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Japan’s Aspirations for Regional Leadership – Is the Goose Finally Cooked?

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ABSTRACT
Japan’s rise has often been conceived in terms of the ‘flying geese’ model in which Japan led a flock of emerging East Asian economies as its production networks expanded and it shed outdated technologies to the followers. Though the model implied a continuing Japanese leadership role in the East Asian region, two lost decades have undermined Japan’s claim to head the flock of ‘flying geese’ and Japan is often perceived as in decline relative to China’s rapid rise. This paper challenges such accounts to argue that Japan still has significant leadership ambitions and, potentially, the means to bring them to fruition. Understanding Japan’s leadership ambitions requires conceptualizing power in terms of discursive as well as material resources. Doing so highlights how different policymakers articulate contrasting visions of how Japan should take the lead in East Asia. These visions are of Japan as (variously) a functional leader, a conveyer of universal values, a conformist to ASEAN norms, a strategic partner and a promoter of open regionalism. Whilst most analyses have focused on Japan as a declining power, it is the spatial, temporal and ethical incompatibility of these regional visions that undermines Japan’s aspirations to lead the East Asian region.

Introduction
Japan’s rise has often been conceived in terms of the ‘flying geese’ model in which Japan led a flock of emerging economies in the East Asian region as its production networks expanded and it shed outdated technologies to the followers. Though the model implied a continuing Japanese leadership role in the East Asian region, two lost decades have undermined Japan’s claim to head the flock of ‘flying geese’ and Japan is often perceived as in decline relative to China’s rapid rise. Though the height of Japan’s material power may have passed, it has significant leadership ambitions and, potentially, the means to bring them to fruition. Pessimistic accounts of Japan’s decline in the shadow of China’s rise need firstly to re-evaluate the economic relationship of interdependence between China and Japan to understand that China’s rise has been in Japan’s broader economic interests. Secondly, these accounts need to reconsider how regional leadership and power are defined. Leadership in the East Asian region is often conceptualized as a power play between its dominant states, namely the US, Japan, and China. Terada and Yuzawa, for example, emphasize the importance of Japan’s material power in promoting its preferred regional grouping, the East Asia Summit (EAS). They perceive Japan as trying to counter the structural transformation engendered by China’s rise in terms of [...]
of its increased military spending and expanding GDP, relative to US decline, by keeping the US engaged in the region.

Terada’s and Yuzawa’s work on the EAS focuses on a key aspect of Japan’s power, but interaction in the East Asian region is also based on social relations in which foreign-policy actors articulate their visions for regional cooperation in an effort to convince their counterparts. The ways in which actors articulate Japan’s regional vision are far from stable and coherent. A theoretical approach that emphasizes the constructed nature of discourse has to accept the inherent instability of that discourse. Japan’s regional vision comprises spatial, temporal and ethical dimensions that are incompatible with each other, making it difficult for other actors in the region to accept Japan as a leader. These dimensions comprise: the temporal disjuncture between Japan’s future-orientated approach to regional relations and technological leadership that emphasizes Japan’s post-war experience; the ethical discrepancies within Japan’s approach to functional cooperation; the spatial incompatibility of Japan’s emphasis on open regionalism and simultaneous pursuit of a closed regional policy encompassing strategic partnerships; and inability to reconcile ethical positions based on both ‘universal’ and ‘Asian’ values. Second, the notion of a monolithic Japan that can maintain a unified and coherent vision of regional cooperation has to be challenged. Japanese foreign-policy actors articulate competing visions as they attempt to shape Japan’s regional policy. Japan can only play a leadership role once the mutually incompatible aspects of its regional policy have been addressed, and this entails managing competition between foreign-policy actors more effectively and critically rethinking how actors have constructed Japan’s self-identity.

This article begins with an overview of Japan’s regional policy that emphasizes the centrality of material factors. It then develops a theoretical framework based on both normative factors and the role of foreign-policy makers. In doing so, the argument highlights both the instability of foreign-policy discourses across spatial, temporal and ethical dimensions and the competition between bureaucratic actors in the making of Japan’s regional policy.

Japan’s Regional Policy and the East Asia Summit (EAS)

Since the end of the Cold War, China’s economic development and expanding military budget have presented a challenge to Japanese attempts to lead the East Asian region. For Terada, the emergence of China as a regional power has transformed the structure of East Asian international relations, necessitating that Japan balance against China’s rise. Japan has done so by maintaining its bilateral alliance with the US and keeping the US engaged in regional multilateral fora, most recently through encouraging US participation in the EAS. The EAS is a particularly attractive forum for Japanese policymakers to keep the US locked into regional politics due to its open membership and strategic focus, as well as its embrace of a wide range of issues. Prior to the

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2 Terada, ‘Forming an East Asian Community’; Terada, ‘The Origins of ASEAN+6’; Yuzawa, Japan’s Security Policy; Yuzawa, ‘Higashi Ajia no takokukan seido’.
3 Nabers, ‘Power, Leadership, and Hegemony’.
4 Terada, ‘The Origins of ASEAN+6’.
5 Yuzawa, Japan’s Security Policy; Yuzawa, ‘Higashi Ajia no takokukan seido’.
inauguration of the EAS in 2005, Japanese policymakers had sought to keep the US engaged through the ASEAN Regional Forum (ARF), in terms of security, and the Asia Pacific Economic Cooperation (APEC) forum, in terms of economics.\(^6\) Japan’s use of these fora diminished as ARF failed to make progress on preventative diplomacy,\(^7\) and APEC became divided over the Bogor Initiative and Early Voluntary Sector Liberalization (EVSL), resulting in a loss of US interest in East Asian multilateral efforts.\(^8\) In the wake of the 1997 Asian Financial Crisis, the ASEAN Plus Three (APT) emerged as the core East Asian forum and the conflicts in Afghanistan and Iraq became the focus of the Bush administration. The US lack of commitment to East Asian regionalism was further demonstrated by the failure of Secretary of State Condoleezza Rice to attend the 2005 and 2007 ARF meetings.\(^9\)

With the US becoming estranged from multilateral efforts, the Japanese government sought new ways to keep the US engaged in the East Asian region. In 2002, Prime Minister Koizumi Jun’ichirō articulated his vision for an East Asian Community (EAC) that would demonstrate the Japanese government’s preference for open regionalism, the US as the regional security guarantor, and functional cooperation.\(^10\) From the Japanese perspective, this functional cooperation would be based on non-traditional security and economic development and would encompass a variety of issue areas such as health care, environmental efforts, financial coordination, and anti-piracy efforts. The central idea was that functional cooperation in one issue area would spill over into new areas, necessitating the construction of institutions and fostering a regional identity.\(^11\) Koizumi’s speech gained the support of both Singapore and Thailand, which, like Japan, were eager to counter China’s increasing dominance in the APT.\(^12\) Chinese officials in turn backed the closed regional grouping of the APT and emphasized sovereignty and non-intervention as core regional norms and potential strategic rivalry with the US over the long term.\(^13\) The December 2005 EAS declaration appeared to offer a compromise solution which stated that although the APT would continue to function as the ‘main vehicle’ for integration, the EAS ‘could play a significant role in community building’.\(^14\) In reality, the ambiguous phrasing still left the door open to the EAS replacing the APT as the East Asian region’s core forum, as Prime Minister Koizumi stressed in his speech.\(^15\)

As a result of Sino-Japanese competition, ASEAN initially took the lead within the EAS, undermining the extent to which the forum could institutionalize rules or generate innovative policies.\(^16\) Until 2011, ASEAN set the EAS agenda, determined membership, and acted as a mediator between the great powers.\(^17\) In its first five years, the

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\(^6\)Yuzawa, ‘Higashi Ajia no takokukan seido’, 13–14.
\(^7\)Yuzawa, Japan’s Security Policy.
\(^8\)Pempel, ‘How Bush Bungled Asia’.
\(^10\)Terada, ‘Forming an East Asian Community’.
\(^11\)MOFA, Issue papers; Sohn, ‘Japan’s New Regionalism’.
\(^12\)Sohn, ‘Japan’s New Regionalism’, 9.
\(^14\)MOFA, ‘Prime Minister Junichiro Koizumi Attends the EAS’.
\(^15\)Ibid.
\(^17\)Prakash, ‘Will the US Commit’; Wihardja, ‘The Sixth East Asia Summit’.
EAS mostly focused on economic issues such as energy cooperation, nuclear safety guidelines, food safety, education, and disaster management.\textsuperscript{18} The summit itself comprised only a couple of two hour meetings, allowing for limited frank discussion even on this small range of mostly uncontroversial issues.\textsuperscript{19} With the inclusion of the US and Russia in 2011, however, the EAS was able to shift gears and finally move forward on strategic issues, with the Obama administration perceiving the EAS as an additional East Asian forum to counter China’s rise.\textsuperscript{20} Joining the EAS was a cornerstone in President Obama’s ‘pivot to Asia’, demonstrating an eagerness to engage with ASEAN-led regional fora.\textsuperscript{21} Together with Japan, most ASEAN states have welcomed the US in the EAS as an effective counter-weight to China. The Obama administration quickly demonstrated its intention to challenge China’s influence in the EAS by backing the inclusion of the South China Sea dispute in the sixth EAS meeting agenda.\textsuperscript{22} At the same time, welcoming the US into the EAS has brought the US and Japanese differences on regional trade and financial issues into sharp relief.\textsuperscript{23}

In promoting the EAS as a means to balance against China’s rise in a changing East Asian structure, Japan has achieved a key foreign-policy goal.\textsuperscript{24} At the same time, by failing to reconcile with China’s regional approach, Japan has ceded regional leadership first to ASEAN and then to the US.\textsuperscript{25} Understanding why Japanese foreign-policymakers have been unable to exercise leadership in the East Asian region requires a consideration of the discursive dimensions of the contending regional visions articulated by Japan’s policymaking community.

**The Discursive Dimensions of Regional Leadership in East Asia**

When assessing accounts of regional leadership in East Asia, Dent argues that it is important not to focus simply on West-centric IR theories that uncritically accept the state as an actor and emphasize only material power.\textsuperscript{26} Instead, understanding leadership requires also analyzing social or ideational power as it is exercised by a myriad of actors at different levels of analysis.\textsuperscript{27} Nabers develops Dent’s approach by drawing on Lukes’ three dimensions of power, namely: the ability to coerce other actors into doing what they otherwise would not; a covert aspect in which actors set agendas; and the shaping of other actors’ desires.\textsuperscript{28} The last of these dimensions is discursive and includes how actors are socialized to behave, as well as how they accept certain approaches as ‘common sense’ and internalize them.\textsuperscript{29} By bringing in Lukes’ work, Nabers draws attention to the importance of how actors relate to each other within
structural contexts that frame how these actors employ the material and social power resources at their disposal. At the same time, Nabers draws the discussion away from structure and towards agency by exploring how states articulate a specific worldview that their peers in the region come to accept as hegemonic, by which he ‘means nothing more than the discursive struggle between political actors over the assertion of their particular representations of the world as having a universal significance’. In terms of East Asian regionalism, this discursive struggle can be conceptualized as between China’s embrace of the closed regional model of the ASEAN Plus Three (APT) and Japan’s preference for the open regional model of the East Asia Summit (EAS) that developed in the wake of the Asian Financial Crisis.

Nabers’ contribution is important for its emphasis on how states discursively frame their visions of regional cooperation and integration in a bid for regional leadership. Nabers’ analysis does raise three further issues that also need to be addressed, however. First, a discursive approach to regional leadership needs to provide a clear account of the basis upon which a regional vision has been constructed. Second, a theoretical approach that emphasizes the constructed nature of discourse has to accept the inherent instability of that discourse. Japan’s regional visions contain aspects that are incompatible with each other, making it difficult for other actors in the region to accept and internalize Japan’s worldview as their own. Finally, Nabers’ state-centric approach ignores how and why foreign-policy makers articulate alternative approaches to regional leadership. Capturing these three dimensions results in a more nuanced understanding of the possibilities and limitations of Japan’s regional leadership ambitions.

A discursive approach to understanding a state’s regional leadership vision needs to ascertain the basis upon which that vision has been constructed. Foreign-policy actors can generate innovative foreign policies, but they do so within a given framework of action. Foreign-policy makers must be attuned to what will be accepted at both the domestic and regional levels. On the one hand, this requires an understanding of the norms that guide conduct between actors at the regional level. Actors operating within East Asian institutions have to abide by the ASEAN norms of consensus-building, non-intervention, non-use of force, peaceful settlement of disputes, and regional solutions to regional problems, or risk being excluded from the community. On the other hand, at the domestic level actors must abide by accepted understandings of their state’s self-identity. Actors construct their state’s identity based on ‘a collective understanding of how to understand the past, situate the present and act toward the future’. At the same time, a state’s identity is always juxtaposed against a certain referent, meaning an ‘other’ that comprises the negative image of the state. This ‘other’ need not be another state, but can reflect how actors perceive their state or region being different today when compared with its past. This was the case in Europe, where a constructed notion of

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30Ibid., 935–36.
31Ibid., 940.
32Hansen, Security as Practice, 9–11.
35Acharya, Constructing a Security Community.
36Johnston, ‘Socialization in International Institutions’.
38Campbell, Writing Security.
community was juxtaposed against the region’s brutal history of conflict and genocide. Abiding by their constructed state identity enables actors to fortify their sense of ontological security within a given international environment and they will therefore tend to reject policy options that oppose their constructed state identity.

As actors choose to accentuate certain referents whilst suppressing others, an actor’s self-identity is not stable but rather infused with inherent contradictions. These contradictions can be exposed through an analysis of foreign-policy discourses. Specifically, the analyst seeks to understand how actors construct their self-identity in relation to an ‘other’ in accordance with spatial, temporal and ethical dimensions. In the case of Japan’s regional policy, foreign-policy makers demarcate those who are included and accepted as regional players (spatiality), advance alternative ways of thinking about the past, present and future (temporality), and set out what actors should do and how they should act (ethicality). These spatial, temporal, and ethical dimensions can shift and engender new contradictions as foreign-policy makers articulate new roles for themselves within the East Asian region.

Finally, a discursive approach to understanding regional leadership needs to question the extent to which actors share a common foreign-policy vision by examining the foreign-policymaking process. Of the three dominant models of Japan’s foreign-policymaking process, namely the strategic, adaptive and reactive state models, both the strategic and adaptive models emphasize a high degree of consensus amongst foreign-policy elites. The notion of consensus amongst Japan’s foreign-policy elite has been reinforced by Shinoda’s contention that the strengthening of the Kantei (Cabinet Secretariat) during the Koizumi administration allowed prime ministers to overcome bureaucratic rivalries and enact more coherent foreign policies. By emphasizing agreement between foreign-policy actors, both the strategic and adaptive state models align with Nabers’ interpretation of Japan’s regional leadership ambitions being understood in terms of a single worldview.

In contrast to the strategic and adaptive state models, the reactive model stresses that a lack of leadership, combined with bureaucratic rivalries, undermines the Japanese government’s ability to execute proactive and consistent foreign policies. Instead, Japanese governments react to foreign pressure, in particular pressure from the US (beiatsu). Inoguchi and Jain extend this model to assert that Japan is engaged in ‘karaoke diplomacy’, whereby the US chooses the policy for Japanese policymakers to implement. The reactive state and karaoke models exaggerate the extent to which beiatsu drives Japan’s foreign-policymaking process. It is therefore more accurate to consider the US officials who apply pressure on Japan as an additional actor in a competitive foreign-policymaking environment rather than beiatsu being the definitive factor. The next step is to consider how each of these foreign-policy rivals advances a policy preference based on a specific worldview that competes with others favored by their peers.

39Wæver, ‘European Security Identities’.
40Steele, ‘Ontological Security’.
41Hansen, Security as Practice, 20–21.
42Ibid., 38–41, 46–51.
43Berger, The Pragmatic Liberalism’, 267–68. For a classic account of the strategic state model, see Johnson, MITI and the Japanese Miracle.
44Shinoda, Koizumi Diplomacy.
46Inoguchi and Jain, ‘Introduction’.
Ashizawa demonstrates how foreign-policy actors promote policy preferences based on their understanding of what their state is or represents. According to her value action framework, 'a conception of state identity provides policymakers with a particular value, which sometimes becomes the dominant value, and hence, defines the preference of state foreign policy'. Implicit in her framework is the notion that specific values may be embodied in a particular government agency and that actors compete to have their preferred value dominate a policy debate. Her research on the ARF and APEC, however, suggests that actors are agreed on the dominant values from the outset. In their promotion of the APEC forum, Ashizawa maintains that both MOFA (Foreign Affairs) and MITI (International Trade and Industry) officials set out to reassure their Asian neighbors whilst locking the US into the process of East Asian regionalism. According to Krauss, however, MOFA officials downplayed Japan's role in the establishment of APEC due to turf battles with MITI. Specifically, MOFA officials looked to rein in MITI's enthusiasm for regional economic cooperation by emphasizing the potential backlash from East Asian states, who might view Japanese efforts as threatening, and the US, which might be alarmed by Japan's independent approach. As Inoguchi notes, MOFA and the Ministry of Economy Trade and Industry (METI), MITI's successor following its reorganization in 2001, continue to push alternative regional proposals, with MOFA focusing on open regionalism encompassing the Asia-Pacific region and 'universal values', whilst METI emphasizes bilateral economic partnership agreements within the East Asian region.

Rather than expect that Japanese foreign-policy makers will always agree on a specific regional vision, it is necessary to consider how the objectives and institutional histories of different government ministries and organizations shape their employees' vision of Japan's regional role. In addition, as Japanese foreign-policy makers articulate competing visions of regional cooperation, so the generation of a coherent regional policy can be undermined. In Japan's case a number of discursive fault lines can be detected. First, there is a disjuncture between emphasizing a future-orientated approach to regional relations and technological leadership that relies on a selective understanding of Japan's past. Second, Japanese foreign-policy makers stress functional cooperation whilst rejecting Chinese initiatives. Third, Japan's open regional approach based on 'universal values' contradicts its pursuit of a closed regional policy encompassing strategic partnerships. Finally, Japanese foreign-policy makers are unable to reconcile 'universal' and 'Asian values' in their regional policy.

**Temporality: Japan's ‘Future-orientated’ Approach and Technological Leadership**

Japanese regional leadership ambitions are undermined by a sense of ontological insecurity stemming from Japan's defeat in World War Two and failure to address its past in the eyes of

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48 Ibid., 579, 582.
49 Ibid., 585–91.
51 Inoguchi, ‘Japanese Ideas of Asian Regionalism’, 243–44. Competition is not of course guaranteed. For example, both MOFA and METI promoted the formation of the EAS despite their differences and tensions between them. Terada, ‘The Origins of ASEAN+6’, 78–81.
52 Inoguchi, ‘Japanese Ideas of Asian Regionalism’.
its neighbors, particularly China and South Korea. On the one hand, MOFA has sought to reassure Japan’s neighbors about its regional role, as in the case of APEC. On the other hand, MOFA has attempted to sideline historical issues centering on Japanese imperialism from the late nineteenth to mid-twentieth century by simultaneously emphasizing Japan’s contributions to building an East Asian community whilst advocating a ‘future-orientated’ policy. Such attempts have consistently failed to woo Japan’s neighbors as Japanese politicians continue to pander to nationalist sentiments in a bid to gain popular support (a practice that is also prevalent in China and South Korea). Both Chinese and South Korean officials perceived Prime Minister Koizumi’s visits to the controversial Yasukuni Shrine, where a number of Japanese war criminals are commemorated, as undermining the trend towards closer regional ties. Similarly, Japanese efforts to misrepresent its past aggression, including through the publication of patriotic history textbooks and the denial of state involvement in the operation of ‘comfort stations’ (a euphemism for military brothels) during World War Two, has raised the ire of Japan’s immediate neighbors. Despite engaging China on diplomatic and economic fronts, Prime Minister Abe Shinzō’s visit to Yasukuni Shrine on 26 December 2013 further strained political ties between Tokyo and Beijing and demonstrated the continued appeal of playing the nationalist card in Japanese politics. Subsequent events and statements failed to engender further reconciliation in East Asia. Chinese and South Korean officials and media critiqued Abe’s statement on the seventieth anniversary of World War Two. In addition, Abe’s appointment of nationalist and historical revisionist politicians to his cabinet, such as Defense Minister Inada Tomomi, the Japanese government’s response to statues commemorating the ‘comfort women’, as well as the Moritomo Gakuen scandal, involving a dodgy land deal to a right-wing private education company with ties to Abe and his wife, are among the many issues that continue to cast doubt on the sincerity of the Abe administration to address Japan’s imperialist past squarely.

The Democratic Party of Japan (DPJ) government under Prime Minister Hatoyama Yukio (16 September 2009 - 8 June 2010) took steps to address tensions with China and South Korea over Japan’s past. Nevertheless, even Hatoyama failed to confront these history issues head-on. In a well-publicized speech in November 2009 following the APEC leaders’ summit in Singapore, he stated, ‘reconciliation in the real sense of the word is not necessarily believed to have been achieved in the region. This is the current situation, although more than 60 years have passed since Japan caused tremendous damage and suffering to the people of many countries, particularly on the people of Asian nations’. Hatoyama’s use of the passive in the convoluted first sentence conceals any sense of agency or recognition of Japan’s neighbors’ concerns about how Japanese actors have addressed their past. The second sentence stresses the passage of time, ‘more than 60 years have passed’, and combines with the subsequent paragraph in his speech to elucidate how East Asian states should follow the example of France and

53Ibid., 234–36.
56Lind, Sorry States; Suzuki, ‘The Importance of “Othering”’.
57Lind, Sorry States; Zhao, A Nation-state by Construction.
59McCurry, ‘Chinese Ambassador Blasts Japanese PM’.
60Dudden, ‘Abe Caught Out’.
61Hatoyama, ‘Japan’s New Commitment to Asia’. See also Sahashi, ‘Hatoyama Yukio seiken’.
Germany in overcoming their pasts. What Hatoyama’s speech missed was that Franco-German reconciliation succeeded not least because politicians in both states took steps to jointly confront their shared history and marginalize right-wing views, unlike the contemporary situation in East Asia.

There were also structural factors favoring European regionalism after World War Two that were not present in East Asia at the time. Whereas the US granted substantial aid through the Marshall Plan and encouraged reconciliation in Europe to counter the threat of the Soviet Union, in East Asia, American officials opted for a hub-and-spokes system of alliances that inhibited multilateral collaboration and regional institution-building. As part of this process, US administrations in South Korea and Japan sought to bury contentious history issues in the name of national unity with the onset of the Cold War rather than promote an open reappraisal of Japanese imperialism. East Asian governments also endorsed interpretations of history that served their political interests after World War Two, rather than encourage a more conciliatory approach. In addition, economic interdependence in Europe, supported by the US, preceded efforts that led to the creation of a joint history textbook, remembrance ceremonies jointly attended by French and German leaders, and other efforts to address the past. Recognizing these historical and structural factors is necessary if East Asian leaders are to promote reconciliation and further regional cooperation.

The lack of trust between the three dominant northeast Asian powers has inhibited the development of grand regional projects. Instead, Japanese policymakers have promoted Japan as the region’s technological leader and continued to focus on functionalist approaches to spur regional cooperation. The notion of Japan as a technological leader is based on a temporal rationale that clashes with its ‘future-orientated’ approach to regional relations. Instead of looking forward, Japanese prime ministers have repeatedly asked East Asian people to reflect upon Japan’s peaceful economic rise in the post-World War Two period and Japan’s contribution to the development of the East Asian region. Japan’s contribution is phrased in favorable terms, overlooking any negative impact that Japan’s regional economic expansion has had on the environment or workers. From a temporal perspective, Japanese policymakers perceive their country’s technological leadership as emerging since 1945, ignoring that the foundations for Japan’s technological advances were laid during the pre-war era.

Ethicality: Functional Cooperation and Debating the AIIB

Given Japan’s self-projection as a technological leader that embraces functional cooperation, it should welcome similar cooperative initiatives of other states and the opportunity these bring for Japan to impart its wisdom based on its postwar experiences. Though numerous regional
institutions have been created in East Asia to tackle an array of problems, the failure of northeast Asian states to squarely face and reconcile their violent pasts has led to these institutions becoming sites of competition rather than of building cooperation and forging a common regional identity. Both financial cooperation through the establishment of the Chiang Mai Initiative Multilateralized (CMIM) and the construction of Free Trade Agreements (FTAs) have been stymied by Sino-Japanese rivalry. Rather than functional cooperation providing a means of ameliorating Sino-Japanese relations that have soured because of differing interpretations of the past, functional regionalism has often worsened bilateral ties.

A similar example of Sino-Japanese rivalry can be found in Japan’s rejection of China’s proposal for an Asia Infrastructure and Investment Bank (AIIB) in 2013. Japan’s official position is that it will not join the AIIB because Chinese officials have not answered Japanese concerns about the AIIB conducting its affairs transparently, in accordance with good governance practices and with debt sustainability in mind. The Japanese government has also been fearful that the AIIB will challenge the Asian Development Bank (ADB) that Japan has dominated since its creation. More vociferous critiques can be found in Japan’s popular news journals, which depict the AIIB as a ‘Chinese plot’ designed to expand China’s economic sphere of influence and geostrategic dominance in the Asian region, noting its state-centric developmental approach, opaque governance structure, concealment of the weaknesses of China’s economic system, and its failure to embrace the neoliberal order. These critiques have been echoed by former diplomat Nogami Yoshiji, chairman of the Japan Institute of International Affairs (JIIA), who has stated, ‘the AIIB is indicative of Xi Jinping’s dream of China replacing both the US and Japan as Asia’s leader’. In other words, Japanese policymakers have demarcated the ethically acceptable boundaries of China’s AIIB initiative. They have done so in order to restate Japan’s economic rise as benevolent and its contribution to regional development through functional cooperation as a technological leader. What is striking about Japan’s critique of the AIIB is that many similar attacks were leveled at Japan’s Official Development Assistance (ODA) policy during the 1990s.

Japan’s relations with the US, which has also adopted a critical stance towards the AIIB, influenced Japan’s position; the Obama administration actively lobbied its allies not to join. US efforts were mostly unsuccessful, as a succession of countries followed the UK’s lead in signing up to the AIIB before the 31 March 2015 deadline. In contrast, Japan remained loyal to the US position and was critical of those countries that had joined, in part because of the centrality of the US–Japan alliance in Japan’s foreign-policy, but also because of timing relative to Prime Minister Abe’s visit to Washington in April 2015. Ultimately, the US and Japanese approach to the AIIB has been seen as a failure of economic diplomacy, with both Kantei and Ministry of Finance (MOF) officials stating that tying Japan’s policy to the US over the AIIB had been a strategic mistake. This mistake was compounded by the

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75 For an overview of the ADB’s role in promoting regionalism, see Dent, ‘The Asian Development Bank’.
76 Ito, ‘AIIB o meguru’; Takenaka and Kawamura, ‘AIIB “Chūgoku no takurami”’.
77 Yoshioka, Saitō and Dai, ‘Chūgoku, shinkin’yū taisei nerau’.
78 See e.g. Arase, Buying Power, Orr, The Emergence, Rix, Japan’s Foreign Aid Challenge.
79 Ito, ‘AIIB o meguru’, 90–1.
80 Hosomi et al., ‘Chūgoku shudō’; Dai et al., ‘Ajiatōshigin’.
suspension of formal Sino-Japanese financial dialogue as Sino-Japanese relations deteriorated after the Noda administration purchased the Senkaku/Diaoyu islands in 2012 and Prime Minister Abe visited Yasukuni Shrine in December 2013.\textsuperscript{82} A lack of reconciliation over historical issues hindered the possibility of more open Sino-Japanese discussions over the AIIB.

In addition, Japan’s response to China’s AIIB highlighted tensions within Japan’s foreign-policymaking community and the difficulty of articulating a coherent and unified regional approach. Notably, MOF officials and Japanese business executives were more positive than MOFA about the creation of the AIIB, as they anticipated opportunities for Japanese firms and understood the AIIB as being in line with regional approaches to development.\textsuperscript{83} In an MOF report, Ohashi Hideo clearly articulates the Ministry’s position vis-à-vis the bank:

The AIIB would provide an opportunity for China to play a positive role in establishing international economic order and rules. It also would indirectly support Chinese businesses in developing their new markets with vast demand for infrastructure improvement in neighboring countries … [China] is strengthening its positive commitments to multilateral international economic relations.\textsuperscript{84}

From the start of 2015, MOF officials were in close contact with both China and the US, negotiating the criteria for joining the AIIB with the Chinese side and countering US pressure not to participate.\textsuperscript{85} Finance Minister Asō Taro argued that if the Japanese government received guarantees that investment standards would be upheld and governance would be transparent, ‘we could quickly enter into a discussion on the possibilities of cooperation regarding the amount Japan would invest [in the AIIB].\textsuperscript{86} Both Chief Cabinet Secretary Suga Yoshihide and Foreign Minister Kishida Fumio quickly sought to correct Asō’s assertion.\textsuperscript{87} A 2012 ADB report had already conceded that it could not meet the burgeoning demand for infrastructure in Asia\textsuperscript{88} and ADB President Takao Takehiko noted that he understood the need for an institution like the AIIB and stressed the need to find ways to cooperate with it.\textsuperscript{89} Considering MOF’s close ties to the ADB,\textsuperscript{90} it is striking that MOF officials have supported the AIIB when the official Japanese position was that the two banks might not be compatible. The divisions here are on ideological lines, with MOF preferring a proactive approach to regionalism focused on development and capacity-building, while the MOFA approach has been US-centric and embraces neoliberal economic values.\textsuperscript{91}

### Spatiality: ‘Universal Values’, Strategic Partnerships and Open Regionalism

Neoliberal economic values, combined with democratization, human rights and rule of law, comprise the ‘universal values’ that a number of Japanese policymakers have
embraced to promote an open regional community. The EAS, with its broad membership that incorporates fellow democracies such as the US, Australia, New Zealand, and India, is perhaps the ideal regional forum for Japan to promote these ‘universal values’ and counter the Chinese approach based on the APT and closed regionalism. In doing so, Japanese policymakers portray Japan as a bridge between East and West that can convey these ‘universal values’ to East Asian states.

Liberal Democratic Party (LDP) leaders have gone further, by portraying China’s economic rise and perceived assertiveness in the East and South China Seas as a threat; they have promoted Japan as a leader and the key to regional stability. Former foreign minister and prime minister Asō Tarō’s ‘Arc of Freedom and Stability’ and Abe’s ‘value diplomacy’ and ‘democratic security diamond’ are widely regarded as the soft power component of Japan’s China containment strategy. In addition, Japanese leaders together with the Ministry of Defense (MOD) have sought to counter China’s rise by developing Japan’s international security role. Abe has repeatedly emphasized the need for Japan to become a ‘normal’ nation that actively contributes to international security issues through the development of its military forces and has sought to reinterpret the Japanese constitution to allow for collective self-defense. In terms of Japan’s regional leadership ambitions, this discourse serves to emphasize Japan’s benevolent strategic objectives by questioning Chinese regional motives. Japanese policymakers have played down Japan’s imperialist past by promoting a ‘future-orientated’ approach to regionalism, and Abe has consciously promoted Japanese nationalism in order to develop Japan’s security policy. If anything, ‘universal values’ further serve to conceal Japan’s historical aggression against its neighbors.

The Abe administration has also emphasized ‘universal values’ and a ‘democratic security diamond’ to develop a regional security strategy based on fostering new strategic partnerships with East Asian states. The Abe government strengthened its strategic links with Australia in December 2012 and India in January 2014, as well as with ASEAN states such as the Philippines and Vietnam. In many ways, Abe’s efforts mirror those of previous administrations, including under the DPJ, to forge strategic ties to other states. For example, in the sphere of maritime security, Japan continues to focus on developing coast guard authorities throughout Southeast Asia based on the Japan Coast Guard model. Japan’s evolving strategic partnerships under Abe also incorporate military exchanges and agreements on use of military facilities, as well as

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93. Ōga, ‘Hirakareta chiikishugi’; Sohn, ‘Japan’s New Regionalism’.
94. For a critical account that questions Chinese assertiveness, see Johnston, ‘How New and Assertive’.
95. MOFA, ‘Diplomatic Bluebook 2007’.
105. Kaji, ‘Nichihō kyōdō bōei taisei kōchik’.
specifically identifying China’s attempts to ‘change the status quo’ through ‘large-scale land reclamation and building of outposts’ on disputed territory in the South China Sea. Unlike previous partnerships, therefore, Abe’s approach goes beyond functional regional cooperation and ‘soft containment’107 to an ‘overt containment’ policy designed to counter what the administration perceives as China’s assertive moves in the East and South China Seas. Japan’s strategic partnerships are also a form of closed rather than open regionalism that characterizes Japan’s approach to functional cooperation in other issues areas, such as finance and trade,108 underscoring the incompatibility of these approaches in terms of spatiality.

Ethicality: ‘Universal’ or ‘Asian’ Values?

At the same time as promoting these ‘universal values’, Japanese actors have also emphasized the importance of working within the normative framework of the East Asian region. In a speech delivered on 19 January 2016, Prime Minister Abe stated that, ‘[in the latter half of the twentieth century] we could say the values of freedom, democracy, and the rule of law were “universal” among the peoples of Asia and Africa in the true sense’.109 He then qualified this statement by adding, ‘Asia’s democracy has a distinct mark engraved in it from ancient times, reflecting the values we have held dear for generations’.110 By attempting to reconcile ‘Asian’ and ‘universal’ values Abe stretches the meaning of both until they become empty, allowing the intended audience to interpret his words as they wish. Similarly, Abe has sought to reassure ASEAN members that Japan remains committed to the Fukuda Doctrine, which has been the foundation for peaceful Japan-ASEAN relations since 1977. He therefore stated that Japan would ‘never become a military power’, in spite of his ambitions for Japan to become a ‘normal’ nation and his pursuit of militarized strategic partnerships, which he has justified in terms of Japan’s commitment to ‘universal’ values.111

This confusing blend of ‘Asian’ and ‘universal’ values predates the current Abe administration. Sohn notes that Prime Minister Koizumi stressed both Asian values and traditions as well as universal values in his 2003 Tokyo Declaration proposing the establishment of an East Asian Community.112 Koizumi’s statement mirrored MOFA’s Issue Papers which also emphasized the ‘creation of shared identity based on common values and principles’.113 The MOFA Issue Papers interpreted these common values and principles as ‘an East Asian community which is outward looking, endowed with exuberance of creativity and vitality and with the shared spirit of mutual understanding and upholding Asian traditions and values, while respecting universal rules and principles’.114 Ultimately, there is little sense of what East Asia’s ‘shared identity’ is. The MOFA Issue Papers conclude that ‘at present, we have no clear answers … we need to continue our strenuous search for a shared identity’.115 As these quotes

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106 MOFA, ‘Japan–Philippines Joint Declaration’.
109 Abe, ‘Address by Prime Minister Shinzo Abe at the “Shared Values and Democracy in Asia” Symposium’.
110 Ibid.
111 Abe, ‘The Bounty of the Open Seas’; Abe, ‘Japan and ASEAN’.
112 Sohn, ‘Japan’s New Regionalism’, 514
113 MOFA, Issue Papers.
114 Ibid.
115 Ibid.
demonstrate, Japanese attempts to incorporate both ‘Asian’ and ‘universal’ values in a common East Asian identity have been in vain and highlight a fissure in Japan’s regional vision in terms of establishing the values that should guide regional cooperation.

Japanese foreign-policy actors attempt to overcome this fissure by stressing either ‘Asian’ or ‘universal’ values in different contexts. In the case of functional cooperation in the maritime security sphere, ‘Asian values’ of non-interference, non-use of force, consensus-building and regional solutions to regional problems have guided Japanese efforts, whereas Japan has adhered to ‘universal values’ in its promotion of the EAS and rejection of the AIIB. Alternatively, Japanese foreign-policy makers try to incorporate the language of ‘universal’ and ‘Asian’ values in their discourse, only to end up emphasizing one set of values over the other. For example, former Foreign Minister Kawaguchi Yoriko’s speech in Phnom Penh in 2003 sought to combine functional economic cooperation along the lines of the ‘ASEAN way’ with ‘universal values. Kawaguchi’s ‘Initiative for Reinforcing ASEAN Integration’ echoed Japan’s long-standing foreign-policy goal to be a bridge between Asia and the West and rested on the three pillars of ‘filling economic gaps and enjoying prosperity’, ‘reassuring human dignity’, and ‘fostering democratic and stable governance’. Her speech was peppered with phrases such as ‘mutual respect and understanding’, ‘fill the economic gaps based on our ownership and partnership’, and ‘share the prosperity and stability that our integrated community could produce’, formulations that emphasized economic development through cooperation and were hoped to resonate with her ASEAN audience. Japan’s engagement with ASEAN states has developed beyond its traditional ODA policy to incorporate a discourse on democracy and human rights. Nonetheless, economic development remains at the heart of Japan’s relations with Southeast Asian states and in line with ‘Asian’ rather than ‘universal’ values.

Conclusion

Japan’s once seemingly unassailable position as ‘lead goose’ in the region has been questioned because of the country’s decline in material power relative to China’s rise. Japanese leaders have attempted to meet this challenge by encouraging the US to join the EAS and by establishing strategic partnerships around the region. At the same time, by perceiving Japan as a technological leader, Japanese actors still perceive their country as a potential regional leader. In this sense the proverbial ‘goose’ is not yet cooked. The problem lies in the incompatibility of the regional visions put forward by Japanese foreign-policy makers. Japan’s regional vision is confused as policymakers simultaneously emphasize a ‘future-orientated’ approach to regional relations, positive aspects of Japan’s past as a technological or ‘thought’ leader, open regionalism based on functional cooperation, closed regionalism in the form of strategic partnerships, as well as ‘universal’ and ‘Asian’ values. These policy approaches are unstable as they advance discordant discursive positions along spatial, temporal, and ethical lines. From a spatial standpoint, Japan’s embrace of open and closed regionalism demonstrates that policymakers are yet to determine a clear sense of what the East Asian region actually is.

116Black, Japan’s Maritime Security Strategy.
117Ōga, ‘Hirakareta chiikishūgi’, 142.
118Kawaguchi, ‘Building Bridges toward Our Future’.
119Ibid.
The temporal dimension is captured in the problematic disjuncture between reassuring Japan’s neighbors about its regional ambitions whilst articulating a ‘future-orientated’ approach that sidelines the negative aspects of Japan’s past and the conception of Japan as a technological leader whose past triumphs must be remembered and endorsed. Ethically, the mismatch between ‘universal’ and ‘Asian’ values, as well as Japan’s rejection of China’s efforts at functional cooperation in the region, continues to obscure what Japanese policymakers think the East Asian region should stand for and which norms of conduct should guide behavior. Because these visions are discordant, East Asian actors have not accepted or internalized them and Japan has found it difficult to take the lead in regional institutions such as the EAS.

Much of the incompatibility between these regional worldviews can be explained by how Japanese foreign-policy makers negotiate the spatial, temporal and ethical dimensions of Japan’s identity. Japanese officials have embraced the notion of Japan as a technological leader, but have different ideas about what this entails, especially when it comes to working with China. MOF officials have been far more receptive to open regionalism and functional cooperation with China in the area of finance and have even endorsed China’s AIIB initiative. Similarly, METI is more positive about East Asia-focused trade initiatives such as the Regional Comprehensive Economic Partnership than MOFA, which favors Asia-Pacific trade initiatives. MOFA, predictably, has been far more prone to US pressure, as the ministry has endeavored to maintain the US–Japan alliance as the cornerstone of its foreign-policy. The Abe administration, together with the MOD and MOFA, has emphasized closed regionalism through strategic partnerships with key regional players in a bid to contain China. Even policymakers’ interpretations of Japan’s future-orientated approach have diverged, with different prime ministers adopting alternative approaches to addressing Japan’s past imperialism. As far as Japan’s regional policy is concerned, the validity of Shinoda’s argument that a stronger Kantei is forging a unified foreign-policy remains to be seen, as actors pursue divergent goals.

It could of course be argued that East Asia’s ‘complex institutional ecosystem’, which requires Japanese actors to work through different fora, limits the extent to which Japanese foreign-policy makers can maintain a unified front and exercise leadership, making discursive fissures along spatial, temporal and ethical lines inevitable. From this standpoint, actors can simply wait out the process of ‘institutional Darwinism’ that will see the strongest and most relevant institutions survive. Such an approach downplays the role of agency, however. Bureaucratic competition and the mutual incompatibility of Japan’s regional worldviews matter. The absence of a unified approach that clearly sets out where Japan stands on its past, present and future regional roles has left Japan playing second fiddle to both ASEAN and the US within the EAS. Backing the US in countering China’s AIIB initiative has resulted in Japan being cut out from having any influence on a significant emerging regional institution.

Forging a unified regional approach has to start with Japanese foreign-policy actors engaging in an open and frank discussion on Japan’s imperialist past, for it is here that the core Sino-Japanese relationship remains most contentious. Europe’s experience in

121 Pempel, ‘Soft Balancing, Hedging, and Institutional Darwinism’.
122 Ibid.
confronting its past in the post-World War Two era was certainly different from the situation that East Asian states have faced, but the step-by-step approach taken by Europe’s leaders can still inspire efforts at reconciliation in East Asia. Focusing on those measures that have encouraged reconciliation, including reiterating apologies, developing a joint history textbook, and participating in remembrance services, whilst refraining from official visits to controversial sites such as Yasukuni Shrine, could open up the possibility for enhanced regional understanding and cooperation. This would include a more receptive approach towards Chinese initiatives, such as the AIIB, and avoiding militarizing strategic partnerships. The agreement between Japanese policymakers over their country’s ‘future-orientated’ approach to regional relations, coupled with an entrenched sense of a China threat, makes it unlikely that Japan’s current foreign-policy elite would pursue such a strategy.

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