American Power* (NY: Oxford University Press, 2002); Ethan Kapstein and Michael Mastanduno, eds., *Unipolar Politics: Realism and State Strategies after the Cold War* (New York: Columbia University Press, 1999); William Wohlforth, "The Stability of a Unipolar World," *International Security*, Vol. 24, No. 1 (Summer 1999): 5–41; Steve Weber, *Multilateralism in NATO: Shaping the Postwar Balance, 1945–1961* (Berkeley, University of California Press, 1991); Ikenberry, "America's Imperial Ambition," *Foreign Affairs*, Vol. 81, No. 5 (September/October 2002): 45–60; Charles Krauthammer, "The Unipolar Moment Revisited," *The National Interest*, Vol. 70 (Winter 2002–2003), 5–17; see also other works cited below.
3. Seminal works in this are by Michael Mandelbaum, *The Nuclear Revolution: International Politics before and after Hiroshima* (New York: Cambridge University Press, 1981); Glenn Snyder, "The Security Dilemma in Alliance Politics," *World Politics*, Vol. 36, No. 4 (July 1984): 461–495. Thomas Christensen and Jack Snyder, "Chain Gangs and Passed Bucks," *International Organization*, Vol. 44, No. 2 (Spring 1990): 137–68; Randall Schweller, "Tripolarity and the Second World War," *International Studies Quarterly*, Vol. 37, No. 1 (1993): 73–103.
4. Schroeder first used this term in 1976 to describe how alliances serve as tools of management in addition to deterrence ("Alliances, 1815–1914," p. 230).



I attempt to delineate more specifically some of the conditions and causal mechanisms by which alliances are used as instruments of control.

5. Minutes of Discussion, President Eisenhower and President Rhee, July 27, 1954. *Foreign Relations of the United States* 52–54/15, pp. 1839–1847.
6. James D. Morrow, “Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances,” *American Journal of Political Science*, Vol. 35, No. 4 (November 1991): 904–933; “Arms versus Allies: Trade–Offs in the Search for Security,” *International Organization*, Vol. 47, No. 2 (Spring 1993): 207–233; Michael Altfeld, “The Decision to Ally: A Theory and Test,” *Western Political Science Quarterly*, Vol. 37, No. 4 (1984): 523–544; Clifton Morgan, “A Spatial Model of Crisis Bargaining,” *International Studies Quarterly*, Vol. 28, No. 4 (1984): 407–426; and Schroeder, “Alliances, 1815–1945.”
7. Among the most important works that make this observation, see Schroeder, “Alliances, 1815–1945,” pp. 227–228; George Liska, *Nations in Alliance* (Baltimore, MD: Johns Hopkins University Press, 1962), p. 116; Robert Osgood, *Alliances and American Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 1968), pp. 22, 28; and Randall Schweller, *Deadly Imbalances: Tripolarity and Hitler’s Strategy of World Conquest* (New York: Columbia University Press, 1998), pp. 70–71.
8. Schroeder, “Alliances, 1815–1945,” p. 242.
9. The work on alliances as instruments of control is quite undertheorized. Initial efforts were made by Schroeder, “Alliances, 1815–1945,” 227–262; Liska, *Nations in Alliance*; and Schweller, *Deadly Imbalances*. These works do not deduce specific propositions about (1) when control is most likely to be a critical rationale of alliance formation; and (2) whether such control is best exercised through bilateral or multilateral alliances.
10. The assumption is that larger ally can also signal conditionality of commitment to the smaller ally to maximize control.
11. G. John Ikenberry, “Is American Multilateralism in Decline?” *Perspectives on Politics*, Vol. 1, No. 3 (September 2003): 534–535; Robert Kagan, “Power and Weakness,” *Policy Review*, Vol. 111, No. 113 (June/July 2002): 3–28; Joseph Nye, *The Paradox of American Power: Why the World’s Only Superpower Can’t Go It Alone* (Oxford University Press, 2002); Fareed Zakaria, “Our Way: The Trouble with Being the World’s Only Superpower,” *The New Yorker*, October 14, 2002, pp. 72–81; Daniel Deudney and Ikenberry, “Realism, Structural Liberalism, and the Western Order,” in *Unipolar Politics*; John Van Oudenaren, “Unipolar versus Unilateral,” *Policy Review*, Vol. 117 (April 2004). Charles Krauthammer, “The Bush Doctrine: ABM, Kyoto, and the New American Unilateralism,” *Weekly Standard*, No. 36, June 4, 2001, p. 36; John Mearsheimer, *The Tragedy of Great Power Politics* (New York: Norton, 2001); Charles Kupchan, *The End of the American Era: U.S. Foreign Policy and the Geopolitics of the Twenty-First Century* (New York: Knopf, 2002); Lisa Martin, “The Rational State Choice of Multilateralism,” in John Ruggie, ed., *Multilateralism Matters: The Theory and Praxis of an*

- Institutional Form* (New York: Columbia University Press, 1993), pp. 91–122; Jack Snyder, “Imperial Temptations,” *The National Interest*, Vol. 71 (Spring 2003): 29–42.
12. G. Ikenberry, “Is American Multilateralism in Decline?” pp. 534–535 and Grieco, “Understanding the Problem of International Cooperation,” pp. 301–338.
  13. G. John Ikenberry, “Institutions, Strategic Restraint and the Persistence of the American Order,” *International Security*, Vol. 23, No. 3. (Winter 1998–1999): 43–78; Alastair Iain Johnston and Robert Ross, eds., *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999).
  14. Grieco, “Understanding the Problem of International Cooperation,” p. 331; Ikenberry, “Is American Multilateralism in Decline?” p. 535; and Albert Hirschman, *Exit, Voice and Loyalty* (Cambridge, MA: Harvard University Press, 1970).
  15. Steve Weber, *Multilateralism in NATO, Shaping the Postwar Balance 1945–1961* (Berkeley: University of California Press, 1991); Crone, “Does Hegemony Matter?” 501–525; Miles Kahler, “Institution-Building in the Pacific”; Davis Bobrow, “Hegemony Management: The U.S. in the Asia-Pacific,” *Pacific Review*, Vol. 12, No. 2 (1999): 173–197.
  16. Kagan, “Power and Weakness,” 3–28.
  17. Kent Calder, *Pacific Defense: Arms, Energy, and America’s Future in Asia* (New York: Morrow, 1996), p. 194.
  18. Kagan, “Power and Weakness,” 3–28; Kurt Campbell, “America’s Asia Strategy During the Bush Administration,” in Michael Armacost and Dan Okimoto, eds., *The Future of America’s Alliances in Northeast Asia* (Stanford: APARC, 2004), p. 6; Robert Jervis, “Explaining the Bush Doctrine,” *Political Science Quarterly*, Vol. 118, No. 3 (Fall 2003): 365–388; and Ikenberry, “Is American Multilateralism in Decline?”
  19. The follow-up question here of what type of regimes within the alliance are most conducive to control is beyond the scope of this study. The findings from a number of large-N studies of alliance formation and commitment suggest that democratic alliances between large and small states are likely to be ones where control is most effectively exercised. This proposition rests largely on the notion that democracies tend to make credible alliance commitments and are less likely to break them. See Kurt Gaubatz, “Democratic States and Commitment in International Relations,” *International Organization*, Vol. 50, No. 1 (Winter 1995–1996): 109–139; James Fearon, “Domestic Political Audiences and the Escalation of International Disputes,” *American Political Science Review*, Vol. 88, No. 3 (1994): 577–592; Brett Ashley Leeds, “Domestic Political Institutions, Credible Commitments, and International Cooperation,” *American Journal of Political Science*, Vol. 43, No. 4 (1999): 979–1002; Brian Lai and Dan Reiter, “Democracy, Political Similiarity, and International Alliances, 1816–1992,” *Journal of Conflict Resolution*, Vol. 44 (April 2000): 203–227; Randolph Siverson and Juliann Emmons, “Birds of a Feather: Democratic

- Political Systems and Alliance Choices,” *Journal of Conflict Resolution*, Vol. 35 (1991): 285–306; Brett Ashley Leeds, “Alliance Reliability in Times of War,” *International Organization*, Vol. 57, No. 4 (Fall 2003), 801–828; and D. Scott Bennett, “Testing Alternative Models of Alliance Duration, 1816–1984,” *American Journal of Political Science*, Vol. 41, No. 3 (July 1997): 846–878.
20. Glenn Snyder, “The Security Dilemma in Alliance Politics,” *World Politics*, Vol. 36 (July 1984): 467 and Thomas Christensen and Jack Snyder, “Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity,” *International Organization*, Vol. 44, No. 2 (Spring 1990): 137–168.
  21. Christensen and Snyder, “Chain Gangs and Passed Bucks,” and Schweller, “Tripolarity and the Second World War,” 84, 87–92.
  22. For elaboration, see Snyder, “The Security Dilemma in Alliance Politics” and *Ibid.*
  23. Snyder, *Alliance Politics*, pp. 326–328.
  24. I do not deny that complex bargaining dynamics could undercut the larger power’s leverage if it signals unconditional commitment to the smaller power (discussed shortly).
  25. Schroeder, “Alliances, 1815–1945,” p. 230.
  26. Department of State, *United States Relations with China, with Special Reference to the Period 1944–1949, Far Eastern Series*, Vol. 30, Pub. No. 3573 (1949): 611–613; also see Nancy Bernkopf Tucker, *Taiwan, Hong Kong, and the United States, 1945–1992* (New York: Twayne Publishers, 1994), p. 24; A. Doak Barnett, *China and the Major Powers in East Asia* (Washington DC: Brookings, 1977), p. 176; Clough, *Island China*, p. 7; and Peter Van Ness, “Taiwan and Sino-American Relations,” in Michel Oksenberg and Robert Oxnam eds., *Dragon and Eagle* (New York: Basic, 1973), p. 264.
  27. For example, see Memorandum Richard E. Johnson of the Office of Chinese Affairs to the Director of that Office (Clubb). Secret. June 4, 1951 in *FRUS, 1951*, Vol. VII, *Korea and China*, pp. 1699–1700; Tucker, *Taiwan, Hong Kong and the United States*, pp. 19, 68; Clough, *Island China*, p. 10.
  28. Telegram. Charge in Republic of China (Jones) to the Department of State. Top Secret. July 22, 1952 in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, pp. 76–77; and Telegram, Charge in the Republic of China (Jones) to the Department of State. Secret. May 27, 1953 in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, p. 197.
  29. For example, see Memorandum by the Regional Planning Adviser in the Bureau of Far Eastern Affairs (Green). September 18, 1958 in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, p. 222.
  30. Robert Jervis in L. Benjamin Ederington and Michael Mazarr eds., “What Do We Want to Deter and How Do We Want to Deter It?” *Turning Point: The Gulf War and U.S. Military Strategy* (Boulder, CO: Westview, 1994), 117–136; Timothy Crawford, *Pivotal Deterrence: Third Party Statecraft and the Pursuit of Peace* (Ithaca: Cornell, 2003).
  31. Memorandum of conversation, Leonard Price of the Office of the Special Assistant for Mutual Security Affairs. Top Secret. February 20, 1952 in

- FRUS, 1952–1954*, Vol. XIV, *China and Japan*, p. 13; Barnett, *China and the Major Powers*, p. 376, note 68.
32. *Department of State Bulletin*, July 3, 1950, p. 5.
  33. The key portion of the note read: “In view of the obligations of the two Parties under the said Treaty and of the fact that the use of force from either of these areas by either of the Parties affects the other, *it is agreed that such use of force will be a matter of joint agreement*, subject to actions of an emergency character which is clearly an exercise of the inherent right of self-defense.” (emphasis added). *United States Treaties and Other International Agreements*, Vol. 6, Part 1 (Washington, DC: USGPO, 1956), p. 454.
  34. Memorandum of Discussion at the 139th Meeting of the National Security Council, Washington, April 8, 1953. Top Secret. Eyes Only in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, pp. 181–182; also see Charge in the Republic of China (Jones) to the Department of State. Top Secret. April 23, 1953 for the text of the agreement and The Chief of the Military Assistance Advisory Group, Formosa (Chase) to the Chief of General Staff, Republic of China (Chow). Top Secret. February 5, 1953 in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, pp. 193, 144–145.
  35. Memorandum of Conversation, Assistant Secretary of State for Far Eastern Affairs (Allison) and Ambassador Koo, Chinese Embassy. Secret. February 2, 1953 in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, pp. 137–138. For Eisenhower’s statement, see Message from the President to the Congress [Extract] February 2, 1953 in *ibid.*, p. 140.
  36. Memorandum by the Deputy Under Secretary of State (Matthews) to the Secretary of State. Top Secret. March 31, 1953 in *FRUS, 1952–1954*, Vol. XIV, *China and Japan*, p.170; and 139th meeting, NSC, April 8, 1953, *FRUS 1952–1954*, Vol. XIV, Part. I, *China and Japan* (USGPO, 1985), p. 181.
  37. Talking Paper Prepared by Secretary of State Dulles, October 21, 1958. Secret. Personal and Private. Princeton University, Dulles Papers, Box 127, Chiang Kai-shek in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, pp. 413–417.
  38. Memorandum of Conference with President Eisenhower October 13, 1958 in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, pp. 381–382; Letter, Eisenhower to Chiang Kai-shek, May 17, 1956 in *FRUS 1955–1957*, Vol. III, *China and Japan* (Washington DC: USGPO, 1986), p. 361. Dulles got an agreement with Chiang to reduce these garrisons by 15,000 men in exchange for enhanced military equipment.
  39. Memorandum of Conversation between President Eisenhower and Secretary of State Dulles September 11, 1958 in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, pp. 161–63; and 376th Meeting of the National Security Council August 14, 1958 in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, pp. 51–53.
  40. Telegram from the Department of State (Dulles) to the Embassy in the Republic of China (Drumright) October 1, 1958 in *FRUS, 1958–1960*, Vol. XIX, *China and Japan*, pp. 315–316.

41. "The Taiwan Straits Situation, 1 September 1958," Dwight D. Eisenhower: Office Files 1953–1961, Pent 2, International Series: Formosa 1952–1957 (1) Appendix section 3.
42. *Public Papers of the Presidents: John F. Kennedy, 1962* (USGPO, 1963), pp. 276–277, 508–509; Clough, *Island China*, p. 21; and Tucker, *Taiwan, Hong Kong, and the United States*, p. 45.
43. The offshore islands were identified as Kinmen, Little Kinmen, Matsu, Pei-Kan Tang, Koo-Teng Hsu, His Chuan Tao, and Tung-Yin Shan of Matsu Group. Dwight D. Eisenhower: Office Files 1953–1961, Pent 2, International Series: Formosa 1952–1957 (1) "The Taiwan Straits Situation, 1 September 1958" Appendix section 4d, 6b.
44. Tucker, *Taiwan, Hong Kong, and the United States*, p. 4.
45. George Kennan, *Memoirs 1950–1963* (New York: Pantheon, 1972), p. 41.
46. "Outline of Far Eastern and Asian Policy for Review with the President," Secret. November 14, 1949 in *FRUS, 1949*, Vol. VII, *The Far East and Australia, Part 2*, p. 1213.
47. John Welfield, *An Empire in Eclipse: Japan in the Postwar American Alliance System* (London: Athlone, 1988), p. 28.
48. Kennan, *The Cloud of Danger*, 108–109.
49. "Japan's Security Role in Asia," Department of State, Policy Planning Council, December 1968 Secret, sanitized 3–3–94. LBJ Library, 1968, p. 5.
50. "Japan's Security Role in Asia," Dos Policy Planning Council, December 1968 Secret, sanitized 3–3–94. LBJ Library, exec sum., 1994, p. v.
51. John Foster Dulles, "Security in the Pacific," *Foreign Affairs*, Vol. 30, No. 2 (January 1952): 175.
52. United States Department of Defense, *United States' Vietnam Relations, 1945–67*, U.S. Government Printing Office, Washington DC V.B. 2, The Truman Administration, 1945–1952, Book 2 (1950–1952), pp. 434–435 cited in Welfield, *An Empire in Eclipse*, p. 88.
53. Dulles, 1952, p. 182. Okinawa was critical to the U.S. cold war position in Asia. The United States fought two wars in Asia, Korea, and Vietnam, which would not have been possible without the outposts in Okinawa for staging, logistics, repairs, hospitals, and secure sanctuaries.
54. Selected Executive Session Hearings of the Committee, July 11, 1951, "Effect of Recall of General MacArthur and reaction of allies to proposed peace treaty. John Foster Dulles testimony.
55. Memorandum, Notes on Conversation among Ambassador Dulles, Australian and New Zealand Ministers for External Affairs, and Staffs. Secret. February 16, 1951 in *FRUS, 1951*, Vol. VI, *Asia and the Pacific*, p. 160.
56. *FRUS 1950*, Vol. 7, pp. 627–629. Kennan said that such a formula was preferable to "Korean mis-management, Chinese interference, or Russian bureaucracy." See Michael Schaller, *The American Occupation of Japan: The Origins of the Cold War in Asia* (New York: Oxford University Press, 1985); and Welfield, *An Empire in Eclipse*, p. 91.

57. Michael Yoshitsu, *Japan and the San Francisco Peace Settlement* (New York: Columbia University Press, 1983).
58. Chalmers Johnson, *Blowback* (New York: Metropolitan Books, 2000), p. 177.
59. On the other hand, if state A feels it has a choice—that is, could intervene on B's behalf, but also might not intervene—then its entrapment fears are, relatively speaking, less intense. In this instance, state A will be more inclined to using passive, distancing strategies to discourage overzealous actions by B and thereby minimize entrapment fears. The costs associated with a proactive control strategy are inordinately high. For the determinants of when entrapment fears are intense enough to warrant control over distancing strategies, see the theory section.
60. Tucker, *Taiwan, Hong Kong, and the United States*, p. 54.
61. Carter Eckert, Ki-baik Lee, Young Ick Lew, Michael Robinson, and Edward Wagner, *Korea Old and New* (Seoul: Ilchokak Publishers, 1990), p. 396.
62. Tucker, *Taiwan, Hong Kong, and the United States*, p. 36.
63. Cable Dulles to Hoover, March 4, 1955.
64. See theory section for the conditions that define when entrapment fears are intense versus moderate.
65. See literature review section for elaboration.
66. Robert Keohane, "The Big Influence of Small Allies," *Foreign Policy*, Vol. 2 (Spring 1971): 161–82; Robert Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968); Chang-Jin Park, "The Influence of Small States on the Superpowers," *World Politics*, Vol. 28, No. 1 (October 1975): 69–96; David Mabon, "Elusive Agreements: The Pacific Pact Proposals of 1949–1951," *Pacific Historical Review*, Vol. 57, No. 2 (May 1988): 147–177; Stephen Jin-Woo Kim, "The Carrot and the Leash: Eisenhower, Syngman Rhee, and the Dual Containment of Korea," PhD Dissertation, Yale University, 1999.

## CHAPTER 5

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# U.S.-Japan Alliance as a Flexible Institution

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### Introduction

The U.S.-Japan alliance has been faced with various challenges in both domestic and international politics since the end of the cold war. Compared to other American alliances such as the North Atlantic Treaty Organization (NATO) and the U.S.-South Korea alliance, however, the U.S.-Japan alliance is still stable and becoming strong.

As Robert O. Keohane points out, “alliances are *institutions*,” and “their durability and strength (the degree to which states are committed to alliances, even when costs are entailed) may depend in part on their institutional characteristics (*italics in the original*).” From this perspective, we can argue that the U.S.-Japan alliance had not been well institutionalized through its history of more than half a century. Here, the concept of institutionalization refers to shared threat perception at both governmental and societal levels, shared strategic goals, shared operational procedures, and a legal framework supporting for them. That is why the alliance has been able to cope with various challenges. In other words, the less-institutionalized alliance has functioned as a flexible institution in the highly volatile political and strategic environment after the cold war. Now, however, both the United States and Japan need to institutionalize their alliance further.

This chapter examines, first, the historical development of the U.S.-Japan alliance, and, second, differences between the U.S.-Japan alliance and the U.S.-South Korea alliance, another U.S. bilateral alliance in

Northeast Asia whose missions are closely connected with those of the U.S.-Japan alliance. Then, it analyzes the current state of the U.S.-Japan alliance, and finally future ways to institutionalize the alliance further.

### **Historical Development**

Let us examine the historical development of the U.S.-Japan alliance in four stages. The first stage is the conclusion of the original U.S.-Japan Security Treaty of 1951. The second one is the revision of the treaty in 1960. The third one is the adoption of the Guidelines for U.S.-Japan Defense Cooperation in 1978. And, the last stage is the revision of the Guidelines in 1997. All of them provided institutional frameworks for the U.S.-Japan alliance.

#### *The U.S.-Japan Security Treaty of 1951*

On Japan's side, the U.S.-Japan alliance was originally defined by two legal frameworks: Japanese constitution and the U.S.-Japan Security Treaty of 1951. Japan's constitution is well known as the so-called peace constitution, due to the content of Article 9, which states:

Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.

In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.

Open to various interpretations, Article 9 has been a major issue in post-World War II Japanese politics. Among scholars of constitutional law there are two main schools of thought concerning this article. One holds that the Self-Defense Forces (SDF) are unconstitutional, because the first paragraph of the article proscribes war. The other maintains that the first paragraph prohibits only wars of aggression, but that, because the second paragraph renounces the maintenance of war potential, the SDF are unconstitutional. Based on different logics, the conclusions of the two schools are the same. Their conclusions were widely supported by antiwar public opinion for a long time.

Meanwhile, the Japanese government has developed an official interpretation of Article 9 that does not prohibit possession of the minimum necessary capability for the exercise of self-defense, since the first



paragraph of Article 9 prohibits only wars of aggression, while the second paragraph commences with proviso, “[i]n order to accomplish the aim of the preceding paragraph.” The Japanese government further argues that Japan as a sovereign state possesses the rights of both individual and collective self-defense, as clearly declared in international treaties Japan ratified such as the San Francisco Peace Treaty, the U.S.-Japan Security Treaty, and the United Nations Charter, but that it does not exercise the right of Collective Self-Defense due to the constitutional spirit. The lack of clear legitimacy of the SDF and the exercise of the right of collective self-defense weakened Japan’s alliance relationship with the United States.

The outbreak of the Korean War in June 1950 prompted the United States to alter its occupation of Japan and to transform its former enemy into its most important ally in Asia. In particular, China’s military intervention in Korea in December 1950 justified the conclusion of the U.S.-Japan Security Treaty. George Kennan, a prominent American diplomat, recalls: “The shock thrown into SCAP [Supreme Commander Allied Powers] by this development and the extent to which, in the course of the ensuing hostilities, we were obliged to draw on our military, naval, and air facilities in Japan as bases for the conduct of hostilities in Korea converted everyone who had not yet been converted to the view that the American military presence in Japan was wholly essential to any future security of the area.”<sup>1</sup> While the United States intervened in the Korea War in the context of the security of Japan, now it reconfirmed the strategic importance of Japan due to the Korean War.

Tokyo, however, had little concern about an attack from Beijing against Japan, because China lacked sufficient air and naval projection capabilities. Although Prime Minister Yoshida Shigeru was more concerned about Soviet military capabilities, these were downplayed as a potential threat. He did not regard the Sino-Soviet bloc as monolithic as John F. Dulles, the U.S. special envoy for concluding the security treaty with Japan, did because of historical and cultural differences that Yoshida knew very well as a former diplomat. Tokyo’s major security concerns were domestic political instability caused by economic poverty (in 1947, for example, Japan’s industrial production was less than half of 1930–1934 average) and, consequently, the indirect infiltration of communism into Japanese society. By allying with the United States, Japan, which lost the Chinese market, sought to join the international community, and especially the Western market economy led by the United States. Yoshida stated:

Japan is an island nation in which a population in excess of ninety-one million must be provided with a civilized standard of living. This can only

be accomplished through an expanding volume of oversea trade. That we should, to that end, pay special regard to our relations with Great Britain and the United States . . . is a matter of prudent policy unconnected with any consideration of political ideology.<sup>2</sup>

Yoshida's thoughts on Japan's foreign policy were later formalized to be the so-called Yoshida Doctrine: (1) Japan should not possess heavy armaments; (2) Japan should maintain stable relationship with the United States; and (3) Japan should seek economic prosperity through international trade.

In the 1951, U.S.-Japan Security Treaty, in Article 1 of the treaty specified that Washington received military bases in Japan to "maintain the peace and security in the Far East" even after the end of the U.S. occupation of Japan, but without a clear obligation to protect Japan. The article only mentioned that the U.S. forces in Japan "may be utilized" to protect Japan. This was because Japan was very reluctant to rearm itself in spite of the repeated U.S. pressures to do so. The U.S. forces in Japan could be utilized for coping with "internal riots" in Japan, too. In this sense, the treaty without mutuality and equality meant a permission to extend the U.S. military occupation in Japan in substance.

On the other hand, Japan gained independence, at least formally, and access to Western markets. Yoshida believed that Japan was not faced with any direct military threat, and that the United States would certainly protect Japan in case of external attack against Japan regardless of the written expressions of the treaty. In this stage, to avoid economic burdens and suspicions of the revival of Japanese militarism among the international community, Yoshida strongly believed that Japan should not rearm itself. The Yoshida Doctrine functioned as a bridge between the Japanese Constitution and the U.S.-Japan Security Treaty. While both the United States and Japan found strategic interests in this treaty, threat perception at both governmental and societal levels, operational procedures, and strategic goals were not shared in this stage. No legal framework for operating the security treaty existed in Japan, of course.

### *The Revision of the U.S.-Japan Security Treaty in 1960*

In 1955, the Liberal Party and the Democratic Party, two major conservative political parties, were unified into the Liberal Democratic Party (LDP). In 1956, Japan's Economic White Paper, published by the Economic Planning Agency, clearly declared that it was no longer the postwar era. As the Japanese economy recovered and its society became more stable, the

search for national pride among the Japanese people also increased. Improving Japan's defense capabilities, Prime Minister Kishi Nobusuke of the LDP, an anti-Yoshida political figure, wanted to revise the unequal security treaty with the United States in order to lessen the anti-American public sentiment and strengthen his government's political base.

When the treaty was revised in 1960, the "internal riot" clause was removed, and a clause was introduced referring to the need for "prior consultation" when necessary. The clause is conventionally interpreted to mean that Tokyo's formal approval will be sought by the United States before any major changes are effected in deployment, equipment, or use of facilities in Japan for U.S. direct combat purposes abroad. But as Michael Armacost, former U.S. ambassador to Japan, has pointed out, this clause has always been double-edged for Japan. Although it recognizes Japan's sovereign right to be consulted about U.S. activities, such prior consultation would also, in effect, make Japan bear responsibility for U.S. military activities outside Japan proper.<sup>3</sup> So in fact, in the history of the U.S.-Japan alliance, the prior consultation clause has never officially been invoked.

The revised security treaty states in Article 4 that "the parties will consult together from time to time regarding the implementation of this treaty" and in Article 5 that "each party . . . declares that it would act to meet the common danger in accordance with its constitutional provisions and processes." Based on Article 4, the two governments established three major forums for conducting security consultations: the Security Consultative Committee (SCC) at the ministerial level, the Security Subcommittee at the vice ministerial level, and the Security Consultative Group at the deputy vice-ministerial level. Nonetheless, the U.S.-Japan alliance has not fostered a standing body for consultation on joint military studies and plans, as per Article 5, which is interpreted that the United States officially accepts its legal obligation to protect Japan.

Article 6 states that "for the purpose of contributing to the security of Japan and maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air, and naval forces of facilities and areas in Japan." As Article 5 makes clear the U.S. obligation to protect Japan, Article 6 obligates Japan to provide its facilities and areas to the U.S. forces. The U.S.-Japan security relationship had asymmetrical but mutual characteristics. Nihismura Kumao, then director general of treaty, Japan's Ministry of Foreign Affairs, at the conclusion of the U.S.-Japan Security Treaty of 1951, noted, "in a nutshell, Japan will provide the facilities and the United States will offer its forces to complete the task of defending Japan. This cooperation of

goods (facilities) and people (U.S. military) will allow a mutual balance to be maintained.”<sup>4</sup> Even if this exchange between the material factor and the human factor allowed “a mutual balance to be maintained,” it was a shallow balance.

It is reported that there was a secret agreement between Tokyo and Washington in the revision of the treaty: the U.S. forces in Japan could be redeployed for contingencies on the Korean Peninsula without prior consultation. A declassified U.S. government document stated:

Under the treaty arrangements, the United States is committed to consult with Japan prior to the introduction of nuclear weapons, including intermediate and long-range missiles, and prior to launching from the bases military combat operations not directly related to the defense of Japan except for combat operations in immediate response to an attack against the UN forces in Korea.<sup>5</sup>

The opposition parties in Japan feared being embroiled in U.S. military actions in the Far East, including Korea. The Japanese government was caught between the opposition parties and public opinion in Japan and the U.S. government. In order to escape from this dilemma, the Japanese government needed a secret agreement. Even though Japan permitted U.S. forces in Japan to conduct direct military combat operations in Korea, Japan did not have its own contingency plan for Korea. To sum up, the revised 1960 treaty was regarded, as Nishimura pointed out, as basically a base-leasing arrangement: the United States would defend Japan in return for use of its bases there.

The revision of the treaty caused significant political turmoil in Japan, and forced Kishi to resign as prime minister. Kishi failed to achieve his most important political goal: the revision of the constitution based on a mutual and equal U.S.-Japan security treaty with a full-fledged Japanese armament. His successor, Ikeda Hayato, focused on economic growth. During the 1960s and the early 1970s, Japan successfully promoted economic prosperity through international trade. That was one of the premises of the Yoshida Doctrine.

To some extent, Kishi, a prominent anti-Communist, shared his threat perception with the U.S. government. At societal level, however, no such sharing existed. Operational procedures between the SDFs and the U.S. forces in Japan were not promoted, at least, at official level. As for the strategic goals, while defense of Japan were clearer declared in the revised treaty than the 1951 treaty, the interpretation of the peace and security of the Far East was still open-ended. A legal framework for the revised treaty was not yet established.

### *The Defense Guidelines of 1978*

Since the late 1970s, however, Tokyo and Washington have tried to establish a substantive military structure for the alliance. After the Nixon Doctrine of 1969, which suggested U.S. military reductions in Asia, and the end of the Vietnam War, Tokyo became concerned that the United States was leaving Asia and abandoning its commitments to Japan. This concern followed on the heels of an attempt in the early 1970s by Nakasone Yasuhiro, then director general of the Defense Agency, to forge an autonomous defense policy; this attempt was unsuccessful, due to public opposition and fallout from oil shock. It was logical, therefore, for Sakata Michita, Nakasone's successor, to seek closer defense cooperation with the United States. At the same time, the United States, experiencing a relative decline in its economic supremacy and a domestic-oriented post-Vietnam mood, began to seek Japan's more active involvement in regional security issues.

The adoption of the Guidelines for U.S.-Japan Defense Cooperation in November 1978 was a turning point for institutionalizing the alliance. In this document, the United States explicitly pledged that "it will maintain a nuclear deterrent capability, and the forward deployments of combat-ready forces and other forces capable of reinforcing them." "In principle, Japan by itself will repel limited, small-scale aggression. When it is difficult to repel aggression alone due to the scale, type and other factors of aggression, Japan will repel it with the cooperation of the United States." For this purpose the SDF "will primarily conduct defensive operations in Japanese territory and its surrounding waters and airspace" and the U.S. forces will conduct "operations to supplement functional areas which exceed the capacity of the JSDF." The guidelines further provided for U.S.-Japan joint exercises, intelligence exchange, and joint studies on three operational dimensions: prevention of aggression against Japan; response to military attacks on Japan; and joint cooperation in case of conflict in the Far East.

The guidelines represented the first political authorization for the SDF and the U.S. forces to train together, which in Honolulu and Washington led to much closer focus on and appreciation of the capabilities of the SDF. The guidelines also offered the first political sanction for contingency studies in Japan, and by so doing, reduced the urgency of developing a concrete bilateral plan for the defense of Japan.

The guidelines assumed, however, that no legislative, budgetary, or administrative measures would be forced upon either government, and that matters concerning prior consultations, Japanese constitutional

limitations, and the Three Nonnuclear Principles would not be the subject of studies and consultations.

Although Tokyo was eager to promote U.S.-Japan bilateral cooperation for the defense of Japan, it was very reluctant to discuss cooperation for the security of the Far East. A joint study on contingencies in Japan was roughly completed in the summer of 1981 for submission to Prime Minister Suzuki Zenko. A joint study on contingencies in the Far East, that the United States really wanted, was officially initiated in 1982. But, it was never completed, because Tokyo failed to establish interagency consensus that would have allowed contingency planning to be carried out by critical ministries, such as Foreign Affairs, Transportation, Construction, and Home Affairs.

It took Tokyo almost 20 more years to overcome the shortcomings of the guidelines of 1978. In the 1980s, in the international strategic environment of the new cold war, Japan sought to be involved in the security relationship with the United States under the leadership of Prime Minister Nakasone. Another premise of the Yoshida Doctrine's, the maintenance of good relationship with the United States, was emphasized in this period. Tanaka Akihiko, professor at the University of Tokyo, points out that "although the guidelines were not adopted for the new Cold War [per se], this document provided the framework to 'fight it.'"<sup>6</sup> While public support was not sufficient enough in Japan, shared threat perception at governmental level became clearer in this period than in the past periods. Operational procedures between the SDFs and the U.S. forces in Japan were officially promoted, in particular at naval level, under the new framework of the 1978 guidelines without clarifying the common strategic goal: the peace and stability of the Far East.

When the cold war was suddenly over in late 1989, the experiences of institutionalizing the U.S.-Japan alliance, even loosely, helped the alliance survive in a grossly new security environment.

### *The Revision of the Guidelines in 1997*

The Persian Gulf Crisis in 1990 and the Gulf War in the following year were the first real challenge to international security after the end of the cold war. The Japanese government drafted the UN Peace Cooperation Bill, but it failed to be passed in the National Diet. So, despite its reliance on Middle Eastern oil and its alliance with the United States, Japan could not even cooperate in the transportation of supplies. When Tokyo contributed the huge amount of US \$ 13 billion, it was ridiculed

abroad for its checkbook diplomacy. When Japan was finally able to send minesweepers to the Gulf, the war was already over.

At the time, Ozawa Ichiro, then LDP secretary general, related an interesting anecdote. Upon meeting an officer of the U.S. military, a key officer of the SDF said, “Japan could not participate with the multinational ground forces, but we donated what amounted to \$100 for each citizen instead.” The American officer took out a 100-dollar bill from his wallet and replied, “I will give you this money, so go fight for me instead.”<sup>7</sup>

“People’s perceptions of security,” recalls Iokibe Makoto of Kobe University, “had not progressed beyond the heated and ideological debates of the 1950s, a time of black-and-white arguments over whether it was to be war or peace, revival of militarism or democracy, aggression or self-defense. The lexicon of the Japanese postwar mentality included only two types of war: wars of aggression and wars of self-defense.” For Japan, the Gulf War was neither a war of aggression nor of self-defense.<sup>8</sup> Then, Japan failed to promptly and properly respond to this challenge to international security. It was in June 1992 that the Miyazawa Kiichi cabinet enacted the Law concerning Cooperation for the United Nations Peacekeeping Operations and Other Operations (so-called PKO Law).

The emergence of the nuclear crisis in North Korea in the summer of 1994 posed the first regional security challenge to the U.S.-Japan alliance in the post-cold war era. Tokyo and Washington lacked concrete plans in the event of military contingencies in Korea. While the crisis was fortunately averted this time by former U.S. President Jimmy Carter’s visit to Pyongyang, the experience reminded the U.S.-Japanese security community of the vulnerability of the alliance in crisis.

In September 1995, three American servicemen raped a 12-year-old schoolgirl near an American base in Okinawa. This tragic event piqued the wrath and long-simmering frustration of the Okinawans, and the use of U.S. military facilities in Okinawa, which would be essential in the event of war in Korea, was seriously challenged.

The revision of the guidelines was the answer to these challenges to international, regional, and local security issues. Based on the U.S.-Japan Declaration on Security between President William Clinton and Prime Minister Hashimoto Ryutaro in April 1996, the guidelines were revised in September 1997. While the essence of the old guidelines, at least from the Japanese perspective, concerned the response to a military attack on Japan, the core of the new guidelines relates to a “situation in

areas surrounding Japan.” The guidelines read as follows:

When a situation in areas surrounding Japan is anticipated, the two Governments will intensify information and intelligence sharing and policy consultations, including efforts to reach a common assessment of the situation.

The two Governments will take appropriate measures, to include preventing further deterioration of situations, in response to situations in areas surrounding Japan. . . . They will support each other as necessary in accordance with appropriate arrangements.

As situations in areas surrounding Japan have an important influence on Japan's peace and security, the Self-Defense Forces will conduct such activities as intelligence gathering, surveillance, and minesweeping to protect lives and property and ensure navigational safety. U.S. forces will conduct operations to restore the peace and security affected by situations in areas surrounding Japan.

The new guidelines provide for conducting bilateral defense planning and mutual cooperation planning. The later aims “to be able to respond smoothly and effectively to situations in areas surrounding Japan” in peacetime. Planning for mutual cooperation is long over due; it should have been promoted under the old guidelines. As stated earlier, the 1978 guidelines did not provide for any authorized U.S.-Japan joint plan, even in the event of military contingencies in Japan. With the earlier guidelines, the two governments were not able to finalize joint studies on contingencies in the Far East. The new document calls for joint plans not only for contingencies in Japan and the Far East but also in “situations in areas surrounding Japan.”

The new guidelines also state that the parties will establish “a bilateral coordination mechanism involving relevant agencies of the two countries to coordinate respective activities in case of an armed attack against Japan and in situations in areas surrounding Japan.” In addition, the new guidelines also cover alliance objectives that were not part of the old ones, including cooperation in UN peacekeeping activities, international humanitarian relief, and emergency relief operations. In a new, uncertain strategic environment, an alliance needs broad purposes like these, besides the purely military aims of stability and durability.

As with the old guidelines, the new document “will not obligate either Government to take legislative, budgetary or administrative measures.” Under the new guidelines, however, “the two Governments are



expected to reflect in an appropriate way the results of these efforts, based on their judgments, in their specific policies and measures.”

As a matter of fact, three laws implementing the new guidelines were made in May 1999: the act of sustaining the peace and security of Japan in “situations in areas surrounding Japan”; the revised SDS Law; and the revised Acquisition and Cross-Servicing Agreement (ACSA).

The revision of the SDF Law allows the SDF to dispatch ships and aircraft to rescue Japanese citizens overseas in case of emergency. The revised ACSA permits supplying U.S. forces not only in peacetime but also in situations in areas surrounding Japan. The act on “situations in areas surrounding Japan” contains three major provisions:

- (1) The SDF may provide rear area support to U.S. forces, search and rescue, and inspection of suspicious ships on the high seas;
- (2) The Japanese government may request that local government bodies and the private sector cooperate with the central government and U.S. forces; and
- (3) The SDF may use weapons when necessary.<sup>9</sup>

The revised guidelines and related Japanese laws provide a much more institutionalized framework for the U.S.-Japan alliance than before. Tanaka Akihiko speculates that Japan’s defense policy in the 1970s was a sort of “rehearsal” for the post-cold war era.<sup>10</sup> Thanks to the repeated North Korean military provocations and Chinese assertive diplomacy and military buildup, threat perception between Japan and the United States was more clearly shared even at societal level in this period than the past periods. The importance of the peace and security of the Far East or the so-called areas surrounding Japan was also understood by many Japanese people in the context of Japan’s own defense. The shared military procedures were further promoted under the new framework of the revised guidelines. The strategic goals of the U.S.-Japan alliance, however, were going to expand to a global security level.

### **Differences between the U.S.-Japan Alliance and the U.S.-South Korea Alliance**

Let us briefly examine the differences between the U.S.-Japan alliance and the U.S.-South Korea alliance, to allow better understanding of the former’s characteristics as a flexible institution.

In October 1953, with an armistice reached in Korea, the United States concluded the Mutual Defense Treaty with the Republic of Korea (ROK).

Since the U.S. forces and ROK forces fought together in the Korean War, unlike the U.S.-Japan Security Treaty of 1951, the treaty between the United States and the ROK was called a *Mutual* Defense Treaty from the beginning. (when the U.S.-Japan Security Treaty was revised in 1960, the word “mutual” was first put into the title).

The heart of the U.S.-ROK Mutual Defense Treaty, Article 3, states that “an armed attack in the Pacific area on either of the parties in territories now under their respective administrative control, or hereafter recognized by one of the parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety” and that “it would act to meet the common danger in accordance with its constitutional processes.”

First, this Article implies that the United States has no treaty obligation to help South Korea if the South should attack the North. This is because North Korea does not belong to territories under South Korean administrative control. Second, the United States, in accordance with its constitutional processes, would avoid being automatically embroiled in a war on the Korean Peninsula. This is the so-called Monroe Doctrine approach to collective defense.<sup>11</sup> While the Monroe Doctrine approach is also applied to the U.S.-Japan Security Treaty of 1960, Japan has not been under a direct external military threat. Also, the UN commander, who is also the U.S. commander in South Korea, retains operational control over the South Korean armed forces (now, only in wartime). Washington, concerned about being entrapped, wanted to prevent Seoul as well as Pyongyang from initiating offensive military action.

As for the U.S. strategic value of the alliances with South Korea and Japan, Edward Olsen of the U.S. Naval War College notes:

The U.S.-ROK alliance was characterized by its focus on the North Korean adversary—not on the key cold war Soviet adversary. In contrast, the U.S.-Japan alliance, although fuzzy about what country to the north was Japan’s hypothetical adversary, left no serious doubt that the alliance was part of the core Western system aimed at the Soviet Union.<sup>12</sup>

The differences between the U.S.-Japan alliance and the U.S.-ROK alliance are clear. First, while Japan has not had a clear military threat, South Korea has had a “clear and present danger”: North Korea. Second, for the United States, the U.S.-Japan alliance has been strategically very important for global security, while the U.S.-ROK alliance has only secondary importance for regional security. Third, while Japan has been concerned about being entrapped into the U.S. global strategy,

South Korea has been concerned about being abandoned by the United States. Consequently, while Japan has tried to avoid sharing military operational procedures with the United States and creating a legal framework for them, South Korea has tried to share military operational procedures with the United States very tightly under the clear legal framework. Ironically enough, because it lacked them during the cold war era, the U.S.-Japan alliance could redefine its purposes and create a new military structure through the U.S.-Japan Declaration on Security in the post-cold war environment, while the U.S.-ROK alliance failed to redefine itself.<sup>13</sup>

The U.S.-ROK alliance is also changing, however. In June 2002, two South Korean elementary school girls were killed when they were struck by an American armored vehicle. The subsequent acquittal by an American military tribunal of the U.S. soldiers involved touched off an unprecedented firestorm of anti-American sentiment throughout South Korea. This incident for the U.S.-ROK alliance was equivalent to the tragic rape incident in Okinawa for the U.S.-Japan alliance. While the Japanese government, successfully or not, tried to limit the negative impacts of the incident on the alliance, the South Korean government tried to utilize anti-American sentiments among the public to strengthen its power base.

The South Korean perception of the danger to North Korea is also changing. South Korea does not see the North as the “prime enemy.” It is ironic again that now many Japanese consider the North dangerous. Many South Koreans rather consider the U.S. military presence in Korea dangerous. According to a survey conducted in South Korea, negative views of the United States increased from 44 percent in July 2002 to 50 percent in May 2003, and only 28 percent considered North Korea as a “great danger.”<sup>14</sup>

Meanwhile, the United States has reached an agreement with South Korea on revisions to the U.S.-ROK Status of Forces Agreement (SOFA), though public criticism of the U.S. forces stationed there is still very strong. Recently, based on the U.S. Revolution in Military Affairs (RMA), the Bush administration has decided to withdraw about 12,000 U.S. troops from South Korea. These forces protect Seoul from an attack from the North, since it would be impossible to attack Seoul from the north without attacking these troops first. Thus, they effectively serve both as a deterrent and as hostage. If they should be withdrawn, the U.S.-ROK alliance cannot continue without redefining itself for surviving in a new strategic environment. While still maintaining shared operational procedures and legal framework for them, the U.S.-ROK alliance is losing shared threat perception and strategic goals.

## Current Developments

The tragic terrorist attack on September 11, 2001 had significant impacts on the U.S.-Japan alliance. In October 2001, only one month after the incident, the Japanese Diet approved the Anti-Terrorism Special Measurement Law, and in December the 1992 PKO Law was amended a second time. While the opposition parties including the Democratic Party of Japan (DPJ), the largest opposition party, opposed these laws, they were exceptionally quick decisions by the Japanese government. These measures were taken in anticipation of the possible dispatch of SDF personnel to support reconstruction in Afghanistan, and to help in UN peacekeeping operations in East Timor. The PKO Law amendments were designed, first, to lift the freeze on SDF participation in such Peacekeeping Forces (PKF) activities as monitoring ceasefires, disarming local forces, patrolling demilitarized zones, inspecting the transport of weapons, and collecting and disposing of abandoned weapons; second, to expand the scope of activities in which members of the SDF are permitted to engage, so that rather than have the use of weapons limited to self-defense or to defend the lives of other SDF members at the site when it is unavoidable, use was expanded to protection of those with whom the SDF work on site and others “under their control”; and third, to allow the application of Article 95 of the SDF Law permitting weapons to be used for protection.

Among the U.S.-Japan security policy community, the lessons from the Gulf War were so strong. The Japanese public was sympathetic to the United States this time. A survey, conducted immediately after the military action begun in Afghanistan by the United States, showed that 23 percent of the respondents considered this action “reasonable” and 60 percent “unavoidable,” that is, 83 percent either supported or could accept the U.S. intervention. Concerning Japan’s role vis-à-vis Afghanistan, 63 percent favored support for the refugees.<sup>15</sup> Even China refrained from objecting to these laws—out of consideration for the United States and with the justification that it was part of the international antiterrorism effort—though it issued “cautions” to Japan.

In order to fight “a war on terrorism,” the Bush administration tried to create international cooperation. U.S. relations with China and Russia improved dramatically. When the Bush administration moved to the war against Iraq, however, major countries, including U.S. allies such as France and Germany, were opposed to it, and the United States could not obtain a new UN resolution explicitly legitimizing the war. In conducting the war, the United States was, therefore, based on the so-called

coalition of the willing not on either formal alliances or international institutions such as the UN. Under these circumstances, the U.S.-Japan alliance, as a less-institutionalized alliance, could function as either a formal alliance or as part of the “coalition of the willing.”

After President Bush’s declaration ending major military operations in Iraq in July 2003, Japan decided to send SDF personnel to occupied Iraq. Because the Iraqi government disappeared after the war and did not accept any PKO, a new special law concerning the use of weapons by the SDF was relaxed (while still limited from the viewpoint of international standard) and the SDF’s activities are limited to noncombat areas (which are extremely difficult to define under the current situation in Iraq). These limitations stem from the governmental interpretation on the exercise of the right of Collective Self-Defense.

In December 2003, the Japanese government under Prime Minister Koizumi Junichiro decided to send SDF personnel to Samawa, in the southern part of Iraq, which was considered to be relatively safe under the protection of the Dutch armed forces. According to *Asahi Shimbun*, the cabinet supporting rate decreased from 47 percent in November to 41 percent in December, and while 34 percent supported this decision, 55 percent were opposed to it.<sup>16</sup> Since there have been no SDF casualties there so far, the supporting rate for this decision has now increased.

When the transfer of sovereignty to the newly established Iraqi interim government was done in June 2004, Prime Minister Koizumi made it clear that the SDF would join the multinational forces under UN command in Iraq. The opposition parties, including the DPJ, consider this decision as unconstitutional exercise of the right of Collective Self-Defense. With the consent of the United States, the SDF might withdraw from Samawa in the early 2006 after the adoption of Iraqi constitution.

Meanwhile, given the repeated North Korean provocative actions and the possibilities of international terrorism in Japan, first, in June 2003, the Japanese National Diet passed the laws related to national contingencies. One year later, second, other related laws for protecting citizens’ rights and properties and for assisting activities of the U.S. forces under national contingencies in Japan were passed. In both cases, not only the governmental parties but also the DPJ supported the bills.

Let us sum up these stages. First, since the end of the cold war, by making various security-related laws, Japan has expanded the scope of its security activities and strengthened its alliance relationship with the United States. Second, by so doing, for Japan, the activities related to the alliance relationship with the United States and the activities for

contributing to global security affairs overlap more and more. Third, nonetheless, the problem over the exercise of the right of Collective Self-Defense has yet to be overcome. Fourth, therefore, the public support for the legitimacy of these moves is not necessarily solid. Fifth, as Watanabe Akio, the president of the Research Institute for Peace and Security (RIPS), points out, while the Japanese public has almost reached the consensus over the territorial defense issues, as is seen in the laws related to national contingencies, it is still divided over the global security affairs, as is seen in the Iraqi War.<sup>17</sup>

In other words, while the strategic goals of the U.S.-Japan alliance expanded to global security issues such as the stability of the Middle East and antiterrorism activities, and the Japanese government has expanded the legal framework for adjusting the new goals step by step, Japanese public has not yet shared threat perception on these issues with the United States. Also, military operational procedures between the SDF and the U.S. forces have not been clearly established for these new goals.

### Further Tasks

As argued earlier, the U.S.-Japan alliance, unlike the U.S.-ROK alliance, originally lacked a solid military structure, and has been gradually institutionalized. The less-institutionalized character of the alliance gave Japan the flexibility of expanding its security role in accordance with the new strategic environment after the end of the cold war. The Japanese government, however, has failed to obtain a wide public support for these moves. In order to strengthen the U.S.-Japan alliance in this highly volatile strategic environment and obtain a wider and more stable public support for it, the alliance should become more institutionalized.

First, the problem over the exercise of the right of Collective Self-Defense should be solved. This is the most basic legal framework for promoting the U.S.-Japan alliance at global level. "By any world standard," writes Kitaoka Shinichi of the University of Tokyo, "providing military bases to another country constitutes exercise of the right of the Collective Self-Defense. Japan, however, narrowly interprets the exercise of the right of Collective Self-Defense and regards the bases as constitutional (and other activities as unconstitutional). What the Koizumi Junichiro cabinet did was to even further narrow the interpretation of this right, formulating the idea that extending cooperation to foreign troops in the form of transportation of supplies did not amount to exercise of the right of Collective Self-Defense."<sup>18</sup>

Kitaoka also argues that not exercising the right of Collective Self-Defense is a bad option militarily, as Japan should maintain a military capability for the purpose of self-defense. As he points out, rejection of the right to Collective Self-Defense is a diplomatic blunder; as a result, each time Japan does something that transcends its definition of the right to Individual Self-Defense, it must provide an explanation for its action. Further, he argues, it is illogical that, while the Cabinet Legislation Bureau supports the possession of defense capabilities, it should see the right to Individual Self-Defense as being safer than the right to Collective Self-Defense.<sup>19</sup> Thus, the governmental interpretation that Japan has the right of Collective Self-Defense but cannot exercise it is unconvincing.

As a matter of fact, the LDP made its draft for revising the constitution in 2005. According to *Asahi Shimbun's* survey of National Diet members less than 50 years old, more than half the number of respondents believe that the constitution will be revised within five years, and about 80 percent that it will be revised within five years. And, about 70 percent are in favor of revising Article 9.<sup>20</sup>

The Japanese constitution was drafted based on the UN Charter. Since the Iraq War, discussions over reorganizing and revitalizing the United Nations, in particular, the Security Council, are keen. If the roles and functions of the United Nations should be reviewed, it is almost unavoidable that the Japanese Constitution will be reviewed too.

By exercising the right of Collective Self-Defense, Japan could promote multilateral security cooperation with countries other than the United States. Japan is already a participant of the Proliferation Security Initiative (PSI) and the Six Party Talks over North Korea. These frameworks could be further institutionalized, and these multilateral security cooperation frameworks could supplement the U.S.-Japan bilateral alliance. In order to prevent the United States from relying on an arbitrary "coalition of the willing" all the time, these efforts will be very important.

Second, there is the problem of the division of roles between Japan and the United States. In the 1990s, Japan began to take a larger role as the U.S.-Japan alliance was strengthened. However, this was still only rear area support. And, the United States did not expect Japan to come to its aid in the event of an attack on the U.S. mainland. In this sense, it was not a reciprocal relationship, but remained an exchange between the material factor and the human factor, as Nishimura observed long time ago. Given the ongoing U.S. military transformation and the RMA, even the strategic role and values of the U.S. bases in Okinawa are seriously reviewed.

Also, with multiple terrorist attacks, it has become apparent that even the U.S. mainland can be the object of a direct attack, Japan could be so. Even as a superpower, the United States now needs international cooperation to handle the prevention of international terrorism and the spread of the weapons of mass destruction. In facing these serious new threats, it is now necessary for the U.S.-Japan alliance to move beyond the exchange between the material factor and the human factor. And, it should be noted that Japan society is extremely vulnerable to massive terrorist attacks. [Furthermore, SDF's prompt relief activities with the U.S. and Australian forces to the Tsunami disaster in Indonesia and Thailand in the end of 2004 demonstrated its capabilities about international relief activities, which are one of the new important tasks for the U.S.-Japan alliance.]

[It was epoch-making for the U.S.-Japan Security Consultative Committee (SCC) between the U.S. secretaries of state and defense on the one hand and the Japanese ministers of foreign affairs and defense on the other hand to make clear the joint strategic goals for the alliance in February 2004.] As the mid-term report of the SCC of October 2005 further urged, operational military procedures between the SDF and the U.S. forces should be further promoted for these purposes beyond Japanese territorial defense.

Third, U.S.-Japan security cooperation needs to be enlarged and deepened. Cooperation between the Ministry of Foreign Affairs and the Japan Defense Agency on the one hand with the U.S. Department of State and the Department of Defense on the other hand is not adequate when faced with international terrorism. It is already necessary for many parts of central government, local governing bodies, as well as non-governmental organizations to occasionally cooperate due to the law concerning situations in areas surrounding Japan. It is becoming increasingly urgent for this to occur on a wider scale. Virtually every area of government including the police, customs, welfare, transportation, and finance will be asked to participate in one way or another. The importance of exchange information in the U.S.-Japan security cooperation will only increase in the future.

Even the United States lacked an ample security strategy and structure until World War II. The Joint Chiefs of Staff was established with cooperation from the British. The National Security Council (NSC) and the Central Intelligence Agency (CIA) were created as a result of the 1947 National Security Act. Recently, the Bush administration created the new Department of Homeland Security, and is going to reorganize the intelligence organizations. Japan must also respond to the rapidly



changing structure of the international environment and cooperate in the alliance by creating a comprehensive security institution. The National Defense Program Outline is supposed to be revised by the end of 2004, and it will be a blueprint for this direction.

“America’s challenge [is] to recognize [our] own preeminence but to conduct . . . policy as if [we] were still living in a world of many centers of power,” wrote Henry Kissinger, warning that even the greatest power would soon succumb to internal decay were it to behave otherwise.<sup>21</sup> The war against Iraq and its consequent troubles have demonstrated the difficulties of maintaining a sound alliance relationship with an overwhelming power. Further institutionalizing the U.S.-Japan alliance is also important for restraining either the U.S. unilateralism or isolationism.

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PART III

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*The Limits of Institutions*

## CHAPTER 6

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# The Uses of Institutions: The United Nations for Legitimacy

*Akiko Fukushima*

### Introduction

Both Japan and the United States expected the United Nations to provide a venue to realize their foreign policy to achieve their national interest. Yet both have discovered that such expectations are not fully met by the institution. Notwithstanding, however, both have discovered that the UN provides a forum through which governments can legitimate its policies to both international and domestic constituents. This chapter examines how Japan has used the UN in its security and foreign policy over the past 60 years and contrasts that experience with the United States. Both the United States and Japan have used the UN at differing degrees in legitimizing their respective foreign policy and both have experienced excitement, frustration, and disenchantment with it. While the United States as the founder of the organization held high expectations for the UN in realizing its national interest, it was soon disappointed with its utility; Japan, on the other hand, had embraced a utopian view of the UN. Japan, too, has been disappointed with the limitations of the UN due to the paralysis of the Security Council emanating from the East–West confrontation during the cold war, and due to the failures of the UN reform including its permanent seat on the Security Council. Nonetheless, rather than developing an antipathy to the UN, Japan has remained to embrace idiosyncratic view of the organization and used the UN, even at the rhetorical level, to legitimize its security and foreign policy. At different times, Japan has used the UN as an institution to

guarantee its sovereignty and international citizenship and legitimize its bilateral alliance with the United States; it now uses the UN as an institution to legitimize its adoption of a global security role as well as an alliance partner more proactive and sometimes aggressive in nature.

Japan's UN policy has placed emphasis on three functions of the organization, namely on norms, socioeconomic activities, and security related matters. This chapter examines how Japan used the UN for its international cultural functions giving legitimacy to Japan's existence in the international community in the first phase from 1956 to 1975, for its economic functions in enlarging Japan's international role from 1975 to 1991 and for its political and security functions from 1991 to present. It examines Japan's quest for a permanent seat on the Security Council and its failure in 2005 and asks whether the UN matters for Japan and the United States.

### **The Uses of the United Nations for the United States**

The United States was the prime actor in the founding of the UN. Having learned the lesson at the time of the creation of the League of Nations, when President Wilson took the lead but failed to obtain ratification by the U.S. Senate, the United States took the initiative in creating a global institution for security even during World War II. The goal was to create an institution before postwar isolationism crept into American society. The executive branch succeeded in garnering bipartisan support for its accession to the UN. In 1951, Hans Morgenthau wrote of the United States's high expectations for the UN as the following:

For the United States the new world organization in the form of the United Nations was a substitute for power politics; it was supposed to do away with the balance of power, spheres of influence, alliances, the very policies seeking national advantage and aggrandizement. In one word, the United Nations was an end in itself, the ultimate end of American foreign policy.<sup>1</sup>

The United States expected the UN to share American values. It expected to use the organization to realize its national interests and foreign policy goals. As noted by Morgenthau, the United States expected the UN to replace the power politics that led to World War II with powers working in concert for global peace and security. Half a century later, relations between the UN and the United States, according to Edward Luck, are "in shambles, dominated by finger-pointing, recriminations, and mutual mistrust."<sup>2</sup> According to Benjamin Rivlin, during the past five decades the United States and the UN have gone through "a zigzag

love-hate relationship.”<sup>3</sup> This love-hate cycle has been more pronounced between the American Congress and the UN, less so with the Executive Branch. Despite the bipartisan support toward acceding to the UN, congressional-executive relations in the formulation of American policies toward the UN over the years have developed deep rifts. On the other hand, the support of the American public for the UN has remained consistent at around 50 percent without major fluctuations since its creation, according to the Gallup opinion polls.<sup>4</sup>

While the United States was in the love phase of the cycle during the UN’s first decade, as illustrated by Morgenthau’s observation earlier, relations entered troubled times, if not a hate cycle, in the 1960s, particularly between the Congress and the UN. When the confrontation between the United States and the Soviet Union during the cold war paralyzed the concert of powers that was the basis of the UN, particularly among permanent members of the Security Council, American expectations toward the UN were betrayed.<sup>5</sup> Because President Truman had heightened American expectations of what the UN could deliver for the U.S. national interest in order to get the UN Charter ratified on Capitol Hill, the U.S. Congress was very disappointed by the paralysis of the Security Council, which disabled the core function of the UN collective security. Because the United States and/or the USSR were often involved, directly or indirectly, in many conflicts erupting around the world, the Security Council suffered from frequent vetoes, both explicit and implicit, by the two states. In the opinion of the Congress, the UN had become a forum for debate, which produced no decisive resolutions.

Consequently, the American government gradually marginalized the UN in terms of its foreign and security policies. A stronger trigger for this disenchantment lay in decolonization and state formation in the Third World, and the subsequent membership of these states in the UN. The United States, in fact, encouraged and assisted the decolonization movement. Reflecting Hull’s Wilsonian view in creating the organization, the UN is supposed to be an egalitarian organization, giving one vote to each country regardless of its size or assessed contribution. Consequently, as the UN became larger with the rising tide of decolonization, a country wishing the UN to adopt a particular proposal had to bring on board as many members as possible, particularly in the General Assembly.

The Soviet Union was skillful in recruiting Third World members to its side by supporting their initiatives, while the United States was increasingly resented by them because of its lack of endorsement of Third World initiatives such as New International Economic Order (NIEO)

and because of its demands for human rights. The ironic result was that the General Assembly gradually came to be controlled by the Soviet Union and the Third World countries, which outnumbered the United States and its voting allies.<sup>6</sup> The Soviet Union was able to pursue its national interests with minimum cost at the UN. In contrast, the United States found the UN a hostile place for its national interest by the 1970s. Senator Daniel Patrick Moynihan, who was appointed as America's permanent representative to the UN, called the UN "a dangerous place."<sup>7</sup>

Another incident that contributed to the U.S. hate cycle with the UN was the Soviet use of the UN as a headquarters and base for espionage against the United States. These activities were revealed by the Soviet UN Under Secretary General Arkady Shevchenko after his defection in 1978.

This U.S. disappointment with the UN was reflected in congressional measures such as the Kemp-Moynihan Amendment of 1979, which prohibited the United States from paying its share of UN funds for liberation movements such as the PLO (Palestine Liberation Organization). In fact, the United States used threats to withhold contributions to prevent the UN from acting "in ways detrimental to U.S. national interests and, in some cases, contrary to American values."<sup>8</sup> It became congressional practice to withhold finances to express its displeasure with UN actions, culminating in its adoption of the August 1985 Kassebaum-Solomon amendment, which required the withholding of one-fifth of U.S. dues until the introduction of financially weighted voting in the General Assembly and the specialized agencies. By that time U.S. Congress had lodged strong complaints about UN mismanagement and spending habits. Toward the end of the 1990s, U.S. arrears to the UN, for a variety of reasons, increased to the extent of endangering the nation's voting rights. At the same time, the Congress recognized that unilateral withholding of its dues was counter to U.S. interests, and eventually paid its arrears to the UN.

The U.S. government returned to a more amicable relationship with the UN in the mid-1980s when the new leadership of the Soviet Union made its debut in world politics. While promoting glasnost and perestroika, the Gorbachev administration regarded the UN as a useful way to further its own policies, particularly the withdrawal of Soviet troops from Afghanistan. This change in Soviet posture raised hopes that the UN Security Council would emerge from its paralysis. Having witnessed the swift action of the Security Council at the time of the 1990–1991 Gulf Crisis, the United States directed renewed attention toward the UN.

However, this love cycle proved to be short-lived. The United States reentered a hate cycle after the deaths of U.S. soldiers dispatched to Somalia for a UN peacekeeping mission. In October 1993, U.S. Army Rangers attempting to fulfill a Security Council mandate to capture a local warlord were caught in a bloody ambush, the results of which were televised in the United States. Eighteen U.S. rangers died. This led to a spate of UN-bashing on Capitol Hill and in the media.<sup>9</sup>

Nonetheless, the United States has used the UN for legitimacy of its actions. After the September 11 terrorist attacks on New York and Washington DC, the Bush administration sought UN legitimacy for its counterterrorism action against the Taliban in Afghanistan and also for its action against Iraq. As for the latter, it was unsuccessful in obtaining a new Security Council resolution for the 2003 attack on Iraq, but went ahead without. The United States, nonetheless, used the old UN resolutions to legitimate its action. For the United States, the UN has not lost its utility in providing legitimacy, which is manifested by its efforts to secure a June 2004 UN Security Council resolution that authorizes a multinational force to perform peacekeeping and humanitarian operations in response to the interim government's request after the return of the sovereignty to Iraq. However, its overall use of the institution has declined substantially since 1945.

The growing debate in the United States over its allegedly unilateral policies following the attack on Iraq in 2003 has led to some discussion of the utility of the UN. Edward Luck, however, observes that "public doubts about the war in Iraq have not led to enthusiasm for the United Nations."<sup>10</sup> A Gallup survey in February 2005 shows that 61 percent of the U.S. citizens rates UN performance at all-time low with the UN a "poor job" rating and only 36 percent "a good job" rating, the worst result in more than 50 years of asking "do you think the United Nations is doing a good job or a poor job in trying to resolve the problems it has had to face."<sup>11</sup> The American public has been consistently supportive of the utility of the UN, but that support fell to historically low levels during and in the aftermath of the Iraq war. However "only 13 percent would give up US membership" in the UN.<sup>12</sup> The United States has often viewed the UN as an annoying institution but one that has a limited usefulness in the provision of legitimacy. In reforming the UN, the U.S. Congress took the position that the UN must be reformed, particularly its budget and secretariat management. On July 21, 2005, in the hearing of the Senate Committee on Foreign Relations, Committee Chairman Richard G. Lugar (R-IN) argued that the UN must regain its credibility from corruption in the Oil-for-Food Program and proposed



the Coleman-Lugar bill to authorize the president to withhold UN assessments, should UN fail to reform. Meanwhile the House passed legislation to withhold 50 percent of U.S. dues if certain reforms are not implemented.<sup>13</sup> The focus of UN reform on the Capitol Hill in 2005 has again been more on the management of the Secretariat due to its corruption.

On the reform of the UN Security Council, the United States government has been less enthusiastic. Under Secretary Burns, in his testimony to the Senate Committee, stated that there are other “more urgently needed UN reforms” than the Security Council reform issue. Burns also explained that the U.S. administration “does not believe that any proposal to expand the Security Council . . . should be voted upon [in the General Assembly] at this stage.” Thus Burns explicitly stated that the United States would vote against the draft resolution by G-4 that is Japan, Germany, India, and Brazil, if the four puts its resolution for a vote.<sup>14</sup> The U.S. government has expressed their support to Japan for its bid to a permanent seat on the Security Council. However, the United States did not endorse the proposal of the Security Council reform in the Secretary General’s report in March 2005. In the report, Kofi Annan asserted the need to change the composition of the Security Council “to make it more broadly representative of the international community as a whole, as well as of the geopolitical realities of today, and thereby more legitimate in the eyes of the world.”<sup>15</sup> The Secretary General further recommended, “I urge Member States to consider the two options, models A and B, proposed in that report [High-level Panel report], or any other viable proposals in terms of size and balance that have emerged on the basis of either model. Member states should agree to take a decision on this important issue before the summit in September 2005. It would be very preferable for member states to take this vital decision by consensus, but if they are unable to reach consensus this must not become an excuse for postponing action.”<sup>16</sup> Kofi Annan even suggested a possible decision by voting to change the composition of the Security Council with a cut off date of September 2005, which was unusual action by a Secretary General. In the High-level Panel report, Model A proposed additional six new permanent seats, with no veto and three new two-year term nonpermanent seats, while Model B provided for no new permanent seats but created a new category of eight four-year renewable-term seats and one new two-year nonpermanent (and nonrenewable) seat. However, either model could not get support by the member states, particularly P-5. On June 16, 2005 U.S. Secretary of State Condoleezza Rice conveyed her position on UN

reform to Japanese foreign minister that the United States proposes to increase two permanent seats and two to three nonpermanent seats that would enlarge the Security Council to 19 or 20 countries that was much smaller than the magnitude of expansion proposed by the High-level Panel. The U.S. government also suggested criteria for new members of the Security Council, namely economic strength, population, military power, contribution to peacekeeping operations, democracy and human rights, financial contribution and efforts on counterterrorism, and counterproliferation. The size of the enlargement suggested by the United States was far smaller than the one discussed by other member states, and a reform of the Security Council was not agreed by the World Summit. The Outcome Document of the World Summit in September 2005 simply stated that “we support early reform of the Security Council . . . in order to make it more broadly representative, efficient and transparent and thus to further enhance its effectiveness and the legitimacy and implementation of its decisions.”<sup>17</sup> Although it stated that “we request the General Assembly to review progress on the reform set out above by the end of 2005,”<sup>18</sup> there is no outlook for a reform of the Security Council composition anytime soon.

### **The Uses of the United Nations for Japan**

Japan has regarded the UN as a symbol of the international community, providing legitimate international citizenship. From its accession (1956) to present, Japan has remained to embrace idiosyncratic expectations of the UN. Despite its disappointments with the less-than-expected functions of the organization, the UN has offered most useful legitimizing roles for Japan at home and abroad as described in this section. This section reviews Japan’s use of the UN at three stages of the postwar development: namely (1) 1956–1975; (2) 1975–1991; and (3) 1991 to present, and examines how Japan has utilized the UN despite its former enemy status in the UN Charter.

#### ***From 1956 to 1975: The UN Providing Legitimacy to Japan’s Existence***

When the UN Charter was signed on June 26, 1945 in San Francisco, Japan was still at war with the allied nations. Thus, the UN Charter includes specific reference to Japan in the “former enemy clauses” (Article 53, 77 (1) (b), and 107), which state that “nothing in the present Charter shall invalidate or preclude action, in relation to any state

which during World War II has been an enemy of any signatory to the present charter.” This so-called former enemy clauses are still in the UN Charter, although it was recommended to be deleted. For actual deletion of these clauses, Japan must wait until it is voted at the General Assembly and is approved by two-thirds majority because it entails the revision of the UN Charter.

Japan withdrew from the League of Nations in March 1933; with its defeat in World War II, the nation was alienated from the international community. Thus, after the war ended, Japan strongly aspired to be accepted as a legitimate member of the international community. Japan perceived membership in the UN as a symbol of its readmission into the international community as a legitimate international citizen. Shortly after the signing of the San Francisco Peace Treaty—which restored Japan’s independence—on September 8, 1951, Japan swiftly applied for UN membership. Foreign Minister Katsuo Okazaki sent a letter dated June 16, 1952 to UN Secretary General Trygve Lie stating the following:

Declaration, Tokyo, 16 June 1952

I, Katsuo Okazaki, Minister of Foreign Affairs, having been duly authorized by the Japanese Government, state that the Government of Japan hereby accepts the obligations contained in the Charter of the United Nations, and undertakes to honor them by all means at its disposal from the day when Japan becomes a member of the United Nations.<sup>19</sup>

Japanese application for membership of the United Nations was rejected three times by the Soviet Union. The Soviet Union initially rejected the Japanese application in September 1952 because diplomatic relations between the two countries had not yet been restored.<sup>20</sup> Another reason for the Soviet rejection of the Japanese application stemmed from the East–West confrontation along the cold war divide. With the arrival of the Khrushchev administration, the USSR submitted a draft resolution to admit 16 countries to the UN simultaneously. Japan was excluded from the list. The Western nations countered with a draft resolution to admit 18 countries including Japan. It was not until December 18, 1956 that Japan was finally accepted as the eightieth member of the UN. The Soviet Union did not exercise its veto against Japanese accession this time because the Japan-USSR Joint Declaration, signed on October 10, 1956, contained a statement pledging that the Soviet Union would support Japan’s application for UN membership.

Yasushi Akashi described the excitement of the day when the Japanese accession to the UN was officially approved, and Japanese expectations

of the institution, as follows:

Foreign Minister Shigemitsu with his cane in his hand sat down in the guest seats surrounded by other Japanese representatives. . . . The Thai Foreign Minister, who was the President of the General Assembly at that time, opened the meeting and introduced the draft resolution proposed by 51 countries regarding the accession of Japan, for which we had all long waited, and it was unanimously approved. The President welcomed Japan to the United Nations and spoke of his expectation that the nation would play an international role, which was echoed by many other delegates.<sup>21</sup>

Foreign Minister Shigemitsu stated in his acceptance speech that Japan, after its defeat in World War II, sincerely wished for peace and believed that the United Nations would be a central force in promoting world peace.<sup>22</sup>

As Japan had declared that it would not resort to war or the use of force, it was natural for the nation to opt for the strengthening of the UN to protect its own national security and to maintain international peace. At the time, Japan genuinely hoped that the UN would play a central role in achieving international peace and security.

Japan's high expectations toward the UN were further reflected in the enunciation of what was termed UN-centered diplomacy. On February 4, 1957, Foreign Minister Nobusuke Kishi stated in his speech to the Japanese Diet that the basis of Japan's postwar diplomacy would be an attempt to further world peace and prosperity. Kishi outlined the three pillars of Japan's postwar foreign policy: (1) to center its foreign policy around the UN; (2) to cooperate with the free, democratic nations of the Western Alliance; and (3) to identify closely with other Asian nations. The first of these pillars is what is known as UN-centered diplomacy. The first Japanese Diplomatic Bluebook, published in 1957, also identified UN-centered diplomacy as one of the three pillars of the nation's foreign policy, while noting that the UN fell short of achieving its designated objectives.<sup>23</sup> Having been accepted, Japan indicated that it would regard the UN as a core forum for Japanese foreign policy.

However, some criticisms emerged to the effect that the paralysis generated by the cold war divide was preventing the UN from functioning. Thus, the 1958 Diplomatic Bluebook modified its emphasis on UN-centered diplomacy and noted that Japan should emphasize its cooperation with the free democratic nations of the Western Alliance.<sup>24</sup> The less than satisfactory functioning of the UN during the cold war could not help but affect the subsequent role of UN-centrism in Japan's diplomacy.

The phrase of UN-centered diplomacy disappeared from the first section of the 1959 Diplomatic Bluebook.<sup>25</sup> Since then, the phrase “UN-centered diplomacy” has basically ceased to be used in the Diplomatic Bluebook, other than in the 1974 edition, in which it is stated that Japan regards UN diplomacy as one of the pillars of Japanese foreign policy. Japan, however, did not abandon its UN-centered diplomacy and the phrase was occasionally used in the speeches of Japanese prime ministers and foreign ministers to the UN.

What does UN-centered diplomacy mean? Several explanations have been given, although they all agree that the meaning of the term is ambiguous. In general, UN-centered diplomacy meant conducting diplomacy in line with the objectives and principles of the UN. In earlier years, Japan had a great deal of confidence in the UN and wanted to act in step with it.<sup>26</sup> Takahiro Shinyo of the Ministry of Foreign Affairs observed in a book published in 1995 that while Japan acknowledged that the functioning of the UN was not up to expectations, the nation needed the organization as a spiritual backbone, even after half a century.<sup>27</sup>

On the other hand, Shizuo Saito, who was involved in drafting the three pillars of Japanese foreign policy that included UN-centered diplomacy, recalled that the nation chose to align its policy with the UN instead of simply and absolutely following the United States. Saito was the Councilor at the Ministry of Foreign Affairs under Foreign Minister Kishi. In the 1950s, there was a confrontation between the Western bloc and the Asia-Africa group. When Japan adopted a policy closer to the U.S. position, the opposing side criticized the nation, arguing that because it was an Asian nation, it should support the position of the Asia-Africa group. When the nation took a position closer to Asia and Africa, the United States complained.<sup>28</sup> According to Shizuo Saito, UN-centered diplomacy was also a way to mitigate the Japanese public’s sense of defeat in World War II.<sup>29</sup>

Ambassador Hisashi Owada, the former permanent representative of Japan to the UN, described UN-centered diplomacy as follows:

UN-centered diplomacy has never been clearly defined, although the term has been consistently used since Japan’s accession to the United Nations in 1956 . . . It has been used as a slogan to mean that Japanese diplomacy would follow any decision made by the United Nations. Having been defeated in the Second World War, the main aim of Japanese foreign policy was to integrate well into the international community. Japan wanted to be passive in international politics and to accept any international order defined at the United Nations.<sup>30</sup>

Yasuhiro Ueki, who served as the spokesperson of the secretary general of the UN, believed that the phrase UN-centered diplomacy was a way to pay lip-service to the UN without engaging in substantive policymaking. According to Ueki, UN-centered diplomacy was neither vigorously pursued nor did it become the focal point of postwar diplomacy.<sup>31</sup> In a 1991 article, Yasushi Akashi stated that UN-centrism was a cover or an excuse for the lack of a well-defined and specific Japanese foreign policy in the postwar era.<sup>32</sup>

On the other hand, Japanese UN-centrism was useful in domestic politics. Shusei Tanaka, former Minister of State of the Economic Planning Agency, argued that UN-centered diplomacy provided the glue for the 1955 political party system. Conservative parties regarded cooperation with the Western nations as the core of Japan's foreign policy and UN-centered diplomacy as the supplementary or the secondary element, while reformers regarded the promotion of socialism as the core and UN-centered diplomacy as the supplement. Thus UN-centered diplomacy was the common ground shared by the two political platforms.<sup>33</sup>

In 1960, Japan used the UN as a cover for its alliance with the United States. When Japan revised the Japan-U.S. Security treaty, the Japanese political leadership persuaded the opposition parties and the Japanese public, who strongly opposed the revision that the revised security treaty was a temporary measure until Japan could align its policy with the UN, which was in a state of paralysis at that stage. The UN was regarded as a potential world government, and Japan's ultimate intention was to align with it. In the absence of a functioning UN, it was explained that Japan had to rely on a bilateral alliance with the United States. The bilateral alliance was a substitute for the UN.

The Japan-U.S. Security treaty was signed simultaneously with the San Francisco Peace Treaty. The revisions proposed by the Japanese government, which had previously been discussed by Foreign Minister Shigemitsu and Secretary of State John Foster Dulles in 1955, were designed to make the treaty more equal. Making the treaty equal meant making defense a mutual obligation for Japan and the United States. However, Japan did not possess sufficient military power for mutual defense and could not dispatch its troops overseas. The August 31, 1955 Japan-U.S. declaration under the Hatoyama government referred to the revision of the Security treaty, but an increase in defense capability and the overseas dispatch of troops was strongly opposed by the domestic constituency. This indicated that a cover was required to make it easier for the public to accept the revision.

Hatoyama was succeeded by Prime Minister Ishibashi, but Mr. Ishibashi fell ill, and Mr. Kishi, the then foreign minister, visited the United States and confirmed the revision of the Security Treaty in a joint declaration with President Eisenhower. Mr. Kishi cited the increased strength of the Self Defense Force (SDF) and Japan's accession to the UN as reasons for the Japan-U.S. Security treaty to be revised. The Declaration included provisions for the establishment of a committee to revise the Treaty, whose mission was to ensure that all measures taken by the treaty were consistent with the principles of the UN Charter. The committee agreed in September 1956 that the UN Charter superseded the Security treaty, that the use of force should be based on the stipulations of the Charter, and that the treaty was consistent with the provisions of the Charter on collective security. Incidentally, the first edition of the Diplomatic Bluebook that contained the three principles of Japanese foreign policy, including UN-centered diplomacy, was published in the same month, September 1956. It was considered that making the UN the first principle of Japanese foreign policy would avoid the criticisms of the opposition parties that the Security Treaty violated the UN Charter. After Kishi became prime minister, he stated in a policy speech at the Diet in February 1960 that the new Security treaty was within the framework of the UN Charter.<sup>34</sup>

The ruling party Liberal Democratic Party (LDP) announced a policy platform in 1960 soon after the confusion caused by the revision of the Japan-U.S. Security treaty. The platform stated that "the maintenance of Japanese security by means of the Japan-US security arrangement is a temporary measure until the U.N. fulfills its role."<sup>35</sup> This shows that LDP leaders wanted to use the UN as a way to blind the public opinion, which was opposed to a too-close alliance relationship with the United States.

In addition to security related matters, during the period of 1956–1975, despite the widely held perception of the UN as a stymied organization during the cold war, Japan actively involved in UN activities, one of which was the norm-setting function. Adam Roberts suggests that "the UN became the world's first truly universal organization of states; helped to develop international standards on a wide range of matters, including human rights."<sup>36</sup> In fact, Article 1(3) of the Charter announces the UN's purposes to include "promoting and encouraging the respect for human rights and . . . fundamental freedoms for all without distinction as to race, sex, language, or religion." Article 13 mandates the General Assembly to "initiate studies and make recommendations for the purpose of . . . assisting in the realization of human rights." Article 56,

combined with Article 55, pledges all UN members “to take joint and separate actions in cooperation with the Organization for the achievement of . . . universal respect for, and observance of, human rights.” Article 68 requires the Economic and Social Council to “set up commissions . . . for the promotion of human rights.” The UN Commission on Human Rights drafted the Universal Declaration Human Rights that passed the General Assembly on December 10, 1948. When Japan joined the UN, the committee debated the covenants, and some member countries resisted the external assessment of their domestic behavior on human rights. When the covenants finally passed the General Assembly, Japan supported the covenants and its universal application. The 1957 Diplomatic Bluebook reported that Japan emphasized the need to reflect one’s own domestic human right protection when the United States, USSR, and France were critical on the draft resolution introduced by Greece on Cyprus.<sup>37</sup> Since 1958, Japan sent its delegates to all the meetings of the Commission on Human Rights including female delegates to explain Japanese women’s status.<sup>38</sup> Also, Japan has sent judges to the International Court of Justice since 1960 intermittently.<sup>39</sup> It should be noted, however, that Japan often found itself in awkward position on human rights. Japan at the UN aligned with the West but belonged to the Asia-Africa group that was “a mixed identity” and an asset and a liability. While human rights were regarded as a pillar of democracy in the West, they are often perceived as a threat to the regimes in nondemocratic developing countries that suppressed human rights. Japan upheld the norms of human rights but was selective in applying the norms to Asian countries. Yasuhiro Ueki argues that Japan often gave priority to maintaining good political relations with other Asian countries over the protection of individual human rights that was not acceptable to the West.<sup>40</sup>

During this period, the Japanese government was also keen to develop its link with numerous UN bodies so as to play an active role in the UN. In fact, Japan joined UN special agencies even prior to its accession to the UN. United Nations Educational, Scientific and Cultural Organization (UNESCO) is one such example. UNESCO was established in November 1946 to which Japan applied for a membership eight months after the creation of the agency. In June 1951, at the sixth General Assembly of UNSECO, Japanese accession was approved. Japan became the member of UNESCO on July 2, 1951. The spirit of UNESCO described in the constitution met the sense of the Japanese to work for peace by nonsecurity measures right after the end of World War II. The UNESCO constitution specifically mentioned that “to contribute to peace and security by promoting collaboration among nations through



education, science and culture in order to further universal respect for justice, for the rule of law and for the human rights and fundamental freedoms which are affirmed for the peoples of the world, without distinction of race, sex, language or religion, by the Charter of the United Nations.” The cultural function of UNESCO was easier for Japan to be involved and to prove its useful existence for international activities. It is worth noting that the first UNESCO association was established in Japan. Since 1952, Japan has been the member of the Executive Board of UNESCO. Japanese current contribution to the UNESCO budget is 22 percent that was 6.6 billion yen in FY2004, the largest contribution while the United States withdrew from its membership. In other words, Japan bears one-fifth of the UNESCO budget. The Diplomatic Bluebook created an independent section on UN agencies including a section on UNESCO. It reported that Japan hosted the ninth seminar on family research in 1965 and East–West Art Expert meeting in 1966.<sup>41</sup> Japan’s interest on cultural and educational functions of the UN was further reflected in its invitation of the UN University in 1974.<sup>42</sup>

Japan was also anxious in getting seats on numerous councils of the UN. Japan campaigned for its nonpermanent seat on the Security Council immediately after its accession and was successfully elected to the Council in 1958.<sup>43</sup> The 1959 Diplomatic Bluebook proudly stated that Associated Press, in reviewing the UN activities in the past year, described that Japan acted as a responsible member of the Security Council, particularly as a mediator of Eastern and Western bloc showing sympathy and understanding to Asia-Africa Group.<sup>44</sup> Upon joining the UN, Japan belonged to this Asia-Africa Group that offered a venue for the Japanese government to meet and cooperate with developing countries. The 1960 Diplomatic Bluebook reported that Japan worked on Laos issue when Ambassador Matsudaira served as chairman of the Security Council.<sup>45</sup> Since its first term, Japan has run for the election of nonpermanent member and has been elected to a nonpermanent seat nine times so far.

After completing its term of two years as a nonpermanent member of the Security Council, the Japanese government campaigned for the Economic and Social Council (ECOSOC) and elected in October 1959.<sup>46</sup> As a matter of fact, Japan has been the member of ECOSOC since 1959 all the way through to 2005 except in 1966, 1967, 1971, and 1981. Japan also became a board member of other UN agencies including ILO (International Labor Organization), FAO (Food and Agriculture Organization), and ICAO (International Civil Aviation Organization).<sup>47</sup> Thus Japan in this period was keen in getting numerous

positions in the UN, ranging from security to culture as a way to legitimize its existence in an international community.

***From 1975 to 1991: The United Nations as an Institution for Japan to Enlarge Its International Economic Role***

During the period from 1975 to 1991, as the Japanese economy grew, the United States and others urged Japan to take more international responsibility commensurate with its economic power. This was reflected in the speech by the representative of the Japanese government that Japan would aggressively contribute to the maintenance of international peace and economy and play its role appropriate to its national power.<sup>48</sup> At the UN, the developing countries urged a fundamental change in a world of economic equity and justice since 1973 and introduced the Declaration on the Establishment of a New International Economic Order (NIEO). This cry for change was triggered by the commodity power demonstrated by resource-rich developing countries as symbolized in the oil embargo. It was also pushed by the logic of global interdependence asking for international economic reform. The Japanese government was placed at a difficult position of aligning with the developed countries and yet wanted to liaise better with the developing countries. Its “mixed identity” haunted Japan again. Japan asserted that the UN should avoid ideological assertions on NIEO but also showed sympathy to the frustrations of the developing countries. Kiichi Miyazawa in his speech as foreign minister to the General Assembly on September 23, 1975 stated that Japan fully understand the dissatisfaction of developing countries.<sup>49</sup> Japan during this period maintained its position to support nation-building and development of developing countries through its Official Development Assistance (ODA).

While its ODA was for reparations in 1960s and 1970s, Japan in this period positioned ODA as its contribution to international community and expanded its ODA volume through a series of medium-term ODA plans that doubled the ODA disbursement in five-year intervals. In May 1978, at the time of the Bonn Summit, Prime Minister Takeo Fukuda announced the first mid-term plan to double the level of 1977 ODA within three years. Since then doubling of ODA volume in five years continued until the fifth medium-term plan from 1993 to 1997. Through this series of ODA doubling plans, Japan steadily rose to the position of top donor in the world in 1989. Along with these quantitative leaps in ODA disbursements came policy articulations by Japanese

prime ministers on economic cooperation. During the visit to ASEAN in August 1977, Prime Minister Fukuda launched his policy of heart-to-heart diplomacy, promising a total of 407.8 million yen to ASEAN projects and to the member countries themselves. The Fukuda Doctrine, as it became known, has been Japan's most significant statement on its relations with Asia. In May 1988, Prime Minister Noboru Takeshita announced the International Cooperation Initiative that identified aid as one of the major elements of Japan's contribution to the world. His International Cooperation Initiative included the expansion of ODA in order to promote world peace as a platform for Japan to play a greater global role. A part of ODA was channeled to the UN and its agencies.

In addition to its enhanced economic role, Japan took the initiative in reforming the UN. During this period, the U.S. Congress was critical of the UN since 1975 and had withdrawn from UNESCO at the end of 1984 due to politicization of UNESCO's activities on disarmament, human rights and peace education, antagonistic position to the free world in its move toward a New World Information Order, and swelling budget and inefficiency of the Agency. Moreover, the U.S. Congress enacted legislation in 1985 mandating a freeze on certain U.S. contributions to the UN budget. Foreign Minister Shintaro Abe in an effort to rescue the situation from the confrontation between the UN and the United States proposed the establishment of a high-level group to consider the efficiency of the UN system, particularly reforms in UN management and budgetary practices.<sup>50</sup> The deliberations of this group led to a proposal for reform of the UN Secretariat, and subsequently helped to ease Reagan administration's harsh position on the UN to stop the United States using nonpayment of arrears as a tactic. Michael Green observed that "the Group's recommendations provided political cover for the United States to begin resuming its payment of arrears."<sup>51</sup>

***From 1991 to Present: The United Nations as an Institution for Legitimization of a Global Security Role for Japan beyond Its Traditional Limitations***

From 1991 to present, Japan focused on political functions through its participation to UN peacekeeping operations after 1990–1991 Gulf war and counterterrorism operations after 9/11, namely in Afghanistan and Iraq wars. While the direct trigger was the 1990–1991 Gulf War, Japan's renewed focus on the UN's potential and role therein was motivated by the combination of two factors. The first was the emergence of the UN

from political paralysis in the late 1980s. The second was the fact, mentioned earlier, that Japan had been strongly urged to play a larger international role, particularly politically, as it increased in economic power. Edward Lincoln argued that “the country’s international economic position made uninvolved and an insular attitude untenable . . . Japan is simply too large and too engaged to sit on the sidelines of major world issues.”<sup>52</sup>

A combination of Japan’s growing economic strength, its desire to play a greater role in world politics, and external pressure led to increasing use of the phrase “international contribution” by Japanese politicians, diplomats, and policymakers. Although Japan can take a unilateral, bilateral, or multilateral path in playing a global security role, the multilateral path seems to be the most promising for the Japanese government. Because the memory of Japan’s military expansion during World War II is still present for countries in Asia, any indications that Japan seeks a stronger role in international affairs generates skepticism, if not anxiety, regarding the nation’s true political intentions. It was considered that adopting a multilateral approach would help Japan alleviate such anxieties and also help the nation learn how to use coalition politics, something to which it is not yet very accustomed. The multilateral path would also urge Japan to announce its foreign policy vision to other members of the multilateral frameworks in which it is involved, which would in turn compel the nation to be more proactive than reactive in its foreign policy.

Among numerous multilateral institutions, the UN, despite its shortcomings, is a natural organization for Japan to place at the core of its multilateral foreign policy. Japan learned in the 1990–1991 Gulf War that merely supplying funds did not constitute a sufficient level of involvement. Despite the massive \$13 billion that the nation contributed to the war effort, when the war was over Japan did not get the credit it thought it deserved from the international community. Japan’s financial contribution was dismissed by critics as mere “checkbook” diplomacy. Rather, it was blamed for its inaction during the war as it did not send personnel. Its financial contribution was assessed as “too little too late.” Some Japanese commentators termed this “Japan’s defeat in the Gulf War.”<sup>53</sup> It left a significant scar.

Japan has also come to recognize that security is more interconnected in this era of globalization and advanced information technology. A local instability elsewhere may have a tsunami-like impact on Japan. Transnational security threats like terrorism have also alerted Japan to the interconnectedness of new security challenges and made Japanese

citizens aware that peace and security cannot be ensured at the national level alone. This awareness has prompted Japan to play a greater role in global security.

Acting on the lesson learned from the Gulf War, in 1992, a new Law Concerning Cooperation for United Nations Peacekeeping Operations and Other Operations (referred to as the “International Peace Cooperation Law”) was passed to allow Japanese Self-Defense Force (SDF) troops to participate in UN peacekeeping operations. On the basis of this law, Japan has dispatched SDF personnel to such areas as Cambodia, East Timor, and the Golan Heights.

The law establishes three main pillars of Japan’s international cooperation for peace: participating in UN peacekeeping operations, contributing to international humanitarian relief operations, and contributing to international election-monitoring activities. When the law was drafted, its stipulations were formulated in such a manner as not to cause legal questions regarding Japanese participation in UN collective security operations and not to be unconstitutional with regard to Article 9.

When the law was enacted, it was stipulated that it should be reviewed after three years. The law was amended in June 1998, more than six years after its enactment. Under the 1998 revision, Japan has become able, under certain conditions, to also take part in election observation activities in postconflict regions outside the frame of UN peacekeeping operations. This broadening of the scope of the law enabled Japan to dispatch election officers and observers to Bosnia and Herzegovina during August and September 1998 when election monitoring was conducted by the Organization of Security and Co-operation in Europe (OSCE). Moreover, the law was also revised to enable Japan to make material contributions to humanitarian relief activities conducted by international organizations such as the United Nations High Commission for Refugees (UNHCR), even in situations in which a cease-fire agreement is not in place.

Another important amendment was related to the use of weapons. Under the 1992 law, the use of weapons was left to the discretion of individual soldiers in the field. The use of weapons was not permitted except under unavoidable circumstances, such as cases in which the soldier’s life was in danger. Under the revised law, soldiers belonging to units of the SDF must follow, in principle, the orders of a senior officer present on the spot. This revision has removed the burden of the decision on use of weapons from individual SDF personnel.

In December 2001, the law went through another process of amendment based on experience gained from the dispatch of SDF personnel to

peacekeeping missions. First, the freeze was lifted on dispatch of Japanese SDF personnel to core UN peacekeeping force activities normally carried out by infantry battalions of peacekeeping forces, including cease-fire monitoring, stationing in buffer zones, collection and disposal of abandoned weapons, monitoring of demobilizations, etc. These activities were included in the original law, but were suspended or frozen at the time of enactment until such time as they were stipulated by another law. The lifting of the freeze had been called for an extended period.

Second, the guidelines regarding the use of weapons for defense were expanded. Previously, the law had allowed personnel involved in international peacekeeping to use weapons only for their own defense and for that of other dispatched personnel in the same area. However, in actual operations there are other personnel operating in the same location, such as election monitors and other civilians who may not have been dispatched under the Law. In order to enable peacekeepers to protect the lives of these personnel, the revised law stipulates that SDF personnel can use force to protect people “who come under the supervision of dispatched SDF personnel as they carry out their duties.”

Furthermore, the use of weapons to protect equipment was added in the 2001 revision. This was accomplished by applying Article 95 of the SDF Law to SDF personnel engaging in international peacekeeping assignments. In the original 1992 law, this provision was denied to SDF personnel when they were working overseas for UN peacekeeping missions in order to avoid any trouble. Nine years of experience in dispatching SDF to UN peacekeeping operations had indicated that Japanese peacekeepers often encountered thieves stealing communications and other types of equipment, which caused problems in the pursuit of their duties, leading the government to change the law.<sup>54</sup> Thus, this was another revision to fit the law to actual operations.

These revisions and the lifting of the freeze on core activities have made the law more workable in the actual peacekeeping environments to which Japanese personnel are dispatched, and allow them to work more effectively. The 2001 revision to the International Peace Cooperation Law led to a record dispatch of SDF personnel to East Timor in the following year. Prime Minister Junichiro Koizumi expressed his resolve in his policy speech to the Diet on February 4, 2002, saying that Japan intends to participate even more actively in UN peacekeeping operations, reflecting the recent revision to the International Peace Cooperation Law.<sup>55</sup>

Notwithstanding the revisions to the law, the current law remains deficient from the perspective of the activities that will be required for

the maintenance of peace in the twenty-first century. First and foremost, the 1992 International Cooperation Law was drafted with traditional UN peacekeeping operations in mind. Thus, the law does not fit the requirements of peacekeeping operations today. This is evident in the five principles of peacekeeping delineated in the law. The five principles are:

1. Agreement on a cease-fire shall have been reached among the parties to armed conflicts.
2. Consent for the undertaking of UN peacekeeping operations as well as Japan's participation in such operations has been obtained from the host countries as well as the parties to armed conflicts.
3. The operations shall strictly maintain impartiality, not favoring any of the parties to armed conflicts.
4. Should any of the requirements in the above-mentioned guidelines cease to be satisfied, the Government of Japan may withdraw SDF Units.
5. The use of weapons shall be limited to the minimum necessary to protect the personnel's lives, etc.

These principles ensured that Japanese personnel would not engage in activities that could be deemed to violate Japan's constitution that prohibits use of force for collective defense and has been ambiguous for its involvement in collective security. Whenever there is a danger that Japanese peacekeepers might be obliged to use force, the Japanese personnel or troops are withdrawn from the peacekeeping operation.

These five principles are more or less in line with the UN's five peacekeeping principles, as defined by Dag Hammarskjöld. These are:

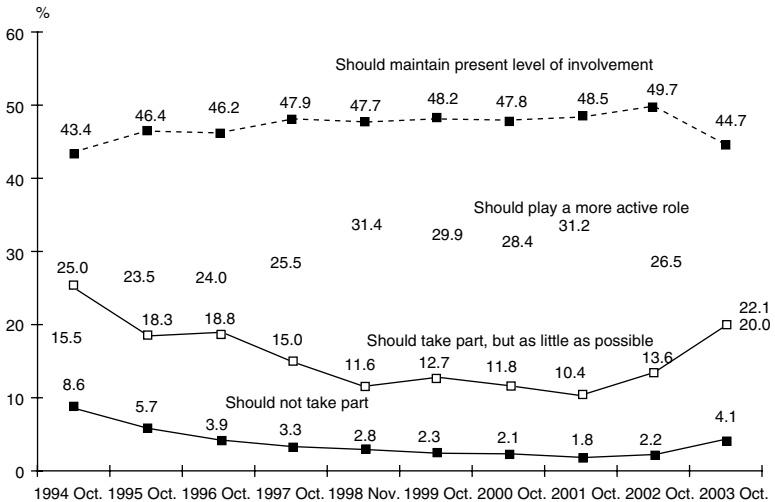
- (1) existence of a cease-fire agreement; (2) impartiality and nonintervention (in order to ensure this, the UN requires the prior consent of all states and parties involved in the conflict); (3) noncoercion; (4) the use of weapons only in cases of self-defense; and (5) the maintenance of the international character of the operation.

The condition of a cease-fire agreement as prerequisite for Japan's participation ensures that Japanese troops will not be involved in the use of force. These conditions have been embodied in the International Peace Cooperation Law. With the increase in the number of intrastate conflicts since the end of the cold war, it is becoming harder to identify the parties to armed conflicts, and thus to have cease-fire agreements in place. One may note that this point was included in Dag Hammarskjöld's five principles, but dropped in the recent Brahimi report that gives the

three bedrock principles of UN peacekeeping as consent of the local parties, impartiality and the use of force only in self-defense. These gaps must be filled for Japanese peacekeepers to be effective in UN peacekeeping operations.

When the International Peace Cooperation Law was passed, the Japanese public accepted the dispatch of SDF overseas when it was framed as a UN operation. Nonetheless, the public was concerned that Japanese citizens might be killed in combat. Japanese citizens have gradually come to understand the nature of UN peacekeeping operations and have become more supportive of Japan's participation. Figure 6.1 shows survey results indicating this increased support, showing that a declining percentage of survey respondents answered that Japan should not take part in UN peacekeeping operations.

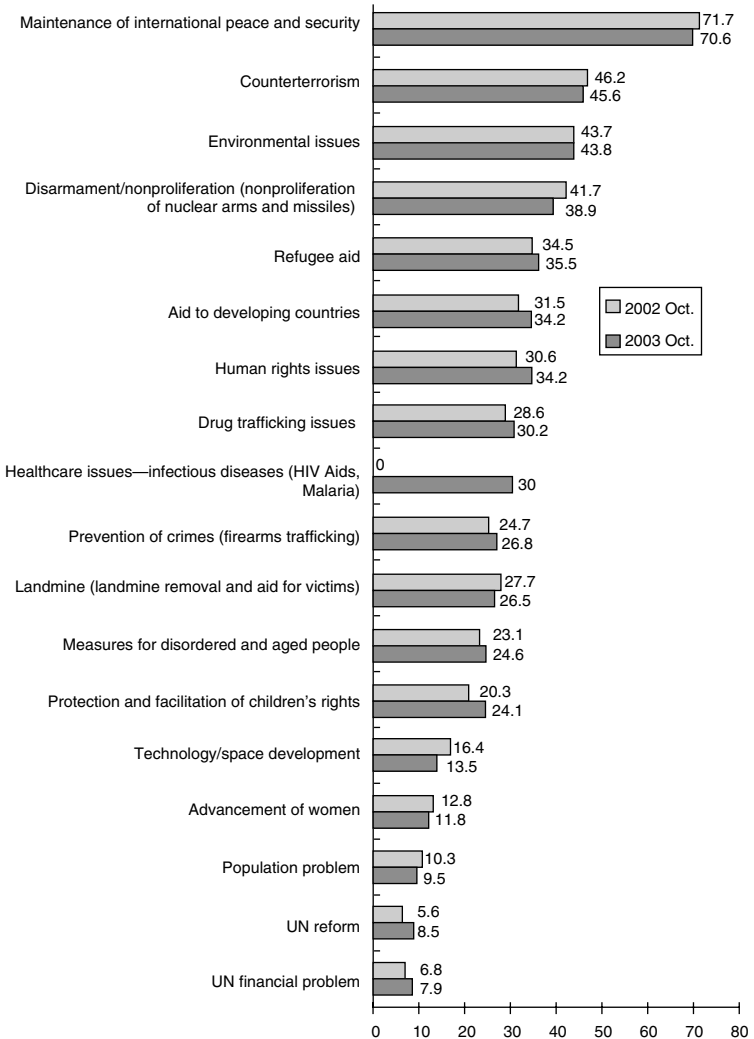
Provided it occurs within the UN framework, the Japanese government and public now find it easier to accept an increased role for Japanese SDF personnel, including in peacekeeping operations. When asked "What is the most significant activity of the UN?" the highest-ranking response from Japanese citizens was "the maintenance of international peace and security," as shown in figure 6.2.



**Figure 6.1** Responses to the Question "Should Japan Take Part in U.N. Peacekeeping Operations?"

Source: Cabinet Office, Government of Japan: Survey Report, October 2003. (<<http://www8.cao.go.jp/survey/h14/h14-gaikou/2-3.html>>). Accessed November 10, 2005.





**Figure 6.2** Most Significant Activities of the United Nations

Source: Cabinet Office, Government of Japan: Survey Report, October 2003 (<<http://www8.cao.go.jp/survey/h15/h15-gaikou/images/zu37.gif>>). Accessed November 10, 2005.

The Japanese government has found the UN useful in providing legitimacy for its global security role, and this has also been the case with the most recent dispatches of SDF personnel. Post-9/11, Japan's much-criticized incrementalism has at the very least quickened. Within two months of 9/11, in order to support the U.S. counterterrorism war against the Taliban, Japan passed the new Antiterrorism Special Measures Law and sent two supply ships and other vessels to the Indian Ocean to provide refueling and similar support to U.S. and British naval vessels, and subsequently to all coalition vessels. The law states that its purpose is to enable the SDF to provide "support to the military forces of the United States and to other foreign countries working to achieve the goals of the United Nations Charter" in order to eliminate the "threat to international peace and security" posed by international terrorists.<sup>56</sup> The law specifically alludes to the UN Security Council resolutions 1368 for "terrorist attacks as a threat to international peace and security,"<sup>57</sup> and 1267, 1269, and 1333 that "call on all States to take appropriate measures for the prevention of such acts."<sup>58</sup> These stipulations note that the actions taken are pursuant to UN resolutions, which is required to enable the dispatch of SDF personnel.

In 2003, Japan committed itself to assist with the reconstruction of Iraq, and passed the Iraq Reconstruction Assistance Law. SDF personnel have been dispatched to Iraq for humanitarian and reconstruction work. Article 1 of Section 1 of this law refers to UN Security Council resolutions 678, 687, 1441, and 1483 and stipulates the purpose of the dispatch as the reconstruction of Iraq and the maintenance of international peace and security.<sup>59</sup> The two new laws were drafted on the basis of the UN Charter and UN resolutions regarding new threats. They were not formulated to enable support of the United States, but framed as a contribution to international security based on the UN decisions.

The UN provided legitimacy for the Japanese government's dispatch of MSDF (Maritime Self-Defense Force) ships in the Indian Ocean and GSDF (Ground Self-Defense Force) personnel in Iraq. In fact, the Japanese government invited Kofi Annan, the secretary general of the UN, to visit the country in February 2004 in order to demonstrate to the public that the SDF dispatch to Iraq had been conducted in collaboration with the UN and was appreciated by the UN. The *Asahi Shinbun* observed that the government wanted to avoid criticism for following the United States.<sup>60</sup> Prime Minister Junichiro Koizumi met Kofi Annan during his visit to Japan. The home page of the Prime Minister's Office stated that "Secretary-General Annan was exceptionally pleased with the

dispatch of Self Defense Force personnel to Iraq.”<sup>61</sup> In his speech to the Diet on February 24, 2004, Annan indicated:

There will be formidable challenges ahead—but they will not be insurmountable if Iraq is supported by a united international community. Japan is among those countries that have taken the lead in embracing this challenge. You have responded to the appeals of the U.N. Security Council, and shown commendable solidarity with Iraq’s plight. You are a member of the “friends of Iraq” grouping that I have just established in New York. You have pledged to contribute generously to reconstruction. And after a difficult debate, you have dispatched the Self-Defense Forces to Samawah to help with reconstruction and humanitarian assistance.<sup>62</sup>

This was not a straightforward endorsement of the dispatch under the framework of the UN, but was significant as the Japanese government faced criticism for the dispatch and its support of U.S. actions, and possibly harsher criticism in the event of casualties among its troops in Samawah. The *Sankei Shinbun* commented that the Japanese government appreciated Annan’s endorsement of the dispatch of SDF personnel to Iraq and hoped that the public would understand the government policy behind it. The *Japan Times* reported that Annan praised Japan’s role in postwar reconstruction efforts, saying that Japan is doing “the right work.”<sup>63</sup> Chief Cabinet Secretary Yasuo Fukuda in his press conference stated that “The nation’s relations with the UN are very important to Japan, and [Mr. Annan’s] speech at the Diet was therefore significant. He appears to value Japanese assistance to Iraq.”<sup>64</sup>

*The Japan Times* editorial on February 26, 2004 observed:

The war challenged Japan’s two-track diplomacy centering on the U.S. and the U.N. In staunchly supporting the war, the Japanese government sided with the U.S. administration. And in sending a considerable number of troops to Iraq and pledging the second-largest amount of aid after that of the U.S., Tokyo has reinforced its pro-American policy. The fact that weapons of mass destruction have not been found in Iraq has deepened doubts over the U.S. case for starting a “preemptive war.” Sooner or later, the U.N., not the U.S., must take the lead in guiding Iraq’s transition to stability and democracy. Japan’s heavy “tilt” toward the U.S. needs fine-tuning.

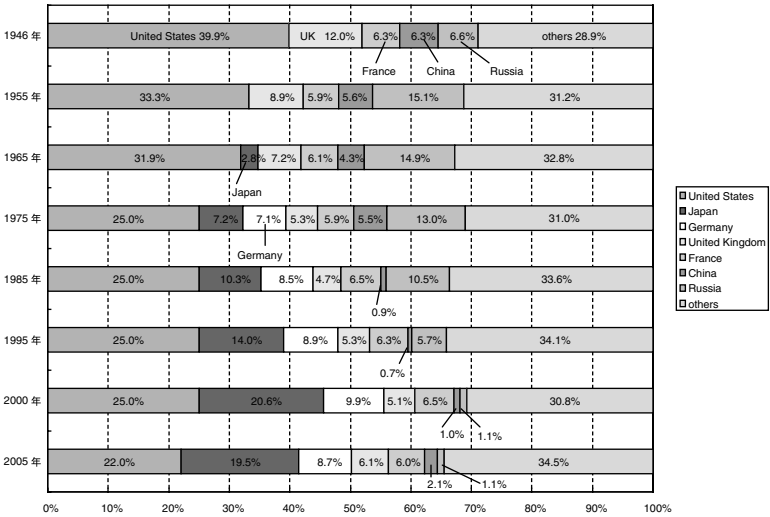
Mr. Annan’s visit, which was arranged at Mr. Koizumi’s request, may well have been intended, at least in part, to deflect criticism here and abroad that Japan is “doing the bidding of America.” Mr. Annan met Mr. Koizumi’s expectation with a favorable reference to Japan’s dispatch of the Self-Defense Forces to Samawah, Iraq, to help with reconstruction and humanitarian assistance.<sup>65</sup>

Prime Minister Koizumi still had to cross a difficult hurdle in June 2004, when sovereignty was returned to Iraq and the multinational force was established. The question was whether SDF personnel could join the multinational force and come under the direct command of the U.S. military. When the SDF was dispatched in December 2003, legal status in Iraq was guaranteed by the U.S.-British led Coalition Provisional Authority (CPA). Under that status, SDF members could not be arrested or indicted for breaking Iraqi law. When the CPA was disbanded in June 2004, to maintain its legal status the SDF had to join a U.S.-led multinational force or sign a separate status of forces agreement with the interim Iraqi government.

In drafting the extended duties of the SDF in Iraq after the dissolution of the CPA, the Japanese government explained that it is within the framework of the new UN Security Council resolution as the basis for formulating the Special Measures Law on Supporting Iraqi Reconstruction. It was explained that “the SDF will work within the framework of the multinational force and will communicate and liaise with the unified command of the force. But the SDF will not be under the command of the multinational force. The SDF will continue to be under Japanese command. The SDF will conduct humanitarian and reconstruction activities, based on the Special Measures Law and its basic plan on aid to Iraq, in a way that will be welcomed by the Iraqi interim government.”<sup>66</sup> However, the UN resolution on which the multinational force is based states that the multilateral force will operate “under unified command.” It was explained that Japan can maintain control of the SDF troops by interpreting “unified command” to mean a “unified headquarters,” which does not necessarily mean that control over the whole multinational force will be integrated.<sup>67</sup> This interpretation was agreed to by Japanese ministers and high-level U.S. and British officials at the Japanese embassies in Washington DC and London. In this case Japan’s government had to face what the UN resolution stipulated and what the domestic law and its relevant interpretation allows SDF.

Thus, since 1991, the political functions of the UN loomed large when the Japanese government tried to play its international security role. Clearly, in playing a more proactive role in global security, Japan has opted to seek legitimacy from the United Nations. The UN has given Japan a comfortable cover to increase its activity in the security arena while reducing the amount of anxiety experienced by its neighbors as a result of that activity.

At the same time, Japan over the years has accumulated its frustration with the United Nations. Takashi Inoguchi gives sources of Japan’s dissatisfaction including the following. One is that Japan’s status within the

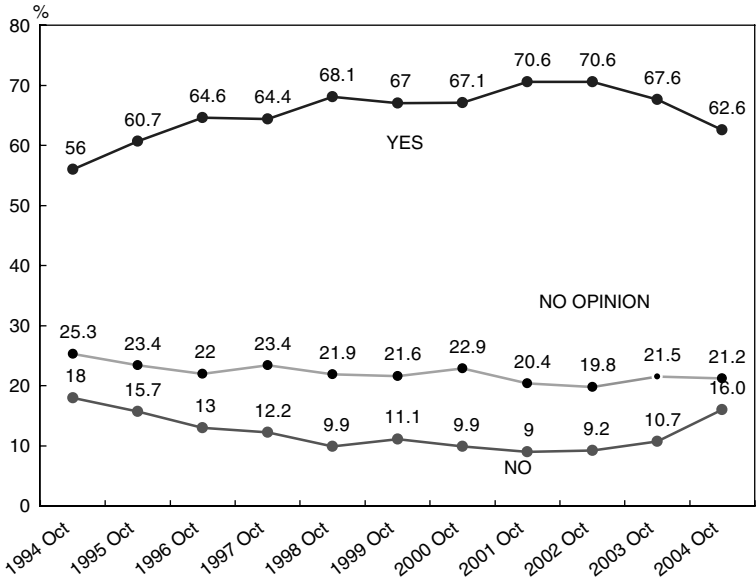


**Figure 6.3** Assessed Contributions Paid by Major Countries

Source: UN Documentation Centre (<<http://www.un.org/documents>>). Accessed November 10, 2005. Ministry of Foreign Affairs, *Diplomatic Bluebook 2004*, (<<http://www.mofa.go.jp/mofaj/gaiko/bluebook/2004/hakusho/h16/figindex.html>>). Accessed November 10, 2005.

UN, particularly the former enemy clauses. Although the enemy state clauses do not “cause any concrete disadvantages, Japan feels that, having been an upstanding member of the U.N. for so long, it deserves to have the stigma of these clauses eliminated.” Another is that despite its second-largest contribution to the UN budget, Japan has not been given a permanent seat on the Security Council that deprives Japanese influence in the decision making, and places Japan “outside of intelligence-sharing loop.”<sup>68</sup> As shown in figure 6.3 Japan has paid the second-largest contribution to the UN budget since mid-1980s. Currently Japan’s assessed contribution is around 20 percent of the total dues paid by the member states, only after the United States. Japan’s assessed contribution is larger than P-4 namely China, Russia, France, and UK combined.

In a recent survey in October 2004, 62.6 percent of respondents indicated that Japan should get a permanent seat on the Security Council, as figure 6.4 shows. This poll result implies that the UN still matters for international peace and security for Japanese and that Japan wants to play an active role in the institution. Reflecting these sentiments, the Japanese foreign ministers and prime ministers have expressed their desire to be a permanent member of the Security Council explicitly after the end of the cold war. The UN General Assembly included the agenda of “equitable representation on and increase in the membership of the



**Figure 6.4** Do You Agree that Japan Should Obtain a Permanent Seat on the U.N. Security Council?

Source: Cabinet Office, Government of Japan: Survey Report October 2004 (<<http://www8.cao.go.jp/survey/h16/h16-gaikou/images/z34.gif>>). Accessed November 10, 2005.

Security Council” since 1979. However, it was in 1992 when the General Assembly passed a resolution on Security Council reform by India and other nonaligned states. This led to a questionnaire survey by the secretary general on the Security Council reform and to subsequent creation of the Open-ended Working Group on the Questions of Equitable Representation and Increase in the Membership of the Security Council in 1993. The Working Group could not generate a consensus reform plan for a while. It was in 1997 that the Group gained a momentum for reform under the chairmanship of Malaysian Ambassador Razali Ismail who presented a reform proposal, known as a draft framework resolution, of adding five permanent members and four non-permanent members. Razali’s proposal could not gain enough support due to the dispute over the veto issue and the ultimate size of the Security Council. A draft framework resolution was not even voted at the General Assembly.<sup>69</sup> Meanwhile, in 1992 Japanese Prime Minister Kiichi Miyazawa at a Security Council Summit expressed Japan’s desire for a permanent seat on the Security Council. Japanese prime ministers and foreign ministers speaking at the General Assembly repeated its desire for a permanent seat in subsequent years.

Japanese Foreign Minister Yoriko Kawaguchi created an Eminent Person's Group on UN reform, which announced its recommendations in a document entitled "The Role of the United Nations in the 21st Century and Approaches to Strengthening the United Nations" on June 28, 2004. The Group was chaired by Professor Yozo Yokota of Chuo University. This report points out that:

Regarding the use of force in Iraq, which is an issue of vital importance for international peace and security, the U.N. Security Council was divided and unable to take effective measures. In addition, in the face of a new kind of threat, embodied by the September 11 terrorist attacks against the United States . . . Japan was unable to participate directly in the decision-making process at the Security Council. As a result, concerns about the UN's role and effectiveness are spreading among the Japanese people . . .<sup>70</sup>

This report summarizes views on the UN that are widely held among Japanese politicians. It also points out that there is no regional institutional mechanism addressing security in Asia comparable to those in Europe and Africa that makes the UN important multilateral institution in Asia.

The report recommends reform of the Security Council with the addition of a limited number of countries by vote of the General Assembly to cope with new threats, deletion of the enemy state clause, a review of assessed contributions, and an increased number of Japanese staff. It further recommends measures to strengthen the UN, namely revitalizing the General Assembly and reviewing the role of the ECOSOC, strengthening cooperation and partnership with NGOs and private corporations, and vigorous UN diplomacy by prime ministers, presidents, and ministers for Foreign Affairs.

In 2005, the United Nations worked on its reform with the aforementioned High-level Panel on Threats, Challenges and Change's recommendation entitled "A more secure world: Our shared responsibility"<sup>71</sup> in December 2004 that formed the basis for the secretary general's report on reform released in March 2005. The High-level Panel report recommended the former enemy clauses in Articles 53 and 107 are outdated and should be revised that responds to one of the Japanese concerns mentioned earlier.

On the Security Council reform, the High-level panel report as well as secretary general's report entitled "In Larger Freedom"<sup>72</sup> recommended an expansion of the permanent and nonpermanent members as mentioned earlier. Hirotaka Watanabe observes that Japan's quest for a permanent seat on the Security Council "took on greater intensity in the wake of the 2003

attack on Iraq by the United States and Britain.”<sup>73</sup> Not being a part of the P-5, the Japanese government was frustrated that it could not mend the split of the Security Council and was unable to avert the outbreak of the war. Japan formed a coalition with India, Brazil, and Germany who sought permanent seats as well that was called “Group of Four” or G-4. Japan got the support of the United States as mentioned earlier but it was a support for Japan’s permanent seat and not for other members of G-4. Japan also met opposition of China and South Korea and failed to gather enough support from other countries prior to the World Summit in September 2005. The Japanese government’s hope for the permanent seat ended in a dismal failure that led to an argument to reduce its assessed contributions asserting “no taxation without representation.” Michael Green observed that “even though the ideals of the U.N. continue to have a powerful hold on the Japanese people, the idealism has been tarnished. There is a danger that Japan’s commitment to the U.N. may ebb.”<sup>74</sup>

At these three stages of Japan’s post–World War II development from 1956 to 1975, 1975 to 1991, and 1991 to present, the UN has played most useful legitimizing roles to Japan in the international community. And Japan has developed its institutional links quite skillfully at each stage as discussed. Japan has utilized the UN as an institution that provides legitimacy despite its politically former enemy status.

Meanwhile Japan has accumulated so much frustration till 2005 that culminated when the G-4 enlargement scheme described earlier has ended in a dismal failure. Japan has embraced idiosyncratic expectations of the UN. After the World Summit, Japan might have decreased its expectations to the UN to a certain extent, because its sources of dissatisfaction have not been mitigated at the sixtieth anniversary World Summit.

### **Conclusion: Does the UN Matter Today?**

Unless there emerges a new move toward UN reform, the Japanese government might opt for a significant reduction of its assessed contribution as a new UN policy. Unless a UN reform progresses as the U.S. Congress asks, the United States will withhold its payment. Here Japanese and U.S. positions ironically converge. Japan’s increasing frustration if not dissatisfaction with the UN today is that its positive contribution over the years has not been properly recognized by the member states. This assertion by the Japanese government has appealed to the Japanese public particularly after Japanese failure in getting its permanent seat on the Security Council in 2005.



Nevertheless, if the Japanese national interest lies at international contribution, not as a military power but as a legitimate international citizen, the UN policy focusing on the reduction of its assessed contribution alone would deprive Japan with its most valuable foreign policy means that of course would not serve its national interest. Rather the Japanese government must strive to strengthen its substantive leadership at the UN. Japan's diplomatic initiative in passing a Security Council resolution in the wake of North Korean testfire of missiles in June 2006 was one such example. Unless Japan acts with its ideas for its use of the UN, Japan's move to reduce its assessed contribution would trigger nationalism in Japan and would undermine its national interest.

Possible ideas for Japan's UN policy could be:

- Promotion of human security as an extension of phase 3.
- Proactive participation in UN peacekeeping operations that has been the agenda of phase 3.
- Contribution to the cultural function of the UN that was the main focus in phase 1 and that is currently materialized by having Ambassador Matsuura as the head of UNESCO. It can further be enhanced by Japan working on the question of Islam and other sources of instability and conflicts from cultural aspect.
- Reconciliation of Japan's mixed identity of being aligned with the West but being a member of Asia-Africa group. Especially Japan has to find a way to rectify its current tensions with some Asian countries.
- A new UN reform proposal by functional approach.
- More personnel contribution to the UN. The Japanese government should send more Japanese to leading positions in the UN and should develop a plan to double young Japanese staffs in the UN.
- Developing Japanese NGOs further so that the Japanese government can work in partnership with the civil society for better global governance.

When Japanese proposal for reduction of its UN dues are combined with these new initiatives on its U.N. policy, member states could not help but listen to the Japanese voice.

However dissatisfied the United States and Japan may be with the UN, their respective heads of state or foreign ministers attend the General Assembly in fall. This shows that both regard the UN as a relevant institution for global security, particularly in the context of providing legitimacy for their respective actions with respect to their domestic

constituencies and the international community. With new threats including terrorism and the proliferation of weapons of mass destruction, global security increasingly requires international cooperation. Security challenges also transcend national borders, and the UN is the only global institution available to grapple with these issues. At the very least it has provided legitimacy or a cover for U.S. and Japanese policies and actions, a role that is not insignificant. At the same time, if the United States and Japan want to maintain the relevance of the UN for global security, it is incumbent upon them to reform the 60-year-old institution not only the Security Council but also the whole Organization and adapt it in to the twenty-first century.

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## CHAPTER 7

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# Money, Capital, and Cooperation in the Asia-Pacific Region

*Jonathan Kirshner*

This chapter explores the need for and prospects of institutionalized cooperation, principally between the United States and Japan, over basic macroeconomic phenomena such as exchange rates and capital controls. This chapter makes three arguments: First, that cooperation between states over exchange rates is inherently difficult. Further, there is a need for an institution to supervise such cooperation—there will be a suboptimal amount of cooperation if states are left to bargain among themselves in an uncoordinated fashion. Second, that there is also a need for institutionalized cooperation to oversee and supervise the flow of international capital (unrelated to the fact that this in turn would also enhance the prospects for exchange rate cooperation). Third, that efforts to institutionalize cooperation over exchange rates, and especially measures to regulate the flow of capital, are very likely to fail due to conflicting political interests and economic ideologies on the part of the United States and Japan. In particular (and again, especially with regard to capital flows), the United States will remain opposed to new institutional arrangements.

The chapter proceeds as follows. First, I explain why monetary cooperation is inherently difficult, and in fact is likely to be least forthcoming when it is most needed. Exchange rate coordination would thus benefit, if not from a formal institution, then at least an institutionalized mechanism designed to sustain cooperation during these difficult periods. I then illustrate the challenges of exchange rate cooperation with a brief review of the history of dollar–yen exchange rate politics from 1950

to 2000, and argue that the elements that have muted monetary conflict in the past will not prevent greater conflicts from emerging in the near and foreseeable future.

I then turn to the primary focus of the chapter, cooperation to manage international financial capital flows. I argue that institutionalized cooperation to oversee such flows is needed but will not be forthcoming. The divergent reactions of the United States and Japan to the Asian financial crisis illustrates plainly that there is a clash of both political interests and economic ideology on this issue. Japan has a preference for new institutions to manage international capital flows, possibly to the exclusion of the United States, while the Americans oppose any such measures, whether they are included or not. The depth of these disagreements is illustrated with a consideration of three consequences of the crisis: the Korean agreement with the International Monetary Fund, Malaysia's decision to impose capital controls, and Japan's proposal for an Asian Monetary Fund. A suitably pessimistic conclusion closes the chapter.

### **The Challenge of Exchange Rate Coordination**

Sustained cooperation over exchange rates—defined as commitments to maintain the relative value of one's currency at a specific rate—is quite difficult. Macroeconomic phenomena have some distinct attributes as compared to trade, for example, which makes such cooperation particularly elusive. In particular, the complexity of international monetary arrangements, the distinct nature of the salience of monetary commitments, and the public nature of macroeconomic externalities, all raise formidable barriers to sustained cooperation among states over exchange rates.

The complexity of international monetary arrangements poses unique challenges to monetary cooperation. The classic statement on this issue is now 25 years old, but the basic problems have changed little. Even if all states are sincere in the belief that exchange rate cooperation would be appealing in theory, they may still disagree over a wide range of practical issues regarding the “rules of the game.”<sup>1</sup> But if states are able to hammer out an agreement, the problems only mount. Because of the particular salience of monetary politics, leaders will feel the greatest pressure to break monetary agreements just when they are most needed: during periods of economic distress.

This is because monetary cooperation at base involves the abdication of national macroeconomic policy autonomy. The essence of this problem can be traced to Keynes, who wrote extensively about the difficulty states face in balancing their preferences for internal and external price

stability. Monetary cooperation links the national with the international economy. This is “the dilemma of an international monetary system”: the difficulty in providing both stability in external monetary relations while assuring “at the same time an adequate local autonomy for each member over its domestic rate of interest” and other macroeconomic policies.<sup>2</sup>

Again, even if all states perceive benefits from international monetary stability, they will often face powerful incentives to abandon monetary cooperation. This is because to contribute to that stability by adherence to agreements of monetary cooperation, governments are often forced to engage in unpleasant acts: austerity budgets, deflationary monetary policy, costly and compulsory intervention in exchange markets, and a number of other initiatives such governments would otherwise not undertake. Such pressures often arise at the worst possible time: a state may be in a recession, but to fulfill its commitments to an international monetary agreement it might be forced to engage in deflationary policies. This is an important source of the fragility of many international monetary agreements.

Worse still, if monetary agreements fall apart, or if one state “defects” from a multilateral agreement or understanding, it will be difficult to restore. This is due to the public nature of macroeconomic externalities.<sup>3</sup> Externalities in international relations result from the fact that states adopt policies that have “spillover” effects: consequences that are felt beyond a state’s borders. If injured states punish the producers of negative spillovers, then those policies will be perceived as costly and will be curtailed. But while states can be discriminatory in their trade policies, macroeconomic policies regarding interest and exchange rates are almost inherently uniform.<sup>4</sup> Thus producers of macroeconomic “bads” (say, for example, very high interest rates) will tend to go unpunished because injured states face a collective action dilemma: all will benefit from the elimination of the public bad, no matter who bears the cost. Due to the free-rider problem (private costs and public benefits), negative externalities in this case will not be significantly reduced. This is one reason why institutions, rather than uncoordinated ad hoc bargaining between states, is needed to help states achieve and (especially) maintain exchange rate cooperation.

Between the United States and Japan for most of the second half of the twentieth century, disputes over the exchange rate were frequent but contained. In particular, during the cold war, security concerns on both sides were always there to trump monetary conflicts, and thus those conflicts were contained.<sup>5</sup> Since the cold war, overt monetary conflict has



been muted by the extreme weakness in the Japanese economy, as well as by the strong performance of the U.S. economy during that time. But these economic tides will eventually turn and with the introduction of new complexities—such as the Japanese aspirations for the yen to play a greater international role and the introduction of China as an important factor in exchange rate politics—uncoordinated diplomacy over exchange rates will likely be an important source of conflict in the future.

In retrospect, the sources underlying monetary conflict between the United States and Japan can be seen from the establishment of the official exchange rate of 360 yen to the dollar on August 25, 1949. The 360 figure was a compromise between American authorities who preferred a rate of 300, and Japanese businessmen who had hoped for an even weaker level for the yen.<sup>6</sup> And as early as the 1950s, policymakers in Japan had to take into account the “balance of payments ceiling”—as growth surged, domestic demand for imports would outstrip foreign demand for Japanese products, which drained Japan’s foreign exchange reserves. In 1953–1954, 1957–1958, and 1961–1962, the government was forced to slow the economy’s rate of growth through monetary and fiscal tightening in order to protect the country’s reserves.<sup>7</sup>

Monetary policy was tightened in response to balance of payments pressures in 1964 and 1967, tugging down economic growth. But this constraint was not acutely felt, and thus not as politically salient in the 1960s, for two reasons. First, economic growth surged through the decade at a real annual rate of over 10 percent, taking some of the sting out of monetary tightening. Second, cumulative increases in Japanese productivity and American macroeconomic policies of the era meant that the exchange rate, unchanged at 360, reflected an implicit devaluation of the Yen. By the end of the 1960s, the undervalued yen and overvalued dollar moved Japan’s balance of payments out of deficit and contributed to a sustained, structural surplus.<sup>8</sup>

The easing of the cold war, the increasing prominence of the Japanese economy (and exports), and, crucially, the pressure that expansionary policies placed on the gold-dollar link, all contributed to the bubbling over of monetary conflict in the 1970s. Most visibly this took the form of the “Nixon Shocks”—when the president, unwilling to swallow the deflationary medicine necessary to defend the dollar, instead closed the gold window on August 15, 1971. However dramatic, though, the Nixon shocks can best be understood as part of a broader pattern that held throughout the 1970s—the United States would press for yen appreciation in order to ease the growing trade imbalance between the two countries, while Japan resisted, often intervening in foreign exchange markets to

limit yen appreciation. Both the American pressure and the Japanese interventions were a source of irritation to each side.<sup>9</sup>

In each episode in the 1970s, when monetary conflict bubbled to the surface, Japan resisted yen appreciation. In 1971, even after Nixon closed the gold window, effectively ending the Bretton Woods fixed exchange rate system, Japan introduced an “eight point program to avoid yen revaluation” and was “absolutely opposed even to consideration of a parity change.” Japan was so committed to the 360 figure that while all other states suspended trading and prepared for revaluation, Japan alone kept its foreign exchange markets open and continued to buy dollars at that rate for almost two weeks. Ultimately Japan was forced to acknowledge the inevitable and accept a revaluation of the yen of almost 17 percent, repegging at 308 to the dollar as part of the Smithsonian agreement.<sup>10</sup>

But the problems that were at the heart of the collapse of the Bretton Woods system were not resolved by the Smithsonian agreement, and new pressures for yen revaluation quickly emerged. Although Prime Minister Kakuei Tanaka insisted that the new peg would be defended, ultimately the entire fixed rate system collapsed in March 1973, ushering in the nonsystem floating exchange rates. The yen quickly appreciated to 260, and the float did little to resolve tensions over the yen rate. The pattern of surplus, pressure, and resistance led to episodes of yen revaluation, and from January 1976 to October 1978, the yen appreciated, from 305 to 180 yen to the dollar.<sup>11</sup>

For the first half of the 1980s, the new cold war and the anti-interventionist economic ideology of Reagan administration took the wind out of the sails of monetary conflict.<sup>12</sup> But by 1985, Reagan’s macroeconomic policy and the benign neglect of foreign exchange markets led to a dollar appreciation far beyond what could be considered its “equilibrium” rate. This, accompanied by surging Japanese imports, increased the salience of currency issues between the two states. Fears within the United States of a “hard landing” for the overvalued dollar coincided with Japan’s fear that the exchange rate issue would lead to increased American protectionism. This led to a window of cooperation on monetary issues, from September 1985 to February 1987, when the major industrialized nations agreed to oversee an orderly depreciation of the dollar, in practice from about 260 to 150 yen to the dollar.<sup>13</sup>

However, this coordination was closer to harmony than true cooperation, and soon after the successful depreciation of the dollar, traditional lines of disagreement reemerged, with the United States in favor of further yen appreciation in order to address imbalances in trade between the two states. Indeed, the United States began “talking down the dollar” to

push for levels below the floor set by the Louvre within two months.<sup>14</sup> This pattern continued as through the Bush and Clinton administrations, which each favored further yen appreciation, and the Japanese currency appreciated from 160 to 80 yen to the dollar.<sup>15</sup> In particular the aggressive posture of the first two years of the Clinton administration coincided with an appreciation of the yen from 125 to as high as 80 placed Japanese industry under severe stress. By one estimate, for example, the break-even exchange rate for the auto industry was 109 yen to the dollar.<sup>16</sup>

From 1995 to 2000, although the yen depreciated considerably, important new conflicts over exchange did not emerge. Sustained high growth in the United States, coupled a new awareness of the Japanese economic crisis—in fact serious fears about the fundamental fragility of the Japanese economy—forced an indefinite suspension of U.S. pressure on Japanese currency policy.<sup>17</sup> But these were exceptional circumstances—ultimately the Japanese economy will recover, and even now the trajectory of the U.S. growth is uncertain. With the passing of this exceptional period, conditions will be ripe for sharp monetary conflict between the two states.

In fact, those conflicts are likely to be even more difficult to manage, for four reasons. First, as already noted, the end of the cold war has removed a structural constraint on conflict between the United States and Japan. Previously, a shared salient common security threat was an important foundation for bilateral relations, one that provided strong incentives to diffuse disputes before they got out of hand.

Second, yen appreciation has long had a relatively deflationary effect on the Japanese economy. More than just a crisis for exporters (as seen in with the sharp appreciation in 1995), as McKinnon and Ohno have forcefully argued, yen appreciation in general has this deflationary effect. This was less consequential decades ago when U.S. inflation rates were high and Japanese growth spectacular. But with lower U.S. inflation and the likelihood that growth, when it returns to Japan, will be more “normal,” will create less space for Japan to tolerate yen appreciation and attendant “high yen induced recessions” (*endaka fukyo*).<sup>18</sup>

Third, China is now an important player in the region. In fact, the U.S. trade deficit with China is now greater than its trade deficit with Japan, and China’s own exchange rate policy now carries profound political and economic implications for the region as a whole.<sup>19</sup> Thus however difficult reaching a mutually satisfying bilateral understanding about exchange rates might have been, it was certainly simpler than the challenges presented by finding (and sustaining) an arrangement that will satisfy the United States, Japan, and China.

Fourth, there is increased discussion within Japan about whether the time has come to push for a larger role for the yen as an international currency. It is argued that internationalizing of the yen, and encouraging other states in Asia to link to the yen rather than to the dollar, will afford greater stability to the region, and “promote the national interests of Japan.” Such a push would also be designed to promote Tokyo as a financial center, and to enhance the international position of Japan in international financial institutions.<sup>20</sup> This would create a new area of monetary competition between the two states, making it even more difficult to reach mutually acceptable understandings on the management of exchange rates.

### The Need for Capital Supervision

Monetary cooperation would be made easier by the existence of some form of capital controls. By slowing somewhat (but not, of course, eliminating) the flow of capital, the adjustments needed to sustain monetary cooperation could be spread out over a longer period of time. Moreover, unrelated to the issue of exchange rate cooperation, in the contemporary era—one characterized by large, powerful international financial markets, and recurrent costly international financial crises—states might wish to cooperate to oversee, supervise, or manage the flow of short-term international capital.

But it is also much more difficult for states to introduce capital controls, however modest, in the absence of institutional cooperation. Again here money is quite different from trade—if one state defects from a multilateral trade agreement, the remaining partners can continue the agreement among themselves. But one or two defectors from a regime of capital controls will place severe market pressures on all other states, even if those states wish to retain such controls.<sup>21</sup>

Of course, these problems are to some extent inevitable if capital controls are inherently inefficient from an economic perspective. But this is not the case. While there are some plausible deductive arguments in favor of capital mobility,<sup>22</sup> it is not clear that these arguments lead necessarily to the support of completely unregulated capital. Further, there are good deductive reasons to believe that some positive level of capital control is optimal from the perspective of economic efficiency.<sup>23</sup> The free flow of capital differs in important ways from the free flow of goods. Two attributes make capital quite distinct from most real goods. First, contemporary technology allows investors to move huge amounts of money almost instantaneously, at very little cost. Second, to an important extent, financial assets are worth

what people think they are worth. Given these elements, fears regarding what other people are thinking can cause hoarding behavior, unleashing financial stampedes with economic consequences that veer far from the path suggested by any reading of the economic “fundamentals.”

Additionally, in a world of perfectly mobile capital, investors can scan the globe for the best rates of return, and this creates pressure for conformity across countries’ macroeconomic policies. But it is highly unlikely that at any given moment, all states should be pursuing the same macroeconomic policies. On the contrary, states face diverse economic conditions, and need to tailor their economic policies accordingly. But without any restrictions on capital, governments that deviate from the international norm, even when pursuing policies appropriate for local needs, are “punished” by capital flight, and create, often force, such policies to be abandoned or even reversed.<sup>24</sup>

Despite the fact that most economists (and many politicians) are convinced by the logic of unregulated capital, there is little empirical support for this belief. Jagdish Bhagwati, noted champion of free trade, took many of his fellow economists to task for simply assuming the case for unregulated capital. Proponents of free trade, he observes, have provided mountains of evidence to support their claims; the supporters of free capital have not. In fact, he concludes, “the weight of evidence and the force of logic point in the opposite direction, toward restraints on capital flows.”<sup>25</sup> This challenge was only reinforced by the study of Dani Rodrik, whose analysis of a 100-country sample finds “no evidence that countries without capital controls have grown faster, invested more, or experienced lower inflation.”<sup>26</sup>

In the years that followed, renewed interest in financial crises led to a number of studies that did indeed look more closely at the relationship between capital controls and real economic performance. Even those who have been in the past been passionate supporters of unregulated capital have found that there is no evidence to support a relationship between capital account regulation and economic growth.<sup>27</sup> The evidence does provide good reason to be cautious about completely unregulated capital flows, however. Capital account liberalization is associated with an increased likelihood of financial crisis, and such crises may occur even when the government is following “sound” policies.<sup>28</sup> And even when the market’s response does reflect an identifiable need for discipline (a benefit of free capital markets often emphasized by proponents of liberalization), the market correction is likely to be inefficient—that is—“too much too late.”<sup>29</sup>

### Interpreting the Asian Financial Crisis: Different Views, Different Interests

Despite the ambiguity of the economic case, both the United States and the IMF pushed hard in the 1990s for the dismantling of those capital controls that some countries still held in place.<sup>30</sup> The Asian financial crisis would seem to have offered an important opportunity to revisit the issue. After all, the crisis was clearly unanticipated. In the year leading up to the crisis, the IMF had praised the sound fundamentals of the states in the region and argued that international capital markets were decreasingly likely to be a source of financial instability. And in May 1997, IMF Managing Director Michel Camdessus remarked that “global economic prospects warranted ‘rational exuberance.’”<sup>31</sup>

A reevaluation of uninhibited capital liberalization would seem to be in order not simply because of the unanticipated nature of the crisis, but also because efforts taken by many of the affected states to defend their currencies in the absence of capital controls required interest rate hikes that hurt their economies even more. This contrasted with the fact that those countries that had retained their capital controls were spared the worst of the crisis.

In fact, there has been a new debate in the mainstream of the economics profession, where there had not been one before. Highly regarded economists, including Benjamin Cohen, Barry Eichengreen, and Paul Krugman, have each come out in favor of some form of capital control.<sup>32</sup> But the political powers that led the push for decontrol—the United States and the IMF—did not pause to consider their faith in this idea. The IMF’s retrospective analyses of the crisis focused on the domestic sources of the crisis and remained highly suspicious of any forms of capital control.<sup>33</sup>

The crisis certainly did not affect Camdessus’ assessment of the merits of unregulated capital. On the contrary, years later he stated that no one at the IMF doubted the benefits of capital deregulation—the issue was not even discussed.<sup>34</sup> Similarly, Stanley Fischer, as the IMF’s first deputy managing director, also continued to defend a continued drive for capital liberalization. He blamed the crisis squarely on structural flaws within the affected countries themselves, and conspicuously refuses to discuss international causes of the crisis. Rather, “weak financial institutions, inadequate bank regulation and supervision, and the complicated and nontransparent relations among governments, banks, and corporations were central to the economic crisis.”<sup>35</sup> U.S. Federal Reserve Board Chairman Alan Greenspan offered a similar analysis,

arguing that “the root of the problems is poor public policy.” Greenspan’s suggestion of eight possible measures to prevent future crises focus on domestic reform in the affected states and like Camdessus and Fischer, does not consider that any reform of the international financial architecture is warranted or wise.<sup>36</sup>

In sum, the 1990s featured a very strong commitment to the deregulation of capital flows as the policy of both the United States and the IMF (an institution, it should be noted, that was built on the founding assumption that states should and would employ capital controls). Given the lack of theoretical and empirical support for completely unregulated capital, the passionate support for this position in the United States and the IMF requires an explanation. There would appear to be two overlapping factors contributing to the unflinching support of unregulated capital. First, beliefs about unregulated capital may be part of a larger economic ideology, which by definition is a kind of faith, nearly impervious to disconfirming evidence. Second, interests, cloaked by or in concert with ideology, may explain the position of the United States and, indirectly the IMF, to the extent that it reflects the preferences of the United States. Those interests may be narrow—for example, the United States might be acting on behalf of its financial community, which sees a comparative advantage in unregulated international capital. Or the interests may be more broadly national—with U.S. political leadership holding the view that, given its position in the international system, its relative power is enhanced in a world of fully globalized financial relations. As Susan Strange argued, global financial integration has increased U.S. structural power at the expense of other states.<sup>37</sup>

Regardless of the reason (though it is important to try and disentangle these explanations),<sup>38</sup> the opposition of the United States and the IMF to greater cooperation over capital controls and monetary stability is of great significance. Japanese officials viewed the Asian crisis as having (at least) an important international component, and were thus more likely to see the crisis as suggestive of a need for greater supervision of short-term international capital flows. Indeed, the then vice minister of finance, Eisuke Sakakibara, stated that “free capital movements do not always bring about optimum allocation of resources.”<sup>39</sup> But despite Japan’s interest, no unilateral effort to address such flows can succeed. Without cooperation, the macroeconomic relations in the Asia-Pacific region are likely to be characterized by economic instability and political conflict. In sum, the prospects for institutionalized cooperation over international capital are quite dim. The contours of this conflict can be seen from the examples of the Malaysian capital controls, the

Korean agreement with the IMF, and the Japanese proposal for an Asian Monetary Fund.

### *Malaysia's Capital Controls*

Japan and the United States had dramatically different responses to Malaysia's decision to impose capital controls in response to the Asian financial crisis. Rather than going to the IMF and imposing strict austerity measures, on September 1, 1998 Malaysia introduced controls to allow for an alternate set of progrowth policies, including interest rate cuts, policies that certainly would not have been sustainable in the absence of capital controls.<sup>40</sup>

The reaction of the United States and the IMF was of sharp and comprehensive condemnation. Michel Camdessus called the Malaysian controls "dangerous and indeed harmful," and U.S. Treasury Secretary Lawrence Summers stated that it "would be a catastrophe" if other countries followed the Malaysian example. In expressing his opposition to Malaysia's policy, U.S. Federal Reserve Board Chairman Alan Greenspan gave rather pointed testimony, quickly equating capital controls with "borders closed to foreign investment," leaving states that implement capital controls "mired at a sub-optimal standard of living and slow growth rate."<sup>41</sup>

In fact, the Malaysian economy performed quite well. Interest rates fell, the stock market rose, exports surged, and economic growth rebounded. Control measures were also successful in discriminating between short- and long-term capital movements, and Foreign Direct Investment (FDI), which the government did not wish to discourage, continued to flow to the country. In February 1999, the government was able to loosen some of the controls (as it did again in September 1999 and February 2001). The scaling back of controls was not followed by a surge in capital outflows, consistent with the view that the financial crisis was a panic and that the controls served as a useful circuit-breaker in that context.<sup>42</sup>

There is no dispute—neither from the academic opponents of capital controls nor from the IMF—that the Malaysian economy did in fact enjoy a remarkable and unanticipated recovery after the imposition of controls. What is in dispute is the role that the controls played in contributing to the recovery. Some have argued that controls were successful in contributing to the recovery, and this is certainly the view from within Malaysia.<sup>43</sup> But opponents of controls now argue that the Malaysian economy would have recovered anyway, as part of the broader regional



economic expansion that took place at the same time.<sup>44</sup> This is somewhat dissatisfying, as the relevant counterfactual for Malaysia is not simply how others did, but how its economy would have performed had it not imposed the controls. As noted, the controls were designed to both avoid an IMF-style austerity program and to allow for reflationary policies. Attributing Malaysia's economic performance to broader regional trends assumes that the challenges faced in September 1998 would have been met without the resort to controls or other measures that would have inhibited growth. But this is obviously a highly debatable hypothetical—and ultimately, it must be acknowledged that however unsatisfying, the retreat to agnosticism on the part of the Malaysia's critics does leave the debate essentially beyond decisive resolution. Analysts from all perspectives largely agree that it cannot be definitively established whether the capital controls contributed to, undermined, or had no effect on Malaysia's economic recovery.<sup>45</sup>

This is not of grave concern here because regardless of how such an economic debate would have been settled, three important political conclusions would still be drawn. First, especially because Malaysia was able to shut down the offshore ringitt market, the controls did afford some macroeconomic policy autonomy. Thus regardless of whether they had an effect on aggregate economic growth, the controls clearly expanded the range of economic policy choices available to the government. In that sense, the controls suggest that there is a plausible range of policies, as opposed to one policy that is "singularly correct." Most analysts agree, for example, that one reason Malaysia did not go to the IMF is the government wished to retain political discretion over many microeconomic policy choices. From a political perspective, therefore, the controls were unambiguously successful.<sup>46</sup>

Second, the lack of a clear economic answer, coupled with the fact that the critics of capital controls have not reassessed their own positions, calls attention to the fact that something other than economic reasoning—either ideology or interest—is necessary to explain the vehemence of continued opposition to any experimentation with controls. Little effort has been made to reconcile the performance of the Malaysian economy under controls with the dire predictions and condemnations made by opponents at the time. The near-universal condemnation from the IMF, the United States, Western financial journalists and academics, and, perhaps most importantly, downgrading by private financial rating agencies would, if anything, suggest that the Malaysian experiment would fail as a self-fulfilling prophecy. Despite the apparent success—or, at the very least, the clear lack of failure—opposition to any forms of control from these quarters remains dogmatic.<sup>47</sup>

Third, the Malaysian case illustrates a sharp distinction between the United States and Japan, based on their different economic ideologies and interests. Unlike the United States, Japan did not oppose the Malaysian controls—in fact, Dornbusch refers to the G-6 criticism of Malaysia rather than G-7, excluding Japan, which “on the contrary” supported different policy responses to the crisis. Not only did Japan “endorse” Malaysia’s imposition of controls, but Malaysian Prime Minister Mahathir was invited to Tokyo in October 1998 to be the keynote speaker at a conference on development. And on December 16, one day after Miyazawa gave a speech that stated that in some cases it was appropriate to reintroduce or “maintain market friendly controls,” Japan provided Malaysia with \$1.5 billion in new financial support.<sup>48</sup> These disagreements across the Pacific run deep, touching on the debate over the “East Asian Model” of economic development. Moreover, they speak to the perspective of many in Asia that financial globalization is as much a political as it is an economic phenomenon, and that the IMF is promoting a U.S. agenda designed to lock in neoliberal reforms intended to dismantle the East Asian Model.<sup>49</sup> In this context, it is not at all surprising that on the first anniversary of its experiment with capital controls, Malaysia “received cheers” from the Japanese government and from other parts of Asia as well.<sup>50</sup>

### *Korea and the IMF*

The view that the conflict over Malaysia could represent such a deep-rooted struggle looks less alarmist and more realistic when placed in the context of the agreement that Korea reached with the IMF. The Asian financial crisis reached Korea in the autumn of 1997, and Korea sought the assistance of the IMF, which provided unprecedented financial support. In exchange for that support, however, Korea agreed to a comprehensive set of conditions.<sup>51</sup> These conditions fell into two categories—one group of reforms were obviously related to the financial crisis—such as the restructuring, prudential regulation, transparency of the banking, and financial sector. But a second set of reforms demanded—eliminating the use of ceilings on foreign holdings of bonds and equities, abolishing restrictions on foreign ownership of land, dismantling of trade barriers, accelerating of capital account liberalization, and a reducing on the restrictions on corporate borrowing abroad—was just as clearly unrelated to the financial crisis.<sup>52</sup>

This second set of measures has come under criticism even from some mainstream sources. These critics acknowledge that the conditions required by the IMF might improve the long-term efficiency of the

Korean economy, but it is “hard to see how they would either help resolve the crisis or prevent a future one.” According to Martin Feldstein, for example, the Korean economy, “an economy to envy,” was suffering from a crisis of “temporary illiquidity rather than fundamental insolvency.” All the IMF needed to do was provide a bridge loan and help coordinate action by creditor banks. Instead, the IMF’s reaction—insisting that the Korean economy was in need of basic structural reform if it was to have any chance at recovery—actually exacerbated Korea’s difficulties. He argued that the “IMF should eschew the temptation to use currency crises as an opportunity to force fundamental and structural reforms on countries” as was done in this instance.<sup>53</sup>

The IMF program is consistent with the view that there is a clash of both interests and ideology between the United States and Japan over international finance. It is impossible to fail to observe, for example, that the IMF’s demands included many items that the United States had been pressing for in bilateral negotiations. Korea had always restricted FDI, and also protected its financial service sector from foreign competition, two items high on the U.S. agenda. U.S. export interests had also long been pressing for greater access to the Korean market, another requirement of the IMF agreement. As Joseph Stiglitz has argued, there is a growing perception that IMF policies are “dominated by the political interests of the U.S. Treasury” and imposing requirements from the U.S. trade agenda that had little to do with the crisis “was simply a crude political power play.”<sup>54</sup>

There are few in Asia who do not see the IMF as an agent of U.S. influence, and that bowing down to the U.S. demand that the Korean market open was a quid-pro-quo for IMF assistance. This view, it should be noted, is consistent with the way in which the Korean reforms were adjusted over time. The IMF, over the course of five reviews, reassessed its program and relaxed the macroeconomic constraints imposed on Korea as it became clear that those measures were strangling the Korean economy. But none of the more politically charged measures was reevaluated. Instead, complete capital market decontrol was accelerated, and most restrictions on foreign equity and land ownership have already been eliminated. As a result, foreign ownership of publicly traded Korean companies increased from 13 percent in 1996 to over 30 percent at the end of 2000.<sup>55</sup>

U.S. leaders have done little to counter the view that the IMF is an important lever of U.S. influence. It is widely understood that it was the United States that encouraged the IMF to focus increasingly on microeconomic reform and trade liberalization. As such, Summers could boast

that “the IMF has done more to promote America’s trade and investment agenda in East Asia than 30 years of bilateral trade negotiations.” U.S. Trade Representative Mickey Kantor was equally explicit, calling the IMF a “battering ram” that was used to open Asian markets to U.S. products.<sup>56</sup>

It should be noted that not only the United States played politics with the IMF reforms in Korea. Domestic politics on the peninsula also played an important role in accommodating IMF conditions that were more fiercely resisted elsewhere. In particular, newly elected President Kim Dae Jung, a reformer bent on challenging established centers of power within Korean society, embraced some parts of the IMF reforms because they would undercut the entrenched interests of his opponents, in particular the Chaebol conglomerates. Kim and the IMF, then, each for different reasons, sought to weaken the Chaebol.<sup>57</sup>

But those motives were quite different, and the distinction is an important one. While Kim Dae Jung was motivated by practical political opportunity, the behavior of IMF, at least in part, can only be explained by economic ideology. That ideological vision—taken on faith and resistant to change—is shared with policymakers in the United States and illustrates why Japan and the United States are likely to be unable to reach mutually acceptable arrangements regarding the supervision of international capital flows.

Ideology also helps explain why the IMF package focused on so many items that were clearly unrelated to the specific causes of the Asian financial crisis. From the perspective of the IMF, the Asian financial crisis was not so much a financial crisis as it was proof that the “East Asian Model” of development was fundamentally flawed. Korean-style capitalism (and that of other Asian economies) diverged from the idealized neoclassical economic model and thus interfered with the efficient workings of the market. Such an approach was doomed to ultimate failure, and the end was hastened by globalization, which accelerated the influence of market forces. Subsequent studies by the IMF confirm this view to a rather extreme extent, asserting repeatedly that the source of the crisis lay in the fundamental structural flaws of the Korean economy. International sources of panic are not considered, and the only remedies worthy of consideration are those that “strengthen market discipline,” very often through measures that “increase foreign participation in the economy.” To assure growth and stability in the future, the government must refrain from intervening and “rely on markets to impose discipline.” No mention is made of politics—indeed, such a vision of the crisis would perceive itself to be above politics.<sup>58</sup> The issue, from this perspective, is one of

economic progress. Thus, for Camdessus, the IMF program was targeted not at the proximate sources of the crisis, but at the root cause: a failed economic model that underscored the need to fundamentally remake Korean capitalism. Or as Alan Greenspan put it, “one consequence of this Asian crisis is an increasing awareness in the region that market capitalism, as practiced in the West, especially in the United States, is the superior model.”<sup>59</sup>

Of course, Greenspan may be overstating the extent to which this view is shared in Asia. Indeed, there is good reason to be skeptical of whether the IMF’s version of events accurately captures the causes, course, and consequences of the Asian financial crisis. As Jomo has argued, the IMF underestimated the severity of the collapse in East Asia and also underestimated the speed and strength of the recovery, raising serious doubts about whether the IMF truly understood the nature of the crisis and how best to respond to it. This latter point is particularly significant. The IMF interpretation of the crisis—that it derived from deep structural flaws in the economies of the countries affected—led the IMF to expect a “U-shaped” pattern to recovery. That is, growth would only rebound slowly, after structural reforms were in place. A “V-shaped” recovery—or a more rapid rebound (and which is the actual pattern), would be more consistent with the view that the crisis was largely an international financial panic.<sup>60</sup>

In December 1998, Camdessus, following the structural-flaw U-shaped theory, stated that it would be 12–18 months before good growth returned to Korea. In fact, growth was 10.9 percent in 1999 and 8.9 percent in 2000, a swift and remarkable recovery. The collision of the facts with the IMF’s ideology has led to some awkward analysis on the part of the IMF. Its study of the Korean crisis noted that the recovery was “much faster and steeper than expected,” but that “the continued existence of nonviable firms continues to be a drag on the economy.” Progress in structural reform has been slow, but “the early focus on structural reform was crucial.” Finally, despite the fact that the rapid recovery supports the financial panic interpretation, possible international sources of the crisis are not considered, rather, “the Korean experience suggests that crisis prediction frameworks should pay greater attention to structural vulnerabilities and microeconomic performance.”<sup>61</sup>

Clearly, the belief systems of the IMF—that is, understandings about how the world works—have hardened into ideologies: they are taken on faith and as such resistant to competing evidence. And of course interests are also in play. As Lawrence Summers, then deputy secretary of the Treasury stated plainly, “financial liberalization, both domestically and

internationally, is a critical part of the U.S. agenda.”<sup>62</sup> But whether based on ideology, interest, or both, issues regarding the governance of international capital are a likely source of conflict between the United States and Japan. This clash has already been seen in the dispute over Japan’s proposed Asian Monetary Fund.

### *Japan’s Proposal for the AMF*

The AMF was proposed by Japan in the summer of 1997, with the goal of providing emergency assistance to Asian states facing financial crisis. The concept was never fully developed, but would have been bankrolled by \$50 billion from Japan with an additional \$50 billion in contributions from other Asian countries, and, crucially, would have provided loans without the types of conditions associated with IMF assistance. The proposal reflected a deep dissatisfaction in Japan and the region with how the IMF was handling the Asian financial crisis, and with the relatively limited voice of Asian states in the IMF more broadly. An AMF would address two concerns raised by Vice Minister of Finance Eisuke Sakakibara: the “inherent instability of liberalized international capital markets” and doubts about whether all of the reforms demanded by the IMF were “absolutely necessary to resolve the crisis.”<sup>63</sup>

Essentially, the Asian financial crisis rekindled interest in Japan about the possibility of promoting more aggressively the internationalization of the Yen, an idea that emerged in the late 1980s but was put on the back burner by the economic malaise of the 1990s, only to reemerge when the behavior of the United States and the IMF was increasingly perceived as “a direct challenge to their country’s economic and ideological interests.”<sup>64</sup> The dissatisfaction with the IMF can be traced back to the IMF’s unwillingness to consider international sources of the financial crisis, and its aggressive posture against the “East Asian Model.” From the perspective of Finance Minister Miyazawa, the crisis also had to be attributed to “general problems inherent in today’s global economic system,” and it was necessary to talk seriously about “reforming the international financial architecture.” Sakakibara concurred, stating that the crisis “cannot be explained only by . . . structural problems.”<sup>65</sup> These views have been held consistently in Japan since the crisis. Public officials consistently maintained that the fundamental causes of the crisis were external, that unregulated capital markets were a source of instability, and that there was nothing fundamentally wrong with the Asian economies. In June 2000, Vice Minister of Finance Haruhiko Kuroda restated Japan’s proposal for “limiting the IMF’s involvement in structural policies to those that are

directly linked to solving crises,” and renewed the call for Asian countries to be better represented on the Board of Directors, an “essential” measure.<sup>66</sup>

Thus, the AMF proposal represented a clash of ideologies. The U.S. perspective held that the crisis sounded the death knell for the Asian Model, while Japan resisted this notion and found its advancement opportunistic, sharpening the philosophical conflict between the two sides.<sup>67</sup> But perhaps more importantly, the AMF proposal (and its demise) also represented a conflict of interests. The United States fiercely opposed the idea, and not simply on economic grounds. Rather, United States concerns were geopolitical—it thought that such a fund would give Japan political influence in the region at the expense of U.S. interests.<sup>68</sup> Japanese officials must have been aware of the potential U.S. opposition, as the Ministry of Finance quietly coordinated its proposal exclusively with other Asian nations. The United States was “caught by surprise” by the plan—as one account stated simply, “American officials were enraged,” and this, not surprisingly, only heightened the tensions surrounding the inherently divisive issue.<sup>69</sup> Ultimately, while there was considerable interest in the AMF in the region, the plan crumbled under the weight of vehement U.S. opposition. Tellingly, China also lined up in opposition against the scheme, also fearing that it might enhance Japan’s political influence in the region, to China’s disadvantage.<sup>70</sup>

### **Why the Demand for Institutions in the Pacific Will Outstrip Supply**

The clash over the AMF speaks to a broader underlying conflict over nascent competition between the United States and Japan for political influence in Asia. In this sense, the barriers to cooperation over capital flows founders on the same rocks that threaten exchange rate cooperation—an implicit competition between the yen and the dollar and their respective roles in the region.

That conditions are ripe for (economic) conflict between the United States and Japan can be seen in the fact that in Japan it is generally accepted that U.S. opposition to the AMF derived from geopolitical concerns.<sup>71</sup> (Although it would be a mistake to dismiss the role of economic ideological as an important engine of this conflict as well.<sup>72</sup>) Moreover, the supporters of the AMF within Japan have not abandoned the political goals and economic ideas that led to proposal of an Asian Fund in the first place. Echoes of the AMF can be seen in the more modest and cautious “New Miyazawa Plan.” At the center of the New Plan, proposed in

October 1998, was Japan's provision of up to \$30 billion in short- and medium-term loans to Asian nations.<sup>73</sup> This was followed by other efforts, such as the Chiang Mai Initiative to coordinate currency swaps. Compared to the AMF these arrangements were all more modest and bowed to political realities—they were coordinated with both the United States and the IMF. But they reflected the underlying motivations that contributed to the original AMF proposal—the push for a greater international role for the yen in the wake of the instabilities reflected by the Asian financial crisis and to counter the influence of the United States and the IMF in Asia. This suggests that the elements for future conflict remain in place.<sup>74</sup>

In sum, there are good reasons to believe that there is a need for institutions designed to supervise international monetary and financial relations between the United States and Japan, particularly in the Pacific region more broadly. Indeed, the challenges will only mount as China becomes a more important player on the international monetary scene, as it eventually must. Exchange rate cooperation is difficult to sustain on an ad hoc basis, and the main reason that conflicts between the United States and Japan about the yen-dollar rate have not been sharper since 1995 is due to concerns about the weakness and fragility of the Japanese economy. Some form of institutionalized cooperation regarding the supervision, oversight, or regulation of short-term capital flows is almost certainly a good idea, but it is also unlikely to develop due to fundamental differences between the United States and Japan over economic ideology and geopolitical conflict. In the past, conflicts between these two states were muted by the overriding importance of the cold war, more recently they have been limited by Japan's economic weakness. But the cold war, of course, is history, and Japan will recover in time. These two happy developments will make the needed cooperation on monetary and financial issues across the Pacific less likely to occur in the future.

### Notes

1. On possible disagreements over distribution, preferences, and circumstances, see Richard Cooper, "Prolegomena to the Choice of an International Monetary System," *International Organization*, Vol. 29, No. 1 (Winter 1975): 63–97.
2. John Maynard Keynes, *A Treatise on Money: The Applied Theory of Money* (Cambridge: Cambridge University Press, 1971 [1930]), p. 272.
3. See Kenneth A. Oye, *Economic Discrimination and Political Exchange: World Political Economy in the 1930s and 1980s* (Princeton: Princeton University Press, 1992).



4. For example (as Oye argues), if one nation raises its tariffs, even if it does so universally, other states can raise tariffs that directly target the protectionist. Each can then bargain for market share and are the sole beneficiaries of their efforts.
5. See Jonathan Kirshner, "States, Markets, and Great Power Relations in the Pacific: Some Realist Expectations," in John Ikenberry and Michael Mastanduno, eds., *The Emerging International Relations of the Asia-Pacific* (New York: Columbia University Press, 2002), p. 273; Christopher B. Johnstone, "Strained Alliance: U.S.-Japan Diplomacy in the Asian financial crisis," *Survival*, Vol. 41, No. 2 (1999): 134.
6. Robert V. Roosa, *The United States and Japan in the International Monetary System, 1946-1985* (New York: Group of Thirty, 1986), p. 1; Robert C. Angel, *Explaining Economic Policy Failure: Japan in the 1969-71 International Monetary Crisis* (New York: Columbia University Press, 1991), p. 38.
7. Thomas F. Cargill, Michael M. Hutchison, and Takatoshi Ito, *The Political Economy of Japanese Monetary Policy* (Cambridge: MIT Press, 1997), pp. 61-62; Angel, *Explaining Economic Policy Failure*, p. 45; Roosa, *The United States and Japan*, pp. 2-3.
8. Kozo Yamamura, "The Legacies of a Bargain: The Reagan Deficits and Japan's 'Bubble,'" in Yukio Noguchi and Kozo Yamamura, eds., *U.S.-Japan Macroeconomic Relations* (Seattle: University of Washington Press, 1996), p. 32; C. Randall Henning, *Currencies and Politics in the United States, Germany, and Japan* (Washington: Institute for International Economics, 1994), p. 123. On Japan's postwar business cycles with an emphasis on interest rate policy, see Hiroshi Yoshikawa, "Monetary Policy and the Real Economy in Japan," in Kenneth Singleton, ed., *Japanese Monetary Policy* (Chicago: University of Chicago Press, 1993), pp. 145-171.
9. See Ryutaro Komiya and Miyako Suda, *Japan's Foreign Exchange Policy 1971-1982*, trans. Colin McKenzie (New South Wales: Allen and Unwin, 1991), esp. pp. 50, 135, 145, 185, 299, 303.
10. See Angel, *Explaining Economic Policy Failure*, esp. pp. 104 (quote), 115; Komiya and Suda, *Japan's Foreign Exchange Policy*, pp. 37, 41-42, 45.
11. C. Fred Bergsten, "What to Do about the U.S.-Japan Economic Conflict," *Foreign Affairs*, Vol. 60, No. 5 (Summer 1982): 1059, 1065-1066; see also Koichi Hamada and Hugh Patrick, "Japan and the International Monetary Regime," in Takashi Inoguchi and Daniel Okimoto, eds., *The Political Economy of Japan*, Vol. II (Stanford: Stanford University Press, 1988), pp. 118-119; Cargill, Hutchison, and Ito, *The Political Economy of Japanese Monetary Policy*, pp. 65-66.
12. On the appreciation of the dollar and U.S. opposition to policy coordination, see Martin Feldstein, "Thinking about International Economic Cooperation" *Journal of Economic Perspectives*, Vol. 2, No. 2 (Spring 1988): esp. 12, and Jeffrey A. Frankel, "Exchange Rate Policy," in Martin Feldstein, ed., *American Economic Policy in the 1980s* (Chicago: University of Chicago Press, 1994).

13. Volcker and Gyohten, *Changing Fortunes* (New York: Times Books, 1992), pp. 244, 268, 285; Yoichi Funabashi, *Managing the Dollar: From the Plaza to the Louvre* (Washington: Institute for International Economics, 1988).
14. William Grimes, *Unmaking the Japanese Miracle: Macroeconomic Politics 1985–2000* (Ithaca: Cornell University Press, 2001), pp. 125, 132.
15. Ronald McKinnon and Kenichi Ohno, *Dollar and Yen: Resolving Economic Conflict between the U.S. and Japan* (Cambridge: MIT Press, 1997), pp. 10, 205 on successive U.S. pressure for yen appreciation.
16. Peter Hartcher, *The Ministry: How Japan's Most Powerful Institution Endangers World Markets* (Boston: Harvard Business School Press, 1998), p. 169; Marcus Rebeck, "Japanese Labor Markets: Can We Expect Significant Change?" in Magnus Blomstrom, Byron Gangnes, and Sumner La Croix, *Japan's New Economy: Continuity and Change in the Twenty-First Century* (Oxford: Oxford University Press, 2001), p. 120. On this point and the conflict during the first two years of the Clinton Administration, see Eisuke Sakakibara, "US-Japanese Economic Policy Conflicts and Coordination during the 1990s," in Ryoichi Mikitani and Adam S. Posen, eds., *Japan's Financial Crisis and Its Parallels to U.S. Experience* (Washington: Institute for International Economics, 2000), esp. pp. 167, 169; and C.F. Jeffrey R. Shafer, "The International Aspects of Japanese Monetary Policy," pp. 209–213, who emphasizes the primacy of domestic economic policies.
17. On concerns for financial fragility limiting U.S. pressure, see Sakakibara, "US-Japanese Economics Policy Conflicts," p. 182. On the Japanese economic crisis in general, see Adam S. Posen, "The Political Economy of Deflationary Monetary Policy," in *Financial Crisis*, pp. 1–17; Thomas F. Cargill, Michael M. Hutchison, and Takatoshi Ito, *Financial Policy and Central Banking in Japan* (Cambridge: MIT Press, 2000), esp. p. 9; David L. Asher and Andrew Smithers, "Japan's Key Challenges for the 21st Century," in Karl D. Jackson, ed., *Asian Contagion: The Causes and Consequences of a financial crisis* (Boulder: Westview, 1999), esp. p. 29; also Grimes, *Unmaking*.
18. McKinnon and Ohno, *Dollar and Yen*, especially Chapters 3 and 5; see also David E. Weinstein, "Historical, Structural and Macroeconomic Perspectives on the Japanese Economic Crisis," in Magnus Blomstrom, Byron Ganges and Sumner La Croix, eds., *Japan's New Economy: Continuity and Change in the Twenty-First Century* (Oxford: Oxford University Press, 2001), pp. 31; Kojo Yoshiko, "Japan's Changing Attitude toward Adjusting Its Current Account Surplus: The Strong yen and Macroeconomic Policy in the 1990s," in Gerald L. Curtis, ed., *New Perspectives of U.S.-Japan Relations* (Tokyo: Japan Center for International Exchange, 2000), pp. 148, 153, 166; also Sakakibara, "US-Japanese Economics Policy Conflicts," pp. 176, 183. Grimes holds that McKinnon and Ohno exaggerate the significance of this phenomenon, *Unmaking*, pp. 3, 4.
19. See Hongying Wang, "China's Exchange Rate Policy in the Aftermath of the Asian financial crisis," in Jonathan Kirshner, ed., *Monetary Orders: Ambiguous*

- Economics, Ubiquitous Politics* (Ithaca: Cornell University Press, 2003), pp. 153–172.
20. Council on Foreign Exchange and Other Transactions, “Internationalization of the Yen for the 21st Century,” Report, April 20, 1999, <<http://www.mof.go.jp/english/if/e1b064a.htm>>, esp. pp. 4 (quote), 5, 7. See also William Grimes, “Internationalization of the Yen and the New Politics of Monetary Insulation,” in *Monetary Orders*; Jennifer Holt-Dwyer, “U.S.-Japan Financial-Market Relations in an Era of Global Dominance,” in Curtis, *New Perspectives of U.S.-Japan*, pp. 92, 116; also Jennifer Holt-Dwyer, “Does Capital Mobility Cause Regulatory Convergence? Illustrations from Japan,” in Timothy J. Sinclair and Kenneth P. Thomas, eds., *Structure and Agency in Capital Mobility* (New York: Palgrave, 2001), p. 42.
  21. On this point, see Eric Helleiner, *States and the Reemergence of Global Finance* (Ithaca: Cornell University Press, 1994).
  22. Such as investor confidence, economic efficiency, and policy discipline.
  23. It is important to note the qualified nature of this argument. The claim is not that capital flows are bad, but rather that completely deregulated capital would lead to a suboptimally high level of flows.
  24. On these issues, see Jonathan Kirshner, “Disinflation, Structural Change, and Distribution,” *Review of Radical Political Economics*, Vol. 30, No. 1 (March 1998): 52–89.
  25. Jagdish Bhagwati, “The Capital Myth,” *Foreign Affairs*, Vol. 77, No. 3 (May/June 1998): 9, 12 (quote). For some additional skepticism and qualifications, see Richard N. Cooper, “Should Capital Controls Be Banished?” *Brookings Papers on Economic Activity*, Vol. 1, No. 99 (1997): 89–141.
  26. Dani Rodrik, “Who Needs Capital Account Convertibility?” in *Should the IMF Pursue Capital Account Convertibility?: Essays in International Finance* (Princeton: Princeton University Press, 1998), p. 61.
  27. See, for example, Rudi Dornbusch, “Malaysia: Was it Different,” *NBER Working Paper*, 8325 (June 2001): 3. Another proponent of decontrol does find modest support for a relationship between capital openness and growth, but then only under qualified circumstances. See Sebastian Edwards, “Capital Mobility and Economic Performance: Are the Emerging Economies Different?” *NBER Working Paper*, 8706 (January 2001). But as Richard Cooper notes, after his own survey of the evidence, even if the case for universal capital account convertibility were clear (which he does not conclude), this does not necessarily mean that states should be pressured to adopt it. Cooper, “Should Capital Account Convertibility Be a World Objective?” in Kenen, *Should the IMF Pursue Capital Account Convertibility?* pp. 1–80. As Rodrik notes, “where knowledge is limited, the rule for policy-makers should be, first, do no harm,” p. 57.
  28. Mark Blyth, “The Political Power of Financial Ideas: Transparency, Risk and Distribution in Global Finance,” in J. Kirshner, *Monetary Orders*, 239–260.
  29. John Williamson and Molly Mahar, “A Survey of Financial Liberalization,” *Essays in International Finance*, 211 (Princeton: Princeton University Press,

- 1998); Ariel Buria, "An Alternative Approach to Financial Crises," *Essays in International Finance* 212 (Princeton: Princeton University Press, 1999); Thomas D. Willett, "International Financial Markets as Sources of Crises or Discipline: The Too Much Too Late Hypothesis," *Essays in International Finance*, 218 (Princeton: Princeton University Press, 2000). These three studies also support the view that the aggregate economic effects of fully unregulated capital are modest and ambiguous.
30. See, for example, the discussion of the IMF plan to revise its charter to require the elimination of all capital controls: "IMF Wins Mandate to Cover Capital Accounts," *IMF Survey*, May 12, 1997, pp. 131–132.
  31. *IMF Survey*, September 23, 1996, p. 294. The Fund also noted that "market participants—including high-risk high-return investment funds—are more disciplined, cautious, and sensitive to market fundamentals," p. 293. On ASEAN's sound fundamentals, see *IMF Survey*, November 25, 1996; Camdessus quotes are from *IMF Survey*, May 12, 1997, pp. 129–130.
  32. Paul Krugman, *The Return of Depression Economics* (New York: Norton, 1999); Barry Eichengreen *Toward a New Financial Architecture: A Post-Asia Agenda* (Washington: Institute for International Economics, 1999); Benjamin Cohen, "Taming the Phoenix? Monetary Governance After the Crisis," in Gregory W. Noble and John Ravenhill, eds., *The Asian Financial Crisis and the Architecture of Global Finance* (Cambridge: Cambridge University Press, 2000), pp. 192–213. Some question whether capital controls could ever be effectively introduced, even if they were appropriate in theory. See Sebastian Edwards, "How Effective Are Capital Controls?" *Journal of Economic Perspectives*, Vol. 13, No. 4 (1999): 65–84.
  33. International Monetary Fund, *International Capital Markets: Developments, Prospects, and Key Policy Issues* (Washington: IMF, September 1998), esp. pp. 6, 11, 57, 63, 73, 148–150; See also International Monetary Fund, *World Economic Outlook: Financial Turbulence and the World Economy* (Washington: IMF, October 1998), esp. pp. 16–18; 101–102. It should be noted, however, that in the wake of the crisis the World Bank has been willing to at least address the issue of the possible benefits of some control over short-term capital flows. See the World Bank, *Global Economic Prospects and the Developing Countries, 1998/99: Beyond Financial Crisis* (Washington: The World Bank, 1999), esp. pp. xi–xii, xxi, 4, 123–124, 128, 142–152; see also the World Bank, *East Asia: The Road to Recovery* (Washington: The World Bank, 1998), esp. pp. 9–10, 16, 34.
  34. Michel Camdessus, comments made at breakfast seminar, Einaudi Center for International Studies, Cornell University, April 10, 2001. Or, as Jagdish Bhagwati put it more broadly, the financial network between Wall Street and Washington is so tight "anyone who has another point of view is unlikely to be heard, because everybody shares the same assumptions." Bhagwati, "Lessons from the East Asian Experience," in Eric S. Rosengren and John S. Jordan, *Building an Infrastructure for Financial Stability*, Federal Reserve Bank of Boston, Conference Series No. 44, June 2000, p. 26.

35. Stanley Fischer, "In Defense of the IMF: Specialized Tools for a Specialized Task," *Foreign Affairs*, Vol. 77, No. 4 (1998): 105; "Proposals and IMF Actions to Reduce the Frequency of Crises," in Rosengren and Jordan, eds., *Building an Infrastructure*, pp. 223–227 and "Capital Account Liberalization and the Role of the IMF" in Kenen, *Should the IMF Pursue Capital Account Convertibility?* See also "Fischer Presents IMF Perspective on Origins, Implications of Asian Crisis," *IMF Survey*, Vol. 27, No. 2 (January 26, 1998): 22.
36. See Alan Greenspan, "The Current Asia Crisis and the Dynamics of International Finance," Testimony before the Committee on Banking and Financial Services, U.S. House of Representatives, January 30, 1998; also his similar testimony before the Senate Foreign Relations Committee, February 12, 1998.
37. Susan Strange, "Finance, Information and Power," *Review of International Studies*, Vol. 16, No. 3 (July 1990): 259–276 reprinted in Roger Tooze and Christopher May, eds., *Authority and Markets: Susan Strange's Writings on International Political Economy* (New York: Palgrave Macmillan, 2002), pp. 71, 79.
38. On this challenge, see Jonathan Kirshner, "Explaining Choices about Money: Disentangling Power, Ideas, and Conflict," in Kirshner, *Monetary Orders*, pp. 260–280.
39. Kiichi Miyazawa, "Towards a New Financial Architecture," speech delivered at the Foreign Correspondents Club of Japan, December 15, 1998, accessible at <<http://www.mof.go.jp/english/if/e1e057.htm>>; Eisuke Sakakibara, "Reform of the International Financial Architecture," speech delivered at the Symposium on Building the Financial System of the 21st Century, Kyoto Japan, June 25, 1999, accessible at <<http://www.mof.go.jp/english/if/if004.htm>>, p. 2; see also Marc Castellano, "Two Years on: Evaluating Tokyo's Response to the East Asian financial crisis," *JEI Report*, 30 (August 6, 1999).
40. For an excellent concise overview of the case and a discussion of the key issues, see Rawi Abdelal and Laura Alfaro, "Malaysia: Capital and Control," *Harvard Business School, Case # N9-702-040* (March 14, 2002); See also Prema-Chandra Athukorala, *Crisis and Recovery in Malaysia: The Role of Capital Controls* (Cheltenham: Edward Elgar, 2001).
41. Robert Wade, "The Asian Crisis and the Global Economy: Causes, Consequences, and Cure," *Current History* Vol. 361 (November 1998): 368 (Camdessus quote); Abdelal and Alfaro, "Malaysia: Capital and Control," p. 11 (Summers quote); Alan Greenspan, "International Economic and Financial Systems," Testimony before the Committee on Banking and Financial Services, U.S. House of Representatives, September 16, 2006; also "The Current Asia Crisis and the Dynamics of International Finance," January 30, 1998; see also the similar testimony before the Senate Foreign Relations Committee, February 12, 1998.
42. Mahani Zainal-Abidin, "Implications of the Malaysian Experience on Future International Financial Arrangements," *ASEAN Economic Bulletin*,

- Vol. 17, No. 2 (2000): esp. 143, 145 on FDI. Gregory W. Noble and John Ravenhill, "Causes and Consequences of the Asian Financial Crisis," in Noble and Ravenhill, eds., *The Asian Financial Crisis*, p. 17; Dwight Heald Perkins and Wing Thye Woo, "Malaysia: Adjusting to Deep Integration with the World Economy," in Wing Thye Woo, Jeffrey D. Sachs, and Klaus Schwab, eds., *The Asian Financial Crisis: Lessons for a Resilient Asia* (Cambridge: MIT Press, 2000), esp. pp. 241–244; See also Maria Toyoda, "Malaysia: Ethnic Cleavages and Controlled Liberalization," in Shale Horowitz and Uk Heo, eds., *The Political Economy of International Financial Crises: Interest Groups, Ideologies, and Institutions* (London: Rowman & Littlefield, 2001).
43. Ethan Kaplan and Dani Rodrik conclude, "the Malaysian controls produced better results than the alternative on almost all dimensions," in "Did the Malaysian Capital Controls Work?" *NBER Working Paper, No. 8142* (February 2001): 7; See also Zainal-Abidin, "Implications of the Malaysian Experience," esp. p. 137; and Athukorala, *Crisis and Recovery*, esp. pp. 97, 109, 112. On Malaysian perceptions, see K.S. Jomo with Liew San Yee and Laura Kaehler, "Capital Flows Volatility," in K. S. Jomo, ed., *Malaysian Eclipse: Economic Crisis and Recovery* (London: Zen Books, 2001), p. 194.
  44. See for example Dornbusch, "Malaysia: Was it Different," pp. 4, 13; Akira Ariyoshi, Karl Habermeier, Bernard Laurens, Inci Oetker-Robe, Jorge Ivan Canales-Kriljenko, and Andrei Kirilenko, *Capital Controls: Country Experiences with Their Use and Liberalization*, International Monetary Fund Occasional Paper 190 (2000), p. 54; also Mohamed Ariff and Syarisa Yanti Abubakar, "The Malaysian Financial Crisis: Economic Impact and Recovery Prospects" *The Developing Economies*, Vol. 37, No. 4 (December 1999): 431.
  45. Abdelal and Alfaro, "Malaysia," p. 2; Kanitta Meesook, Il Hounng Lee, Olin Liu, Yougesh Khatri, Natalia Tamirisa, Michael Moore, and Mark H. Krysl, *Malaysia: From Crisis to Recovery*, International Monetary Fund Occasional Paper 207 (2001), p. 50; K. S. Jomo, "From Currency Crisis to Recession," in Jomo, *Malaysian Eclipse*, pp. 30–32.
  46. Obviously, this should not be read to imply an endorsement of those political measures, rather it is simply that the controls did provide the autonomy that allowed for greater government discretion. This also touches on the issue of "crony capitalism," which the IMF and the United States have seized upon and identified as an important cause of the crisis, and which critics of the IMF consider to be arbitrary, posthoc and ahistorical. See Simon Johnson and Todd Mitton, "Cronyism and Capital Controls, Evidence from Malaysia," *NBER Working Paper, No. 8521* (October 2001), who find postcontrol cronyism but are agnostic as to its economic consequences, pp. 3, 22, 25; Athukorala, *Crisis and Recovery*, who argues that an externally enforced adjustment package would not have accounted for Malaysia's "fragile" political and social equilibrium, pp. 6, 81; Dornbusch states that "if capital controls have not delivered clearly better economic results, it does not mean that they failed on the political side," "Malaysia: Was

- it Different,” p. 2; Jomo, “From Currency Crisis to Recession,” pp. 9, 12 critiques the cronyism argument as a fallback, ad hoc critique of the Asian economies once it became clear that macroeconomic fundamentals could not account for the crisis.
47. On the avalanche of negative reaction and pessimistic predictions, see Abdelal and Alfaro, “Malaysia: Capital and Control,” p. 11; Zainal-Abidin, “Implications of the Malaysian experience,” p. 135; Athukorala, *Crisis and Recovery*, pp. 97, 113; Meesook, *Malaysia*, p. 50. It is notable how the opponents changed their critiques over time; compare Dornbusch, “Capital Controls: An idea Whose Time Is Past,” in Kenen, *Capital Account Convertibility*, with Dornbusch, “Malaysia: Was it Different.” More telling and (it must be noted, unintentionally humorous) cautious, reluctant, contextualized, and invariably qualified admission by the IMF that the Malaysian controls probably did no harm. See Ariyosi, “Capital Controls,” e.g., pp. 15, 30, 31, 54, 101, 104. Had the Malaysian economy performed worse, one suspects, the Fund would have offered a rousing, eager, generalized, and unqualified condemnation of the controls and concluded that they were the source of the poor performance.
  48. Dornbusch, “Malaysia: Was it Different,” p. 1; Johnstone, “Strained Alliance,” p. 132 (“endorse”); Miyazawa, “New Financial Architecture,” p. 3; Matthew Montagu-Pollock, “The Real Message in Miyazawa’s Plan,” *Asiamoney* (February 1999): 14–17; see also Abdelal and Alfaro, “Malaysia,” p. 12.
  49. Mark Beeson, “Mahathir and the Markets: Globalization and the Pursuit of Economic Autonomy in Malaysia,” *Pacific Affairs*, Vol. 73, No. 2 (2000): 339, 348.
  50. Soari N. Katada, “Japan and Asian Monetary Regionalization: Cultivating a New Regional Leadership Role after the Asian Financial Crisis,” *Geopolitics*, Vol. 7, No. 1 (Summer 2002): 87, 97.
  51. See Uk Heo, “South Korea: Democratization, Financial Crisis, and the Decline of the Developmental State,” in Horowitz and Heo, *International Financial Crises*; also Kiseok Hong and Jong-Wha Lee, “Korea: Returning to Sustainable Growth?” in Woo, Sachs, and Schwab, *The Asian Financial Crisis*.
  52. Chol-Hwan Chon (Governor, Bank of Korea) and Kyu-Sung Lee (Minister of Finance and Economy), Letter of Intent of the Government of Korea, May 2, 1998, <<http://www.imf.org.external/np/loi/050298.htm>>. See also Ajai Chopra, Kenneth Kang, Meral Karasulu, Hong Liang, Henry Ma, and Anthony Richards, *From Crisis to Recovery in Korea: Strategy, Achievements, and Lessons*, IMF Working Paper 01/154 (October 2001), pp. 55–56.
  53. Martin Feldstein, “Refocusing the IMF,” *Foreign Affairs*, Vol. 77, No. 2 (1998): 24, 25, 27, 31, 32; W. Max Corden, “The World Financial Crisis: Are the IMF Prescriptions Right?” in Horowitz and Heo, *International Financial Crisis*, p. 59 (first quote); see also Jeffrey D. Sachs, “Fixing the IMF Remedy,” *The Banker* (February 1998): 17–31; T. J. Pempel, “Conclusion,” in T. J. Pempel, ed., *The Politics of the Asian Economic Crisis* (Ithaca: Cornell University Press, 1999), p. 236; Ha-Joon Chang, Hong Jae park, and Chul

- Gyue Yoo, "Interpreting the Korean Crisis: Financial Liberalization, Industrial Policy and Corporate Governance," *Cambridge Journal of Economics*, Vol. 22 (1998): esp. 739.
54. Joseph E. Stiglitz, "Failure of the Fund: Rethinking the IMF Response," *Harvard International Review* Vol. 23, No. 2 (Summer 2001): 14–19. See also Robert Gilpin, *The Challenge of Global Capitalism: The World Economy in the 21st Century* (Princeton: Princeton University Press, 2000), pp. 157, 159; the same conclusions are reached by Corden, "World Financial Crisis," pp. 59–60; and Pempel, "Conclusion," p. 237.
  55. John A. Mathews, "Fashioning a New Korean Model out of the Crisis: The Rebuilding of Institutional Capabilities," *Cambridge Journal of Economics*, Vol. 22 (1998): 752; Donald Kirk, *Korean Crisis: Unraveling of the Miracle in the IMF Era* (New York: Palgrave, 1999), p. 35 "egregious imperialistic meddling," 36–8, 43, 46; Chopra, et al., *From Crisis to Recovery in Korea*, p. 65; Hong and Lee, "Korea: Returning to Sustainable Growth?" pp. 211–213; also Eichengreen, "The International Monetary Fund," in Noble and Ravenhill, *The Asian Financial Crisis*, p. 178.
  56. David Hale, "Dodging the Bullet—This Time," *Brookings Review*, Vol. 16, No. 3 (Summer 1998): 22–25 (Summers quote), 26; *International Herald Tribune*, 1/14/98 ("battering ram").
  57. See Kirk, *Korean Crisis*, pp. x, 33, 93, 99, 107–108, 225, 229; Mathews, "Fashioning a New Korean Model," pp. 748, 749; see also Barry K. Gills and Dongsook S. Gills, "Globalization and Strategic Choice in South Korea: Economic Reform and Labor," in Samuel S. Kim, ed., *Korea's Globalization* (New York: Cambridge University Press, 2000); and Dohyung Kim, "IMF Bailout and Financial and Corporate Restructuring in the Republic of Korea," *The Developing Economies*, Vol. 37, No. 4 (December 1999): 477, 509 (It should be noted that this paper is more sympathetic to the IMF's perspective).
  58. Chopra, et al., *From Crisis to Recovery in Korea*, esp. pp. 31, 35 (first quotes), 54, 55, 68, 83 (last quote). C.F. Feldstein notes that the structural reforms required by the IMF touched on areas that were "among the most politically sensitive issues," ("Refocusing the IMF," p. 25.)
  59. Michel Camdessus, breakfast seminar, Cornell University, April 10, 2001; Alan Greenspan, "The Current Asian Crisis," Testimony before the Subcommittee on Foreign Operations of the Committee on Appropriations, U.S. Senate, March 3, 1998; see also the similar testimony before the House Agriculture Committee, May 21, 1998. See also Gary Hamilton, "Asian Business Networks in Transition: or, What Alan Greenspan Does Not Know about the Asian Business Crisis," in Pempel, *Politics of the Asian Economic Crisis*, pp. 45–61.
  60. K. S. Jomo, "East Asian Comparisons," in K. S. Jomo, *Malaysian Eclipse*, pp. 272, 276. Jomo concludes that it is "doubtful" whether the "radical corporate reforms" the IMF pushed for were relevant to the crisis (pp. 287, 288). On the shape of the recovery, see also Jeffrey D. Sachs and



- Wing Thye Woo, "Understanding the Asian Financial Crisis," in Woo, Sachs, and Schwab, *Asian Financial Crisis*.
61. Donald Kirk, *Korean Crisis*, Camdessus prediction, p. 31; Ajai Chopra, et al., *From Crisis to Recovery in Korea*, pp. 70, 59, 80, 77.
  62. Quoted in Devesh Kapur, "The IMF: A Cure or a Curse", *Foreign Policy*, Vol. 111 (Summer 1998): 114+
  63. Eisuke Sakakibara, "Reform of the International Financial System," Speech delivered at the Manila Framework Meeting, Melbourne, March 26, 1999 (<<http://www.mof.go.jp/english/if/ele070.htm>>). See also Montagu-Pollack, "The Real Message," pp. 14–17; C. Fred Bergsten, "America's Two-Front Economic Conflict," *Foreign Affairs*, Vol. 80, No. 2 (March/April 2001): 21. On the AMF, see Eric Altbach, "The Asian Monetary Fund Proposal: A Case Study of Japanese Regional Leadership," *JEI Report*, 47 (December 19, 1997), also C. Fred Bergsten, "Reviving the 'Asian Monetary Fund,'" *International Economics Policy Briefs*, Vol. 98, No. 8 (1998).
  64. Katada, "Japan and Asian Monetary Regionalization," p. 86 (quote); See also Paul Bowles, "Asia's Post-Crisis Regionalism: Bringing the State Back in, Keeping the (United) States out," *Review of International Political Economy*, Vol. 9, No. 2 (Summer 2002): 231, 248; Christopher W. Hughes, "Japanese Policy and the East Asian Crisis: Abject Defeat or Quiet Victory?" *Review of International Political Economy*, Vol. 7, No. 2 (Summer 2000): 241, 242. On Japan's increasing assertiveness in the late 1980s, see Eric Helleiner, "Japan and the Changing Global Financial Order," *International Journal*, Vol. 47 (Spring 1992): esp. 434–437.
  65. Miyazawa, "Towards a New Financial Architecture," pp. 2, 6; Sakakibara, "International Financial Architecture," p. 1; See also Michael J. Green, *Japan's Reluctant Realism: Foreign Policy Challenges in an Era of Uncertain Power* (New York: Palgrave, 2001), pp. 259–260.
  66. Castellano, "Evaluating Tokyo's Response," pp. 5, 6; Johnstone, "Strained Alliance," p. 131; see also Saori N. Katada, *Banking on Stability: Japan and the Cross-Pacific Dynamics of International Financial Crisis Management* (Ann Arbor: University of Michigan Press, 2001), p. 182; Haruhiko Kuroda, "Information Technology, Globalization, and International Financial Architecture," speech delivered at Foreign Correspondents Club of Japan, June 15, 2000, <<http://www.mof.go.jp/english/if/if018.htm>>, accessed June 15, 2000, pp. 3, 4.
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  71. William Grimes, “Japan and Globalization: From Opportunity to Constraint,” *Asian Perspective*, Vol. 23, No. 4 (1999): 189; see also Katada, *Banking on Stability*, p. 197.
  72. Holt-Dwyer, “US-Japan Financial-Market Relations,” pp. 82, 96, 115. It should be noted that Dwyer does expect continued cooperation, even though globalization has “fostered greater rivalry,” (p. 82).
  73. Green, *Japan’s Reluctant Realism*, p. 254; Grimes, “Japan and Globalization,” p. 189; Castellano, “Evaluating Tokyo’s Response,” pp. 3, 4.
  74. Saori Katada, “Determining Factors in Japan’s Cooperation and Non-Cooperation with the United States: The Case of the Asian Financial Crisis Management, 1997–1999,” in Akitoshi Miyashita and Yoichiro Sato, eds., *Japanese Foreign Policy in Asia and the Pacific: Domestic Interests, American Pressure, and Regional Integration* (Palgrave: New York, 2001), pp. 161, 169. See also Hughes, “Japanese Policy and East Asian Currency Crisis,” pp. 245–247; Bowles, “Asia’s Post Crisis Regionalism,” pp. 239, 240; On the Chiang Mai Initiative, see C. Randall Henning, *East Asian Financial Cooperation* (Institute for International Economics, Policy Analysis 68) 2002. In the report by the Council on Foreign Exchange, the crisis is presented as both a reason and an opportunity to promote yen internationalization. “Internationalization of the Yen,” pp. 3, 7, 9; see also Katada, *Banking on Stability*, pp. 185, 196; Montagu-Pollack, “Miyazawa’s Plan”; Altbach, “The Asian Monetary Fund,” p. 8.

## CHAPTER 8

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# Ripe for Rights?: Problems and Prospects for a Human Rights Regime in East Asia

*Thomas Berger*

For much of the twentieth century the Asian region was relatively devoid of indigenous international institutions. Divided first by imperialism and then by the pressures of the cold war, there were relatively few successful efforts—with a handful of exceptions such as ASEAN—to create institutional structures for coordinating state policies in Asia. Since the end of the cold war, however, international institutions in the Asia Pacific region have grown at an explosive rate. For the most part, institution building has focused on such economic issues. However, in the classic “spill-over” pattern familiar to students of regional integration in other parts of the world, institution-building activity in Asia has spread to other issue areas as well, including the environment, monetary policy, military confidence building, migration, law-enforcement, and counter terrorism.<sup>1</sup> Spurred on by the collective challenges posed by the Asia financial crisis and the war on terror, the countries of the Asia-Pacific region, with China and Japan in the lead, have become active and vital participants in shaping their environment through a formidable array of institution-building initiatives.

Until recently, human rights—understood here as the UN centered global regime of human rights, including personal protections, legal rights, civil liberties, subsistence, and basic economic rights<sup>2</sup>—were conspicuous for their absence from the list of topics dealt with by Asian regional institutions. While other regions, including not only Western Europe and North America, but also Latin America and even

sub-Saharan Africa, have human rights regimes that in some cases go well beyond being mere declaratory policy, for a long time, the Asian-Pacific region was unable to agree even on a simple set of nonbinding principles regarding human rights.<sup>3</sup> Moreover, the countries of the region were on the whole either oblivious or even hostile to human rights norms as formulated at the global level. Some Asian countries—most notably Malaysia, Singapore, and the People’s Republic of China—have vigorously challenged the global human rights regime, arguing that conceptions of human rights are culturally bound and that a more communitarian conception of rights is appropriate to the Asian context.<sup>4</sup> Other Asian countries—Japan, South Korea, Taiwan, and the Philippines—have had relatively good human rights records in recent times and are generally supportive of the global human rights regime. Yet, even these supporters of human rights have been reluctant to place a high priority on human rights issues.

More recently, however, there has been a definite trend in the direction of a greater regional commitment to some sort of common position on human rights and there has been a greater willingness on the part of the Asian countries to accept international human rights norms. Pushed by growing human rights movement within their own countries, and responding—albeit grudgingly—to increased human rights pressures from outside the region—Asian leaders have displayed a growing willingness to seek some sort of consensus on human rights and democracy, if only on a declaratory, normative level, as opposed to a practical, policy level. Recently, these pressures culminated on December 13–14, 2005, when the heads of the leading Asian nations—including the ten members of ASEAN, Australia, China, India, Japan, New Zealand, and the Republic of Korea—gathered together in Kuala Lumpur for the first East Asian Summit. In the joint declaration issued at the end of the meeting, the region leaders committed themselves, among other things, to:

Fostering strategic dialogue and promoting cooperation in political and security issue to ensure that our countries can live in peace with one another and with the world in a *just, democratic* and harmonious environment.<sup>5</sup> (emphasis added)

While hardly a resounding affirmation of human rights from the perspective of human rights organizations such as Amnesty International and Human Rights Watch, within the region the statement was viewed as revolutionary step, a sharp departure from the traditional Asian preference for norms of sovereignty and noninterference and move toward a

regional affirmation of human rights.<sup>6</sup> The immediate impetus for the change of rhetoric came from prospect that the worst human rights offenders region, Myanmar (or Burma), will assume the rotating ASEAN chair on July, 2006. Western criticism of ASEAN's apparent indifference to the appalling human rights situation in Myanmar had been withering, and there was considerable concern that the United States and West European countries might boycott ASEAN and ASEAN-related meetings if Myanmar became the chair of the association.<sup>7</sup> Although the Western nations are not ASEAN members, such a boycott was viewed as potentially detrimental to vital ASEAN interests, including most importantly attracting Western investment. ASEAN was thus strongly motivated to signal its sensitivity to Western concerns. Indeed ultimately Myanmar was persuaded to forgo assuming the chairmanship altogether. Behind the immediate crisis, however, pressures having been building for over a decade to move beyond the policy of strict nonintervention that has been the cornerstone of ASEAN, and East Asian diplomacy send the end of World War II and the collapse of the old imperial order.<sup>8</sup>

Is Asia about to witness a dramatic strengthening of human rights norms? Will we now see an unfolding of the dynamics that some scholars have identified in other regions, in which external pressures feed internal reforms that then feed back on the international system in a steady ratcheting up of human rights standards and, eventually, practices. To put it another way, is the Asia region, so to speak, "ripe for rights?"<sup>9</sup> Or are the current developments merely another set of diplomatic flourishes, carefully calibrated to deflect Western criticism, without having any serious consequences in either the short or long term?

There are good reasons to believe that the dismissive view of the Asian discourse on human rights is wrong. Indeed, what is interesting from the point of view of a social scientist, is that regardless of which theoretical approach one adopts (realist, neoliberal, or constructivist), there are good reasons to believe that human rights as an issue will grow increasingly salient in Asian affairs in the coming years. As Neoliberals might point out, the countries in the region become increasingly interdependent, issues that are human right laden—such as immigration, counter terrorism, and historical justice—move to the fore. At the same time, as realists would predict, human rights concerns are becoming focal points of interstate conflict, complicating the task of managing diplomatic relations between countries and sometimes instrumentalized as an instrument to demonize opponents. Finally, from a constructivist perspective, Asian elites and an increasing broad cross-section of Asian society in general are participating in the global discourse on human rights in ways.

Unfortunately, the diverse nature of the forces that are putting human rights on the regional agenda operate according to contradictory logics and work at cross purposes. While human rights are becoming a salient issue in Asian affairs, this does not mean that a regional consensus is in the offing. On the contrary, institutionalization of human rights is likely to be problematic at best, and there is a very real possibility that human rights issues will divide the region more than it is likely to unite it. Policymakers will need to carefully manage differences over human rights issues in order to avoid their unraveling cooperation in other areas.

### **Theories Regarding Human Rights Regime Formation**

The academic study of international relations today is dominated by three schools of thought: Realism, Liberalism, and Constructivism. While these theoretical perspectives are not necessarily mutually exclusive, each has a very different view of the forces that drive international relations in general and of the factors that shape the formation of international regimes and human rights in particular. Each of these schools of thought draws—albeit usually indirectly—on disparate but well-developed literatures on the determinants of social and political order in the fields of comparative politics and sociology.

The central question that separates realism from liberalism is its view on the possibility of progress in the international system. Realists argue that on the most fundamental level, international affairs, from the time of the Peloponnesian War onward, has always been about the struggle for power. While moral sentiments and concern with improving the human condition may play some role in political affairs, such concerns are a luxury and ultimately are subordinate to the competition for power. As Thucydides reported in the Melian dialogue, “The strong do as they have the power to do and the weak accept what they have to accept.”<sup>10</sup> In the domestic political realm the realist perspective is closely linked to the Hobbesian view that stresses the role of force as the key to creating political order.

From a realist perspective then, human rights are simply another element in the struggle for power. In that struggle, states, and the leaders of states, may seek to use human rights as an issue for a variety of purposes.<sup>11</sup> For instance, they may use human rights as an issue on which to rally their own populations. During the cold war, both the Soviet Union and the United States singled out what they defined as human rights abuses on the other side in order to rally political support both domestically and

internationally. In the less-developed world, African and Middle Eastern states tended to formulate positions that allowed them to pillory pariah states in their respective regions: South Africa under apartheid and the state of Israel.

States may also use human rights arguments in order to remove potential sources of instability. Stephen Krasner, for instance, has argued that European states at various times have promoted different human rights issues in order to prevent conflict. After the Thirty Years War ending in the Treaty of Westphalia in 1648, norms of religious toleration (at least of the dominant religious groups) and nonintervention into the affairs of other sovereign states were institutionalized in order to prevent a reigniting of a destructive conflict that had torn the heart out of much of the continent. Similarly, after World War I the great powers sought to establish a system of rights for ethnic minorities in central Europe in order to stabilize a turbulent region that had sparked a series of wars that culminated in the horrors of World War I. These norms, however, had only limited impact on actual state behavior. When states saw it was in their interest to violate the norm of sovereignty, they showed no hesitation in doing so.<sup>12</sup>

Finally, rulers may promote a particular understanding of human rights in order to strengthen and legitimize the political order that has brought them to power in the first place. Andrew Moravcsik argues that recently democratized states in Europe are more active promoters of human rights than more established democracies because they seek to use such international norms to consolidate and “lock-in” the newly established domestic political order.<sup>13</sup> Analogously, hegemonic states promote particular conceptions of human rights in order to justify their dominant role in the international system. Human rights from this perspective are therefore seen as a means to an end—the creation of a stable political order. At the same time, human rights considerations can be quickly jettisoned when they conflict with the overriding imperative of ensuring stability.<sup>14</sup> Not surprisingly, statistical studies strongly suggest that human rights norms tend not to be observed in states undergoing high levels of internal conflict.<sup>15</sup>

The liberal school in international relations differs from realism in its views of the determinants of state behavior and of the possibility for change in the nature of international affairs. While liberals recognize that state interests defined in terms of power play an important role in international politics, they argue that states are motivated by a variety of other considerations as well, including economic gain and a desire to improve the overall standard of living of their populations. At times,

interests of state lead nations into conflict with one another. At other times, they are encouraged to cooperate. Whether they will cooperate or compete with one another depends on whether the benefits of cooperation outweigh the gains to be derived from conflict.<sup>16</sup> Liberals argue that over the past few 100 years, a variety of trends have made cooperation as opposed to conflict more attractive than was true historically. Three in particular stand out: the notable increase in interstate interdependence (primarily as a result of the increased complexity of economic processes and the emergence of global markets); the proliferation of international institutions (designed to manage that increased interdependence); and the spread of democratic political institutions (which, they argue, are particularly well adapted to operating in an increasingly peaceful international environment characterized by growing interdependence and the spread of international institutions).<sup>17</sup> Classical liberalism is heavily influenced by ideas that originated in the sociological and comparative politics' literatures on modernization and systems theories, with which it shares both a normative and analytical commitment to the notion that there is progress in human affairs.

Each of the trends that liberals hold is able to transform the international system has significance for the development of human rights regimes. The increased interdependence of the global market creates powerful incentives for societies to develop common rules and standards of behavior as well. While in the first instance they tend to relate to commercial issues, such as guarantees that contracts will be enforced and property rights protected, they are likely to extend to human rights issues, such as international labor conditions, migration and justice. Similarly, as the transnational movement of people increases, countries face intense pressures to protect the interests of their nationals living or doing business abroad. By the same token, as countries interact even more, issues of transnational justice, such as compensation and punishment of the citizens of one nation for past injustices inflicted by another, become more salient.<sup>18</sup>

Thus, liberal theorists argue that interdependence tends to spawn international institutions, including ones pertaining to human rights. Once international human rights regimes have been established, liberals maintain that they strengthen and grow over time.<sup>19</sup> So for example, during the early post-1945 era, revolted by the atrocities of the Nazi era, many countries institutionalized a set of human rights norms that became codified in the 1947 UN Universal Declaration on Human Rights. Despite numerous setbacks and often disappointing results, the UN centered human rights regime has continued to grow, followed by a



growing body of conventions on such issues as genocide, gender discrimination, child labor, social and economic rights, and so forth, and has taken on a dynamic of its own.<sup>20</sup> For reasons of equity, states are motivated to create international institutions to monitor compliance with international human rights covenants. Nonstate actors, both within individual countries and acting on the international level, are empowered by existing human rights agreements to advance the human rights agenda. As a result, states, even if they originally had no intention of abiding by their human rights commitments, find themselves increasingly obliged to do so.<sup>21</sup>

Finally, as an increasingly broad range of human rights standards are observed with ever greater vigor, powerful forces are unleashed that encourage the further spread of democratic institutions. Democracies, in turn, are more likely than other types of states to promote the spread of human rights, both because of their commitment to human rights norms and because they tend to trust other democracies more than they do nondemocratic states. As a result, strong human rights policies that propagate civil liberties and other democratic norms and values become not simply an idealistic enterprise, but a matter of enlightened national self-interest.<sup>22</sup>

A third theoretical perspective of international relations, the so-called constructivist movement, draws heavily on various ideas developed in sociology and the humanities. Constructivists argue that all human behavior, including state behavior, is ultimately shaped by socially constructed understandings about the way the world is and the way the world ought to be.<sup>23</sup> The most basic of these ideas is the definition of the identity of the actor, be it as a father, a mother, a soldier, a professor, a trade union movement, an ethnic Serb, or a nation state such as China or the United States. That identity is in turn linked to socially constructed definitions of national interest. Instead of assuming that states are motivated either by considerations of power or by a mixture of motives including power as well as potential material gains, they tend to argue that state interests vary from case to case. While the prevailing system of norms and values in a given society may favor a belligerent approach to international relations in some instances, in other cases the dominant discourse in world politics may lead states in the opposite direction, toward greater cooperation with one another. The key empirical question for researchers working in this school is to determine which set of norms are in fact influencing actors and how the norms change in the process.

Constructivists tend to view the international human rights regime as a particular set of ideas regarding the rights and obligations of people(s)

and states. While it originally emerged in the West, it has taken hold on a worldwide scale through the global profusion of human rights norms.<sup>24</sup> These norms typically clash with other norms, most notably the international norm of sovereignty as well as local norms regarding the proper rights and obligations of the state and society. Yet most constructivist scholars maintain that the set of human rights norms reflected in the UN-based system of human rights treaties and agreements is spreading over time and winning out. This process is assisted by a variety of socialization mechanisms, including the same state and nonstate actors liberals tend to emphasize, but also the international media, international cultural products such as literature and film, and person-to-person contacts that are occurring on a historically unprecedented scale. Underneath this massive bombardment of ideas and images, locally held notions regarding the appropriate character of the relationship between rulers and ruled, and between different groups within society, are gradually transformed.<sup>25</sup> At the same time, the norm of sovereignty is weakened, leading to an increase in international intervention in the affairs of other states on human rights grounds.<sup>26</sup> Some scholars, such as Samuel Huntington, disagree. Using essentially constructivist ideas (even though they might shy away from the label), they argue that the global human rights regime is in fact fracturing and that very different conceptions of the rights of state relative to society are emerging in different parts of the world.<sup>27</sup>

Despite decades of debate, none of the different schools of thought in international relations has been able to prove that their particular point of view is superior to that of the others. Rather than viewing them as mutually exclusive intellectual paradigms, it may be more productive for empirical analysts to treat each as potentially useful, if incomplete, instruments for understanding a complex social and political reality. While this brief exposition of the major academic schools of thought on human rights reveals the complexity of political and social realities in all parts of the world, they are useful in efforts to identifying the various mechanisms at work in concrete cases that may be shaping the formation of human rights regimes.<sup>28</sup> In the following section, all three schools of thought will be utilized for the purpose of gaining a clearer understanding of the factors that have shaped the discourse on human rights in the East Asian context in the past and projecting possible future developments.

### **The Nondevelopment of Human Rights in East Asia during the Twentieth Century**

Contrary to conventional wisdom, human rights issues have long been on the political agenda in the Asia-Pacific region. During different

periods of time, however, a variety of factors have worked to thwart the development of a consistent approach to human rights issues on the regional level, just as they have served to hinder the spread of human rights norms on the domestic level. For the purpose of this chapter it may be useful to distinguish between three separate periods: the pre-1945 period, the cold war period lasting until 1989, and the post-cold war period. It may be useful as well to record how the events of each period have been viewed by the dominant academic schools of thought.

### *The Pre-1945 Period*

During the pre-1945 period the issue of human rights came actively to the fore in a variety of contexts in East Asia. It first emerged in the form of demands for the right to self-determination of Asian peoples, the vast majority of whom were suffering under one form or another of imperial domination. While the right to national self-determination was not codified as an international norm until the signing of the United Nations Covenant on Civil and Political Rights until 1976, Asian elites were able to draw on the ideas and rhetoric of Western liberalism as most dramatically expounded in the high-minded idealism of US President Woodrow Wilson. Throughout the pre-1945 period, Asians pushed for the end of Western and Japanese colonial domination of their countries. In 1919, a number of Asian leaders, including future South Korean president Syngman Rhee and North Vietnamese communist leader Ho Chi Minh, pleaded their cases to the United States and Western leaders as early as at the Paris Peace Conference at the end of World War I. To no avail. While there was some softening on the part of some imperial powers, notably the United States in the Philippines<sup>29</sup> and the other Western powers vis-à-vis Nationalist China, on the whole, there was little change in imperial policy.

Race was another human rights issue that received prominent attention at the time. Faced with a rising tide of anti-Asian sentiments (beginning in the United States in the 1880s), and confronted with a more or less unrelenting set of discriminatory attitudes in general, Asian nations—especially Japan—sought to promote the cause of racial equality. The fate of Japanese and Chinese migrants was of intense concern to Asian leaders at the time, and it was feared, correctly as it turned out, that white racism would have a corrosive impact on relations between the United States and Asia. Again, relatively little progress was made, although some concessions were made at the time.<sup>30</sup>

Finally, human rights abuses of the most elementary sort—the protection of civilians from torture and abuse at the hands of marauding

soldier—became a prominent feature of regional affairs following the outbreak of the Sino-Japanese war in 1937. Reports of Japanese atrocities on Mainland Asia, of which the Rape of Nanjing was only one, if particularly gruesome exemplar, received wide-spread attention in the Western press and media and helped feed strong support for the nationalist Chinese cause well before the United States was drawn into the war in 1941. Needless to say, efforts to encourage more “civilized” behavior were completely unsuccessful as the Sino-Japanese conflict escalated into the almost limitless violence of the Pacific War, and all sides were guilty of what nowadays would be considered crimes of war in the pursuit of victory.<sup>31</sup>

The reasons for the failure to establish a stronger human rights regime in Asia during this period are many. From a realist perspective, the balance of power was hopelessly stacked in favor of the imperial powers, who saw no reason to accept norms that could undermine their control of the region or challenge strongly held domestic political preferences. Liberals, for their part, could point out that although by the late nineteenth century the world was by some measures more tightly integrated economically and culturally than it is today,<sup>32</sup> the fabric of international cooperation was to prove tragically fragile. The ever present threat of major war, and with it the potential for catastrophic disruptions of global markets, gave political leaders of the time a strong incentive to retain or even expand the size of their empires to ensure the continued influx of raw materials and the access to markets that their economies required. This logic was particularly appealing to trading states poor in natural resources such as England, Japan, and the Netherlands, all of whom looked to their overseas possessions for their economic survival.<sup>33</sup> Asian regional institutions were if anything even more underdeveloped at the time. While Japan was a founding member of the League of Nations and participated in an extensive naval arms control regime, the Washington Treaty system, both institutions were riddled with weaknesses and ultimately would collapse in the wake of the general breakdown in global cooperation following the onset of the Great Depression.<sup>34</sup>

The one genuinely regional institution that also dealt with human rights related issues was the International Institute of Pacific Relations (IPR), which was founded in 1925 to promote international and interracial understanding. For the next 35 years the IPR served as a prominent meeting place for intellectuals and influential leaders from around the Pacific Rim, until its dissolution in 1960.<sup>35</sup> Despite its success in shaping the debate on human rights and other regional issues—at least on the elite and informed public levels—the Institute possessed only

very limited resources and held absolutely no political authority. Moreover, its membership was deeply divided on many issues. For instance, at Japan's insistence, Korea was granted only observer status to the meetings of the IPR.

Finally, constructivists concerned with the role of ideas and norms, would point out that the ideologies legitimating imperial expansion as well as racial discrimination were alive and well during this period. From left to right, the majority of political elites at the time were convinced that empires were the engine of progress for much of the world. Control over foreign territories was believed to confer wealth and power on their possessors, whether this was true in fact or not.<sup>36</sup> More cynically, they could be seen to serve as a useful escape valve for domestic political discontent, fostering a powerful sense of nationalist pride among an otherwise restive working class.<sup>37</sup> At the same time, foreign rule helped spread the benefits of modern civilization to the less enlightened regions of the earth. Even harsh critics of the existing social and political order, such as Karl Marx, felt that imperialism was a progressive force in world politics, helping to bring modernity to regions of the world that were otherwise trapped in a stagnant "Asian mode of production."

Finally, indigenous intellectual traditions favoring autocratic rule remained strong in much of Asia at the time. In China, Sun Yat Tsen, the founder of the First Chinese Republic, believed it would take decades at least before the Chinese people were ready for democracy. The first president of the Chinese Republic, Yuan Shi Kai, encouraged by both Japan and his American advisors, sought to centralize authority in his own person holding the belief that China required a strong leader to hold it together.<sup>38</sup> In Japan, a nationalist ideology centered on the worship of the Emperor as a living god, helped undermine efforts to constrain the power of the state and served as the ideological basis of the authoritarian militarist takeover of the 1930s.<sup>39</sup>

In sum, the forces hindering the development of more robust human rights norms in the region seemed overwhelming. Nonetheless, it is worth reflecting upon the extent to which these norms did win broad support throughout the region, not the least among reform-minded Asian leaders and intellectuals. The speed with which the imperial system fell apart after World War II owed much to the legacy of these concerns.

### *The Cold War Period*

In the aftermath of World War II the world witnessed an upsurge of concern with the propagation of human rights and democracy. Horrified

by the horrors of the Third Reich in Europe and brutalities of the Japanese militarists in Asia, the United States and other democratic countries took the lead in formulating a strengthened global regime on human rights, beginning with the 1948 Universal Declaration of Human Rights<sup>40</sup> and the 1951 Refugees Convention. The United States and Western Europe were swept by a fervent wave of resurgent idealism and perhaps exaggerated hopes for the creation of a more just and civilized world.

In Asia, this idealism fed into a U.S. campaign to establish democratic regimes throughout the region, beginning in those areas under its direct control—Japan, Korea, and the Philippines. The first step in this process was the Tokyo war crimes trials (officially known as the International Military Tribunal in the Far East). There, the representatives of Japan's war time elite were put on trial for "crimes against peace" and "crimes against humanity," helping establish—together with the trials of the Nazi leadership held in Nuremberg—important new standards of international conduct. The United States also granted independence (albeit limited in a number of important ways) to the Republic of the Philippines in 1946; it was the prime force behind the establishment of the Republic of Korea based in Seoul in 1948, and eventually it allowed the reemergence of a independent, democratized Japan. The United States also encouraged the end of imperial control of the rest of Asia, even though doing so brought it into conflict with its chief European allies—Britain and France.

Despite an initial outburst of heady optimism, however, the promise for a more just and decent Asian regional order soon faded. While democracy took hold in Japan and, for a while at least, the Philippines, postcolonial violence, the security pressures of the cold war, and weak political institutions throughout the region helped undermine or stymie democratic impulses and fostered the emergence of frequently brutal authoritarian regimes, both of the left and of the right, in much of the region. The human costs of these developments were horrific. In Indonesia an estimated 500,000 people were killed when Suharto took over from Sukarno between 1965 and 1966.<sup>41</sup> In South Korea, tens of thousands of regime opponents were killed or tortured by a succession of military led or military dominated regimes, from Syngman Rhee in the 1950s, to Chun Doo Hwan in the 1980s. Conditions in communist countries such as China, North Korea, and Cambodia, were if anything substantially worse, with tens of millions dying as a result of misguided government efforts to reshape society.

Despite these horrors, the United States, Japan, and other leading countries did relatively little to promote human rights until the 1980s.

To be sure, the United States did what it could in individual cases. In South Korea, for instance, the United States played a critical role in ensuring that at least the principles of a constitutional government was maintained under Korean strongman Park Chung Hee, and U.S. intervention on the behalf of individual human rights activists may have saved a number of lives, most notably that of future Korean president Kim Dae Jung. At other times, however, the United States itself attracted considerable criticism for its human rights record, most notably for its support of allied authoritarian regimes such as Chun Doo Hwan in Korea or Ferdinand Marcos in the Philippines, and for its conduct of the Vietnam War.

Once again, realist considerations of national interest defined in terms of power played an important role. The relative shift of power from the imperial powers to that of indigenous peoples played a critical role in ending the era of Western rule. Some, like Britain, recognized these changed realities and were able to make a more or less graceful exit. Others, like the Netherlands in Indonesia and the French in Indo-China, had to be driven out by force of arms. One way or another, this underlying shift in the balance of power paved the way for the self-determination of peoples throughout Asia.<sup>42</sup>

In many other ways, however, power factors hindered the expansion of human rights. The United States, locked in a life-and-death struggle with communism, felt it had little choice but to support harsh authoritarian regimes in order to prevent the expansion of Soviet and Chinese power. While even the most hardened U.S. military and defense officials were sometimes horrified by the brutality of U.S. allies in the region, they were unwilling to let human rights considerations interfere with interests of U.S. national security. From the perspective of many of the Asian countries that the United States supported, the harsh nature of the cold war in Asia, and the presence of a substantial internal security threat made the protection of civil liberties a luxury that they could ill afford. Later in the cold war, U.S. alignment with the PRC against the Soviet Union created new reasons to avoid raising human rights issues except in the most delicate fashion.

Power variables also played an important role in defining human rights issues among Asian nations. ASEAN was founded on the basis of the principle of noninterference in the internal affairs of other nations, which was codified in the 1967 ASEAN declaration and was ritualistically reiterated many times in subsequent agreements, such as the 1976 Treaty of Amity and Cooperation. Much like the Westphalian regime of religious tolerance and state sovereignty, the nations of South East Asia

had strong motives to develop a set of rules aimed at minimizing the potential for destructive interstate conflict. Given the arbitrary nature of the borders left over from the colonial period, and given the presence of sizeable minorities with ties to neighboring countries (Muslims in Thailand and the Philippines, ethnic Chinese in Indonesia and Malaysia, and a sizeable Malay population in Singapore), this principle seemed the only way to cope with a potentially explosive situation. The fear that interstate wars would only worsen their principle security threat, the danger of internal communist revolution, made the creation of such an institution all the more imperative.<sup>43</sup>

Finally, power variables also served to weaken incentives to build strong regional institutions. From the U.S. perspective, a flexible system of bilateral relations, in each of which the United States was the dominant actor, was preferable to a strong multilateral regime. For much of the cold war, therefore, the United States preferred to maintain a hub-and-spokes alliance system rather than a strong multilateral security pact it built up in Western Europe.<sup>44</sup> America's principal and most powerful ally in Asia, Japan, had similarly well-grounded reasons to eschew the development of multilateral security institutions. As an island nation relatively well insulated from the threat of a conventional Soviet military attack, Japan's primary security concern was to retain the support of the world's dominant maritime power, the United States, while avoiding being dragged into costly regional conflicts in which it had no interest.<sup>45</sup>

As a result, Japan and other Asian nations were not as dependent on each other as were the other nations in other regions of the world, such as Europe. Human rights abuses in places like Indonesia or South Korea appeared, to use the evocative Chinese phrase, "like a fire on the opposite shore" (in Japanese, *taigan no Kaji*)—a terrible but distant conflagration that was far from them. The lack of multilateral security institutions also helped insulate Japan from pressures on from other Asian nations on human rights related issues, such as compensating the victims of Japanese injustices before the 1945 period or improving the conditions of resident aliens living in Japan. When economic and other interests created an incentive for closer ties between Japan and its Asian neighbors, it would adjust its policies and begin to show somewhat greater sensitivity toward its neighbors' sentiments. For instance, in 1985, Prime Minister Nakasone chose to stop visiting the controversial Yasukuni shrine in order to avoid damaging Sino-Japanese relations. But Japan did so in a piecemeal fashion, and in general remained unwilling to engage in the far reaching efforts to achieve reconciliation of the sort that Germany pursued in Western Europe.<sup>46</sup>



From a liberal perspective, a number of factors contributed to a low level of interest in human rights in the region. First, the low level of economic development of most of the region limited its receptivity to the diffusion of human rights norms. Outside of Japan, there was no strong middle class to challenge the often harsh authoritarian regimes that dominated the region, and even in Japan, progressive political forces were often held in check by a combination of a strong bureaucratic dominance and a skillful manipulation of civil society groups by the state.<sup>47</sup>

Second, a liberal scholar of international relations might point out that until the 1980s, regional economic growth was largely fueled by exports to the United States and Western Europe. Inter-Asian trade and investment remained relatively low, and other forms of interdependence, such as the movement of people between Asian countries likewise remained weak. Unlike Western European nations, when labor shortages developed in Japan, and later in South Korea, these countries preferred to shift production off shore rather than import foreign workers. Occasionally a large-scale influx of people did occur, for instance during the Indochinese refugee crisis of 1975–1979. At those times, however, the countries of the region strenuously sought to avoid having to accept such refugees on a long-term basis and sought to arrange for their expeditious reemigration to the United States, Canada, and Australia. While Japan, under pressure from the United States and other Asian countries, did sign in 1979 the United Nations Convention on Refugees, it continued to accept only a small fraction of the hundreds of thousands of people expelled from Vietnam, Laos, and Cambodia.<sup>48</sup>

A liberal analyst of regional affairs might also point to the general weakness of global human rights regimes during the cold war. While most Asian nations signed onto the United Nations Declaration on Universal Human Rights and many of its subsequent treaties and conventions, for the most part this was more a matter of declaratory policy. The fact that North Korea, one of the worst human rights violators in the region, if not the world, is a signatory of most of the UN conventions on human rights reflects the weakness of the global human rights regime.<sup>49</sup> Even in democratic states such as the Philippines after 1986, where there may have been greater genuine desire to adhere to international human rights norms, the state's institutional capacity to enforce these norms were generally weak and often ineffective.<sup>50</sup> It is thus not surprising, from a liberal as well as realist perspective that human rights issues were notably absent from the agenda of the growing number of East Asian regional institutions.<sup>51</sup>

Over the course of the cold war period, these conditions gradually began to change. Increased economic development in parts of the region, most notably South Korea and Taiwan, but also Japan and, to a lesser extent, parts of South East Asia, led to the emergence of large, well-educated middle-class societies that by the 1980s became increasingly active politically and eventually successfully pressed for an expansion of political freedom.<sup>52</sup> In addition, growing economic interdependence, both within the region and with the outside world, created powerful pressures on the region's governments to both coordinate their policies on human rights and to adhere to international normative standards. Yet these changes in East Asia occurred only at the tail end of the cold war.

Finally, the constructivist perspective points to a significant number of additional obstacles to the development of a region-wide consensus on human rights or regional acceptance of international human rights norms. First the region remained deeply divided ideologically. While U.S. allies at least paid lip service to the norms of the international human rights regimes, Communist nations espoused an understanding of human rights that differed substantially from that of Western nations with regard to the relationship of property rights and democracy and the relationship of the individual to the state.<sup>53</sup>

In addition, non-communist developing nations tended to espouse strong nationalist ideologies that promoted the welfare of the national collectivity over that of the individual. States such as Chiang Kai Shek's Taiwan or Park Chung Hee's Korea were ready to sacrifice the human rights of the individual for the sake of promoting economic growth, preserving internal stability and promoting national unity, and they actively used the formidable resources of the state—including most importantly the educational establishment—to inculcate these ideas in the general population. While Western human rights concepts made some inroads into these societies during the cold war, for the most part they were confined to the relatively small and marginalized sectors of society. These groups became larger and more powerful as the cold war went on, yet their ability to alter the dominant discourse in their societies remained limited.

In short, regardless of which theoretical perspective one adheres to, it is easy to discern reasons why there was both little consensus on human rights in the Asian region, and why global human rights norms made relatively little inroads into the region until towards the end of the period.

### *The Post-Cold War Period*

With the end of the cold war, many of the principle obstacles to the formation of a regional human rights regime, and to the acceptance of

global human rights norms, were swept away. Most importantly, from a realist point of view, the disappearance of the Soviet threat undermined one of the principle ideological props of authoritarian regimes in the region—the need to suppress individual liberties in the name of national security. Middle class support for dictatorial governments in Korea and Taiwan diminished quickly with the reduction in regional tensions. Even in relatively democratic Japan, the end of the cold war enabled a leftist coalition under the leadership of Hosokawa Morihiro to break the conservative LDP's 38-year domination of Japanese politics. From a constructivist point of view the collapse of the Soviet Union also undermined the appeal of Marxist ideology, which had motivated over a generation of revolutionary leaders. While guerilla insurgencies continued in parts of the region, these tended to take on a clearly ethnic-nationalist character, and no longer seemed to be part of a vast international struggle for supremacy by two rival ideological camps.

Economic interdependence also accelerated, both within the region, and in terms of the regions' integration in the global economy. As much as 50 percent of fixed investment in China was dependent on foreign capital in the 1990s, and the import of both technology and capital was vital to all the Asian economies. While economic interdependence did not lead directly to increased progress on human rights issues, it had at least three important, indirect effects. First, it made more countries in the region concerned with maintaining a positive image in the West. Japan in particular refocused its overseas development policy to include a human rights component,<sup>54</sup> and even countries like China made efforts to improve their human rights image in order to avoid damaging their economic interests. Second, Japan's burgeoning economic interests in the region pushed it to more directly address Asian demands for redress of past human rights abuses, such as the estimated 200,000 women who had been pressed into sexual servitude by the imperial army during World War II.<sup>55</sup> Third and finally, the number of Asians visiting and residing in the West, as students, business people, or simply tourists, sky rocketed, increasing their exposure to Western ideas and practices regarding the proper treatment of people.

Despite these positive trends, however, progress remained patchy at best. As human rights moved up the international political agenda, Asian resistance to Western pressure on human rights also seemed to increase. The collapse of the Soviet Union emboldened prodemocracy activists in China and led to mass demonstrations in the Summer of 1989. Concerned with maintaining political order, the Deng Xiao Ping government launched a massive crackdown on the demonstrators, leading to the massacre of several hundred protestors in Tiananmen square.

The events in Tiananmen triggered global condemnation and the imposition of economic sanction by the Western democratic nations. Asian nations, in contrast, were far less ready to condemn China. Even the Japanese government, which joined the United States in condemning the massacre and imposing sanctions on China, was profoundly reluctant to damage its relations with China for the sake of human rights, imposing only relatively mild sanctions that it removed at the first possible opportunity.<sup>56</sup>

China was joined by other Asian nations that had been the target of Western human rights criticism, in an effort to forge a regional alternative to the Western dominated UN human rights regime. In March 1993, on the eve of a major human rights conference in Vienna, the representatives of 40 Asian nations gathered together in Bangkok to issue their own declaration on human rights that emphasized social order, economic prosperity, and the interests of the national community over the Western concern with individual liberties and protections. Singapore in particular took the lead in the debate in Bangkok, arguing that Western standards were culture bound and should not be applied to Asian nations with their very different historical backgrounds, cultural norms, and values. For proof that the Asian stance on human rights was equal—even superior—to that of the West, Singapore and other countries pointed to the regions' startling economic success of the past two decades and its relatively high levels of social stability and economic quality. These arguments had strong resonance in the region at the time, and were picked up by many Asian scholars, journalists, and intellectuals. Thus, by the middle of the decade, it seemed that Asia was on the verge of articulating its own, alternative discourse of human rights, to the profound disquiet of many Western analysts.<sup>57</sup>

Yet, despite sharing a generally critical assessment of Western human rights diplomacy, the Asian nations that participated in the Bangkok conference had too diverse views to successfully create a solid consensus on human rights.<sup>58</sup> The more democratic Asian nations in particular—Japan, Korea, and the Philippines—were unwilling to sign on to the cultural relativism espoused by the proponents of the Singapore school, and were able to water down considerably the final version of the declaration.<sup>59</sup>

The East Asian financial crisis of 1997–1998 profoundly shook the region, both economically and politically. Although the immediate impact of the crisis was primarily economic, it would create strong impetus to reconsider the human rights issue. First, in the wake of the crisis, confidence in an “Asian model of development” evaporated. Before 1997 it could plausibly be argued that Asian societies had their own way of

developing their economies, and with it their own approach to managing their social and political systems. After the crisis, however, there emerged a general consensus that Western doubts about the sustainability of that model had been correct and that Asia as well was subject to the same sorts of pressures as Western societies were, and would have to develop in similar ways.

Second, the crisis undermined the authoritarian governments in both Thailand and Indonesia, allowing the coming to the fore of more democratic regimes. These new regimes decisively changed the dynamics of ASEAN. Increasingly they tended to side with Japan, the Philippines, and the West on issues relating to democracy and human rights. One early indicator of this change in attitudes was the open criticism by some ASEAN members of Malaysian President Mohammed Mahatir's mistreatment of former chief deputy, Anwar Ibrahim, who was arrested and beaten for critical remarks regarding the handling of the crisis. Increasingly, South East Asian countries were ready to do away with strict adherence to the principle of noninterference in favor of "flexible engagement" with one another on domestic political issues.<sup>60</sup>

This financial crisis also provoked profound domestic political unrest in Southeast, especially Indonesia, which chose—albeit grudgingly—to grant independence to East Timor even as Indonesian-backed militia groups launched a savage campaign of violence and intimidation. The resulting humanitarian crisis prompted a Australian-led peacekeeping force to intervene and stabilize the country. The prospect that further instability could result, creating refugee flows and encouraging further external interventions, prompted a number of East and Southeast Asian governments to take a new look at their effort to promote security in the region. Thailand and Japan in particular began to strongly advocate the concept of "human security," a fairly nebulous term that nonetheless embraces a number traditional human rights concerns, including the protection of human freedoms and the promotion of good government.<sup>61</sup>

As a result, by the end of the twentieth century, it was possible to offer a fairly optimistic prognosis regarding the future of human rights in the Asian region. From a realist point of view, while tensions in the region persisted, the threat level had subsided considerably, and although there was much talk of a new "China threat" to replace the old Soviet one, most of the countries in the region did not have such a negative perception of China, nor did the actual balance of power—which overwhelmingly favored the United States and its allies—warrant such an assessment.

From a liberal standpoint, regional interdependence and continued intraregional and global integration had continued to sky rocket, creating

new pressures or work together and develop institutions to meet common problems. One reflection of this trend was the growing adherence of Asian nations to the principle international human rights treaties (see table 8.1). At the same time, the spread of democracy had much as Andrew Moravcsik would have predicted encouraged the adoption of more strongly prodemocracy, pro-human rights positions by a growing number of Asian countries. Finally, alternative conceptions of human rights had largely been discredited by the end of the 1990s.

**Table 8.1** Adherence of Asian Countries to major UN Human Rights Conventions

<i>Country</i>	<i>CESCR</i>	<i>CCPR</i>	<i>CERD</i>	<i>CEDAW</i>	<i>CAT</i>	<i>CRC</i>
Australia	R	R	R	R	R	R
Brunei	A					A
Cambodia	A	A	R	R	A	A
China (PRC)	R	S	A	R	R	R
DPRK (North Korea)	A	A	A		A	
East Timor	A	A	A	A	A	A
Indonesia			A	R	R	R
Japan	R	R	R	R	R	R
Laos	R	S	A	R		A
Malaysia				R		A
Myanmar				A		A
New Zealand	R	R	R	R	R	R
Papua New Guinea			A	A		R
Philippines	R	R	R	R	A	R
ROK (South Korea)	A	A	R	R	A	R
Singapore				A		A
Thailand	A	A	A	A		A
Vietnam	A	A	A	R		R

*Notes:*

*Instrument*

CESCR Covenant on Economic, Social and Cultural Rights

CCPR Covenant on Civil and Political Rights

CERD Convention on the Elimination of All Forms of Racial Discrimination

CEDAW Convention on the Elimination of All Forms of Discrimination against Women

CAT Convention against Torture and other Cruel, Inhuman or Degrading Treatment and Punishment

CRC Convention on the Rights of the Child

*Status*

A—Accession R—ratified S—signature only Blank—no action

## The Dawn of a New Century Century and Cross-Cutting Pressures on Human Rights

The start of the new century soon ushered in a new set of dynamics that would sharply alter the human rights scene in Asia. Four closely interrelated developments deserve particular attention: the impact of 9/11 on regional security policy; heightened tensions on the Korean peninsula, the development of an increasingly acrimonious rivalry between China and Japan, and deepening of divisions within ASEAN over democracy.

The first and most immediate impact of the 9/11 attacks was to create concern that the huge Muslim population of Southeast Asia could be radicalized, opening up a potentially dangerous new front in the war on terror. These fears seemed substantiated by the discovery of a series of planned terrorist plots in Singapore, the intensification of the guerilla insurgency in Mindanao, a heavily Muslim province of the Philippines, and above all the October 2002 terrorist bombings in Bali, which killed 202 people.

As a result, security issues again moved to the forefront, while new tensions were created in countries like Thailand, where a substantial Muslim minority resides in the South. A number of regimes in the region, most notably Malaysia and Indonesia, used the crisis as an excuse to crack down on domestic political opponents, whether they were radical Islamists or not.<sup>62</sup> The United States and its allies were willing to mute their criticism in order to remain on good terms with these key, Muslim governments.

The heightened concern of the United States after 9/11 that rogue states might transfer WMD technology to terrorist groups pushed the problem of what to do about North Korea and its atomic weapons project nearly to the top of the foreign policy agenda. As a result, new pressures were brought to bear on Japan to improve its military readiness in the event of an outbreak of hostilities. North Korean actions of the past few years, especially its launching of a missile over Japan in 1998, made it relatively easy to create a sense of threat in the Japanese public. In the process, however, new attention was paid to North Korea's horrible human rights record. In particular the discovery that at least 13 Japanese Korean citizens had been abducted by Korean agents added a powerful, emotional dimension to Japanese relations with Pyongyang. While prior to the 2002 Japanese relations with North Korea had been up and down, they now entered into a new ice age of mutual suspicion and acrimony.<sup>63</sup>

Japanese tensions with North Korea spilled over to influence its already complicated relations with China on multiple levels. The tightening of the U.S.-Japanese alliance led to a substantial reform of Japan's security forces,

inevitably sparking Chinese concerns over potential Japanese militarization and its possible support for the United States in the event of a show down over Taiwan. At the same time, acrimony between the two countries increased over a number of issues, including territorial disputes in the East China seas and bitter disagreements over how Japan should commemorate its pre-1945 history. The Chinese government, and grassroots Chinese “history” activists<sup>64</sup> bitterly criticized the Japanese government and the Japanese people for not showing sufficiently remorseful attitudes for the suffering it had inflicted on other Asian peoples and accused Japanese nationalists of using historical revisionism to stoke the fires of nationalist passion in their country. The Japanese for their part grew increasingly impatient with what they saw as constant Chinese demands for apologies and increasingly critical of China’s own human rights record; what moral standing did the Chinese communist government have to criticize Japan, given that even larger numbers of Chinese had suffered as a result of Chinese government policies than had been killed by Japanese hands? Many Japanese conservatives went even further, seeing in China’s aggressive stance on the history problem a cynical effort by Chinese government officials to rally flagging support for their own rule.<sup>65</sup> In essence, Tokyo attacked China’s human rights record in the second half of the twentieth century in order to counter Beijing’s attacks on Japan’s record in the first half of the century.

China’s ambivalent human rights records was highlighted by its harsh treatment of North Korean refugees, who were forcibly returned to North Korea whenever they were caught by the Chinese police trying to seek refuge in China or in foreign consulates in China. One particularly dramatic incident occurred in 2003, when North Korean refugees were apprehended by Chinese police as they sought refuge at the Japanese consulate in Shenyang. Images of Chinese police grabbing desperate refugees, including a mother with an infant strapped to her back, were caught on camera and broadcast through Japan. The subsequent public uproar forced the usually restrained Japanese Foreign Ministry to demand an apology from China, further damaging relations between the two countries.<sup>66</sup>

Finally, divisions out within ASEAN, among those countries that supported a more active policy of engagement on human rights and democracy and those who did not. These tensions were exacerbated by the admission of Myanmar to the organization and the prospect of it assuming the ASEAN chairmanship in 2007.<sup>67</sup> While the governments in the region were able to paper over their differences over at the 2005 summit, tensions persisted, threatening to undo the delicate patterns of cooperation and stymieing efforts to forge deeper and wider regional identity based on common values.



## Conclusions

At the time of this writing (Winter 2005–2006), human rights issues are salient as they have ever been in regional affairs. Interestingly, much of the pressure for human rights is coming not from the West, but from other Asian countries. The continued presence of the factors that have helped propel the human rights toward center stage in regional affairs make it likely that the issue will gain, not diminish, in importance, despite fears that the September 11 and the War on Terror would put such considerations on indefinite hold.

At the same time, human rights are becoming an increasingly divisive issue in the region. In Northeast Asia, especially in the context of Japanese-Korean relations and Sino-Japanese reactions, essentially realist and constructivist factors are pushing the issue forward. Both sides are trying to use human rights issues to rally both domestic support for their preferred policies and to win sympathy internationally. In Southeast Asia, the continued and even growing political and social diversity of the region is generating new tensions among ASEAN members.

Regardless of their causes, human rights are likely to increasingly demand the attention of regional leaders as well as U.S. policymakers. In light of the complexities of the topic and the depth of divisions over it, it might be tempting to try to ignore the issue. Unfortunately, this is unlikely to work. The forces promoting concern with human rights and related issues are strong and are unlikely to abate as a result of official “benign neglect,” even if it were possible to ensure that all states played along with a moderate approach—which is highly unlikely. At the same time, given the regional realities, it is impossible to insist that all countries in the region adhere rigidly to global human rights norms. Human rights must be part of the foreign policy agenda, but they can be only one part.

What is required instead is a middle approach, one that recognizes human rights concerns and seeks to engage them in a meaningful way through regional dialogue and compromise. Such a dialogue is, of course, what is being attempted in context of the East Asian Summit, with only limited success to date. U.S. support of dialogue on a broad range of issue, including that of refugees, abductees, and history may even if progress toward adopting global human rights norms remain slow, at least the tensions that these issues generate can be contained and prevented from wrecking the delicate network of regional cooperation that has been established over the past few decades.

## Notes

1. Regarding security issues, see Andrew Mack and John Ravenhill, eds., *Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region* (Boulder, CO: Westview Press, 1995) and Gary Klintworth, ed., *Asia Pacific Security* (New York: St. Martin's Press, 1996). On environmental issues, see Miranda Schreurs and Dennis Pirages, eds., *Ecological Security in Northeast Asia* (Seoul: University Press, 1998).
2. The exact definition of human rights is an essentially contested term that has been the center of great debate for centuries. For the purposes of the present analysis, it is perhaps most useful to define human rights in Asia relative to the global human rights regime as embodied in international treaties and covenants. While this regime is complex and considerable tensions exist between its different elements, they enjoy broad international support and have had a profound impact on the discourse on human rights world wide, including in Asia.

For a useful overview of the concept of human rights in international relations, see Jack Donnelly, *Human Rights in Theory and Practice* (Ithaca, NY: Cornell University Press, 1989), especially Chapter 1. For the historical evolution of human rights as a concept, see Geoffrey Robertson, *Crimes against Humanity: The Struggle for Global Justice* (New York: New Press, 1999); Micheline R. Ishay, *The History of Human Rights: From Ancient Times to the Globalization Era* (Berkeley: University of California Press, 2004); and Paul G. Lauren, *The Evolution of Human Rights: Visions Seen* (Philadelphia: University of Pennsylvania Press, 2003).

There are five broad categories of human rights as defined by the normative international regime, including:

1. Personal rights—right to life, nationality, protection from cruel and inhuman treatment, and protection against ethnic, sexual, and religious discrimination.
  2. Legal rights—the presumption of innocence, the guarantee of a fair trial, protection against arbitrary arrest, etc..
  3. Civil liberties—rights to freedom of thought, speech, movement, and peaceful assembly and association.
  4. Subsistence rights—especially the right to food and a basic standard of living.
  5. Economic rights—in particular the rights of work, rest and leisure, and social security.
3. As noted first by Jack Donnelly, *Universal Human Rights in Theory and Practice* (Ithaca, NY: Cornell University Press, 1989), pp. 217–218. Other than Asia, only the Middle East as a region lacks a region-wide normative consensus on minimal human rights standards.
  4. For cogent examples of this point of view, see Bilhari Kausikan, “Asia’s Different Standard,” *Foreign Affairs* Vol. 72, No. 92 (Fall 1993): 24–41 and

- Fareed Zakaria, "Culture is Destiny: A Conversation with Lee Kuan Yew," *Foreign Affairs* Vol. 73, No. 2 (March/April 1994): 109–126.
5. Kuala Lumpur Declaration on the East Asia Summit, downloaded at <<http://www.aseansec.org/18098.htm>>, accessed December 16, 2005.
  6. See, for instance, Asean Leaders Agree upon a Charter, "Asean Charter to be established," December 13, 2005, and Li Xueying, "Rewriting the ASEAN Way," *The Strait Times*, December 13, 2005. <<http://www.union-network.org/uniapron.nsf/aa46e8f772bb0978c1256f6d00415cc7/cb098db5fd5fdb2b6c12570d600144efe?OpenDocument>> accessed October 3, 2006. The Lie Xueying article is available at: <<http://e.sinchew-i.com/news/index.phtml?sec=2&artid=200512130000>>, accessed October 3, 2006.
  7. See Donald K. Emmerson, "Security, Community, and Democracy in South East Asia: Analyzing ASEAN," *Japanese Journal of Political Science*, Vol. 6, No. 2 (2005): 176–180.
  8. Viti Montarborn, "A Roadmap for an ASEAN human rights mechanism," (2003) downloaded <<http://www.fnf.org.ph/liberal/library/roadmap.htm>> on December 4, 2005.
  9. With apologies to Aaron Friedberg, whose classic article, "Ripe for Rivalry: Prospects for Peace in Multipolar East Asia," *International Security* Vol. 18, No. 3 (Winter 1993): 5–33, which on several levels provided inspiration for this article.
  10. Classic formulations of the realist position include Hans J. Morgenthau, *Politics among Nations: The Struggle for War and Peace*, 5th ed. (New York: Alfred Knopf, 1978)—originally published in 1948 and Kenneth Waltz, *Theory of International Politics* (Reading, MA: Addison-Wesley, 1979). For the most famous realist criticism of those who would ignore factors of power, see E.H. Carr, *The Twenty Years Crisis, 1919–1939*, 2nd ed. (New York: St. Martins, 1948). The citation, a favorite among realist scholars, comes from Thucydides, *The Peloponnesian War*, trans. Rex Warner, introduction and notes, M.I. Finley (New York: Penguin Books, 1972), p. 402.
  11. In recent decades, scholars working in the realist tradition, the so-called neorealists taking their cue from such thinkers as David Singer, Morton Kaplan, and above all Kenneth Waltz, have tended to downplay the importance of human rights issues. In the interests of seeking out more parsimonious explanations of international politics, they have focused instead primarily on the balance of power between nations defined in conventional military terms. This neglect of the domestic political determinants of power, and its link to international normative considerations, is however, ultimately very limiting. Not surprisingly, over the past decade or so a growing number of realist scholars have rediscovered the importance of domestic politics in shaping state aims and capabilities. See Steven R. David, *Choosing Sides: Alignment and Realignment in the Third World* (Baltimore, MD: Johns Hopkins University Press, 1991); Steven van Evera, *The Causes of War : Power and the Roots of Conflict* (Ithaca, NY: Cornell University

- Press, 1999); Randall Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security*, Vol. 19 (1994): pp. 72–107; Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1993). A greater appreciation of the importance of human rights is sure to follow.
12. Stephen Krasner, *Sovereignty: Organized Hypocrisy*. (Princeton: Princeton University Press, 1999), Chapters 3 and 4.
  13. Andrew Moravcsik, "The Origins of Human Rights Regimes," *International Organization*, Vol. 54, No. 2 (Spring 2000): 217–252. Note that Moravcsik argues that his theory is a new type of theory, "republican liberalism," and distinct from both from realist and "ideationalist" theories. While his arguments differ clearly from that of many realists, its emphasis on state interests and considerations of power suggest that it falls into the realist typology, at least as defined in this article. Other, more openly realist scholars make similar arguments. See, for instance, Krasner, *Sovereignty*, pp. 121–122.
  14. For a particularly cogent and influential exposition of this point of view in the field of comparative politics, see Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968).
  15. See Steven Poe, Neil Tate, and Linda Camp Keith, "Repression of Human Right to Personal Integrity Revisited: Global Cross-National Study Covering the Years 1976–1993," *International Studies Quarterly*, Vol. 43 (1999): 291–313.
  16. For a clearly articulated exposition of this view, see Kenneth Oye, "Explaining Cooperation under Anarchy: Hypotheses and Strategies," in Kenneth Oye, ed., *Cooperation under Anarchy* (Princeton, NJ: Princeton University Press, 1986), pp. 1–25.
  17. For useful recent overviews, see Andrew Moravcsik, "A Liberal Theory of International Politics," *International Organization*, Vol. 51, No. 4 (Autumn 1997): 513–553; Mark W. Zacher and Richard A. Matthew, "Liberal International Theory: Common Threads, Divergent Strands," in Charles W. Kegley, Jr., ed., *Controversies in International Relations Theory* (New York: St. Martin's, 1995), pp. 107–149 and Michael W. Doyle, *Ways of War and Peace* (New York: Norton, 1997).
  18. See Geoffrey Robertson, *Crimes against Humanity*. On transitional justice, see Ruti G. Teitel, *Transitional Justice* (New York and London: Oxford University Press, 2000).
  19. The classic formulation of this argument can be found in Robert O. Keohane, *After Hegemony* (Princeton, NJ: Princeton University Press, 1984).
  20. On the development of the global human rights regime, see Paul G. Lauren, *The Evolution of International Human Rights : Visions Seen* (Philadelphia: University of Pennsylvania Press, 1998).
  21. Thomas Risse, Kathryn Sikkink and Steve Roppe, eds., *The Power of Human Rights: International Norms and Domestic Change*, (New York and Cambridge; Cambridge University Press, 1999).

22. For an example of this quite popular line of argumentation, see Joshua Muravchik, *Exporting Democracy; Fulfilling America's Destiny* (Washington, DC: AEI Press, 1991) and Smith, *America's Mission*.
23. For leading exemplar of this approach, see Ronald L. Jepperson, Peter J. Katzenstein, and Alexander Wendt, "Norms, Identity and Culture in National Security," in Peter J. Katzenstein, ed., *The Culture of National Security* (New York: Columbia University Press, 1996), pp. 33–78; Friedrich Kratochwil, *Rules, Norms and Decisions* (New York: Cambridge University Press, 1989); and Alexander Wendt, "The Agent-Structure Problem in International-Relations Theory," *International Organization*, Vol. 1, No. 3 (Summer 1987): 335–370; and "Anarchy is What States Make of It: The Social Construction of Power Politics," *International Organization*, Vol. 46, No. 2 (Spring 1992): 391–425. For reviews of the development of the constructivist approach, see the introduction of Jeff Checkel, "The Constructivist Turn in International Relations Theory," *World Politics*, Vol. 50, No. 2 (January 1998): 324–348; John Gerard Ruggie, "What Makes the World Hang Together? Neo-Utilitarianisms and the Social Constructivist Challenge," in John Ruggie, *Constructing the World Polity* (New York: Routledge, 1998), pp. 1–41 and Martha Finnemore and Kathryn Sikkink, "International Norms and Political Change," both in *International Organization*, Vol. 52, No. 4 (Autumn 1998): 887–917.
24. For a succinct explication of this point of view, see Jack Donnelly, "The Social Construction of Human Rights," in Jim Dunne and Nicholas J. Wheeler, eds., *Human Rights in Global Politics* (Cambridge and New York: Cambridge University Press, 1999), pp. 71–102. For a more detailed discussion, see the works cited in note 3.
25. Margaret Keck and Kathryn Sikkink, *Activists beyond Borders* (Ithaca, NY: Cornell University Press, 1998) and Thomas Risse, Kathryn Sikkink, and Steve Roppe, eds., *The Power of Human Rights: International Norms and Domestic Change* (New York and Cambridge; Cambridge University Press, 1999).
26. Martha Finnemore, *National Interests in International Society* (Ithaca, NY: Cornell University Press, 1996).
27. Samuel Huntington, *The Clash of Civilizations, and the Remaking of World Order* (New York: Simon and Schuster, 1996), especially pp. 192–198.
28. This is the explanatory strategy that has recently been referred to by Peter Katzenstein as "analytical eclecticism." See Peter J. Katzenstein and Nobuo Okawara, "Japan and Asian-Pacific Security: Analytical Eclecticism not Parsimony," *International Security*, Vol. 26, No. 2 (Winter 2001/2002): 153–185.
29. It would be a mistake to view shifts in American policy toward the Philippines as being entirely motivated by noble sentiments in favor of the right of all peoples to self-determination. For many American leaders of the time, especially among influential Southern Congressmen, there was concern that the continued possession of the Philippines would lead to

further Asian migration to the United States, thus diluting the purity of the American racial stock.

30. Walter Lafeber, *The Clash: U.S.-Japanese Relations throughout History* (New York: W.W. Norton, 1997), especially pp. 124–126.
31. One particularly ironic example of the brutality of the war in Asia, and the problems that attended later efforts to pursue justice, came in the Nuremberg Trial. When the Allied prosecutors wanted to try German Admiral Dönitz for conducting unrestricted submarine warfare, the head of the US Navy in the Pacific, Admiral Nimitz, acted as a witness for the defense, pointing out that the United States had been equally guilty of the same crime. Dönitz was ultimately not convicted on that particular charge.
32. For instance, the flow of people was only weakly regulated before World War I, and international capital represented a greater percentage of fixed domestic investment than it did into the twenty-first century. On passport controls, see John Torpey, *The Invention of the Passport: Surveillance, Citizenship and the State* (Cambridge and New York: Cambridge University Press, 2000).
33. Michael Barnhart, *Japan Prepares for Total War: The Search for Economic Security* (Ithaca, NY: Cornell University Press, 1987).
34. For a discussion of the Washington Treaty system, see Emily O. Goldman, *Sunken Treaties: Arms Control between the Wars* (University Park, PA: Pennsylvania State University, 1994). On Japan and the League of Nations, see Sadako Ogata, *Defiance in Manchuria: The Making of Japanese Foreign Policy, 1931–1934* (Berkeley, CA: University of California Press, 1964).
35. Participants included American publisher Henry Luce, Japanese diplomat Inazo Nitobe, Chinese Scholar-Official Hu shih and British Historian Arnold Toynbee. For more on the IPR and its activities, see Paul F. Hooper, *Rediscovering the IPR: Proceedings of the First International Conference on the Institute of Pacific Relations* (Honolulu: University of Hawaii Center for the Arts and Humanities, 1994); Hooper, *Elusive Destiny: The Internationalist Movement in Modern Hawaii* (Honolulu: University of Hawaii Press, 1980); and John K. Fairbank, “William L. Holland and the IPR in Historical Perspective,” *Pacific Affairs*, Vol. 52, No. 4 (1979–1980), pp. 587–590.
36. There is a massive literature on whether Imperialism did in fact benefit the countries engaged in empire building, as opposed to a select group of organizations and individuals. See Lance E. Davis and Robert A. Huttenback, *Mammon and the Pursuit of Empire: The Political Economy of British Imperialism, 1870–1914* (London: Cambridge University Press, 1987); and Avenor Offer, “Costs and Benefits, Prosperity and Security,” in Andrew Porter, ed., *The Oxford History of the British Empire, Vol. III, The Nineteenth Century* (Oxford and New York: Oxford University Press, 1999), pp. 690–711.
37. The so-called “Social Imperialism” hypothesis. Hans Juergen Wehler, *The German Empire, 1871–1914* (Providence, RI; Oxford, Berg Publishers, 1993); Jack Snyder, *Myths of Empire: Domestic Politics and International Ambition* (Ithaca, NY: Cornell University Press, 1991).

38. See Jerom Chen, *Yuan Shih-kai: 1859–1916* (Liverpool: George Allen & Unwin, 1961).
39. For a classic discussion of how the Imperial Institution helped create an antidemocratic, uncontrolled “structure of irresponsibility,” see Masao Maruyama, *Thought and Behavior in Modern Japan* (Oxford: Oxford University Press, 1963).
40. Among the 48 original signatories were three Asian countries—China (represented by the nationalist government), Burman, and Thailand—plus Australia and New Zealand.
41. For a recent review of scholarship on the 1965–1966 massacres, see *Asian Survey* Vol. 62, No. 4 (July/August 2002).
42. It is interesting to speculate whether the revolution in military affairs is one altering the balance in favor of the advanced industrial powers, making it possible (but not necessary) for a new age of imperial expansion to begin.
43. On the development of ASEAN, see above all Michael Leifer, *ASEAN and the Security of South-East Asia* (New York: Routledge, 1989).
44. During the 1950s, U.S. Secretary of State John Foster Dulles did seek to create an Asian equivalent to NATO. These efforts, however, ultimately foundered in the face of a general unwillingness of U.S. Asian allies to commit themselves to each other’s security.
45. Jitsuo Tsuchiyama, “The End of the Alliance? Dilemmas in the U.S.-Japan Relationship?” in Peter Gourevitch, Peter Gourevitch, Takashi Inoguchi, and Courtney Purrington, *United States-Japan Relations after the Cold War* (San Diego: Graduate School of International Relations, University of California, 1996).
46. See Thomas Berger, “The Construction of Antagonism: The History Problem in Japan’s Foreign Relations,” in John Ikenberry and Takashi Inoguchi, eds., *Reinventing the Alliance: US-Japan Security Partnership in an Era of Global Uncertainty* (New York: Palgrave, 2003), pp. 63–90.
47. See Susan Pharr and Frank Schwarz, eds., *The State of Civil Society in Japan* (New York: Cambridge University Press, 2003).
48. The total number of Indochinese refugees during this period is difficult to estimate, but over 450,000 were resettled out of South East Asia after a comprehensive plan of action was agreed to in July 1979. Japan accepted only approximately 5,000. See UNHCR, *The State of the World’s Refugees, 2000* Chapter 4. Downloaded from <<http://www.unhcr.org/pubs/sowr2000/ch04.pdf>> on December 20, 2005.
49. Donnelly, “The Social Construction of Human Rights,” pp. 71–102.
50. As pointed out by Catherine Dalpino, “Human Rights in Southeast Asia: Issues for the Twentyfirst Century,” *SAIS Policy Forum Series*, Report No. 10 (2000).
51. See Lawrence T. Woods, “Economic Integration and Human Rights in the Asia-Pacific: The Role of Regional Institutions,” in James H. Tang, ed., *Human Rights and International Relations in the Asia Pacific* (London: Pinter, 1995): 152–166.

52. See Minxin Pei, "The Fall and Rise of Democracy in East Asia," in Larry Diamond and Mark Plattner, eds., *Democracy in East Asia* (Baltimore, MD: Johns Hopkins University Press, 1998): 57–79 and Lucian Pye, "Political Science and the Crisis of Authoritarianism," *American Political Science Review*, 84 (March 1990): 3–17.
53. Meredith Woo-Cummings, ed., *The Developmental State* (Ithaca, NY: Cornell University Press, 2000) and Frederick Deyo, ed., *The Political Economy of the New Asian Industrialism* (Ithaca, NY: Cornell University Press, 1987).
54. The key development was the 1991 issuance of new guidelines for the granting of ODA. See Yasutami Shimomura, Junji Nakagawa, and Jun Saito, *ODA Taikō no Keizai-Seijigaku* (Tokyo: Yukikaku, 1999).
55. See Berger, "The Construction of Antagonism," pp. 63–90.
56. See David Arase, "Japanese Policy towards Human Rights in East Asia," *Asian Survey*, Vol. 33, No. 3 (October 1993): 932–952.
57. Hunting, *The Clash of Civilizations*; Francis Fukuyama, "Confucianism and Democracy," *Journal of Democracy* Vol. 6, No. 2 (April 1995). For a more positive assessment, see Jaonne Bauer and Daniel Bell, eds., *The East Asian Challenge for Human Rights* (New York: Cambridge University Press, 1999).
58. Tang, *op. cit.*, p. 26.
59. Ibid. and Ian Neary "Japanese Foreign Policy and Human Rights," in Inoguchi Takashi and Purendra Jain, eds., *Japanese Foreign Policy Today* (New York: Palgrave, 2000), pp. 83–95.
60. Hiro Katsumata, "Why Is ASEAN Diplomacy Changing? From 'Non-Interference' to 'Open and Frank Discussions,'" *Asian Survey*, Vol. 44, No. 2 (April 2004).
61. See Paul M. Evans, "Human Security and East Asia: In the Beginning," *Journal of East Asian Studies* 4 (2004), 263–264.
62. See Pablo Pareja Alcaraz, "Casualties of the War on Terror: Human Rights in South East Asia before and After 9/11," (Barcelona: Fundacio CIDOB, 2003).
63. See David Kang, "Japan: US Partner or Focused on the Abductees?" *The Washington Quarterly*, Vol. 28, No. 4 (Autumn 2005), pp. 107–117
64. See James Reilly, "China's History Activists and the War of Resistance against Japan," *Asian Survey*, Vol. 64, No. 2 (March/April 2004), pp. 276–294.
65. Berger, "Construction of Antagonism," pp. 63–90.
66. See Ming Wan, "Tensions in Sino-Japanese Relations: The Shenyang Incident of 2002," *Asian Survey*, Vol. 63, No. 5 (September/October 2003).
67. Emerson, "Security Community and Democracy in Southeast Asia," pp. 176–177.