

Thinking Japan in Asia

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There are various kinds of meanings in saying "Japan in Asia".

Japan is geographically positioned along the coast of the Asian continent.

In this sense, it is needless to say that Japan is located within Asia. Since the Japanese race is Mongoloid, we are also racially Asian. However, when I refer to "Japan in Asia", it is not about Japan or the Japanese people being part of Asia geographically or racially. Neither is it about Japan departing from European influences and associating closer with the rest of Asia, in paradox to the famous slogan by the 19th century scholar Yukichi Fukuzawa calling on Japan to depart from Asian influences and associate closer with Europe. For Fukuzawa, the words "Asia" and "Europe" signified two totally different civilizations. In today's world, Japan is left with no such choices. Regardless of whether we like it or not, Japan is being engulfed in the historical wave of Americanization in the name of globalization. In any event, no one would realistically believe one of Japan's future options could be reverting to the tradition of Confucianism, which defines China as the center of the world, and following its transformation into socialism.

These are not what I want to discuss under the topic "Japan in Asia".

For me, the word "Asia" represents the political and economic order in the region of East Asia, encompassing Japan, South Korea, Taiwan, China's coastal provinces, and South East Asian countries. The title "Japan in Asia" signifies the position Japan assumes, or should assume, in the political and economic order of the region. Let me explain what it means in more details.

First, we must identify what kind of regional order Asia has held so far, and what Japan's positioning has been.

To answer these questions, it is a good idea to examine the problems the

United States experienced in Asia in the 1950s. In those days, the United States boasted an overwhelming power and wealth in the world, but faced two major problems in Asia. One was how it should handle the threat of communism in the region, i.e., how it could contain the influences of China and the Soviet Union. The other was how it could ensure that Japan would never re-emerge as a threat to the United States, while facilitating Japan's economic recovery and subsequent independence as a U.S. ally.

In regard to security, the United States devised a well-known solution to the two problems; the conclusion of the security treaty with Japan. As a result, Japan became one of the U.S. military outposts, with Japanese self defense capabilities being integrated into the U.S.-led security arrangement. The United States also concluded similar bilateral security accords with South Korea, Taiwan, and the Philippines. This way, Washington built a wheel-like security system in Asia, with the United States at the axle and bilateral treaties extending to individual countries like spokes.

As for the economic solution, the United States built a triangular trading structure with Japan and South East Asia. In those days, Japan, striving to achieve economic recovery, sought an import market for raw materials, and export market for its manufactured goods. China had served as Japan's import and export partner before World War Two. However, in order to contain Chinese influence in Asia, the United States could not allow Japan to continue to turn to China for that purpose. Instead, the United States provided economic and military assistance to South East Asia, which, in turn, exported raw materials to and imported manufactured goods from Japan. The mechanism simultaneously addressed the tasks of recovering the Japanese economy and developing South East Asian economies. This was the basic concept of the triangular trading structure.

The foundation of post-war Asia's political and economic order was laid this way by the United States in the 1950s. The order has since experienced many significant changes. In the 1980s, China entered the triangular trade system. Now, the United States has become Japan and East Asia's export market for their manufactured goods, with Japan serving as the capital provider for the entire system. Still, Asia has yet to abandon the founding

concept of the post-war political and economic order, defining the United States as No.1 and Japan as No.2. The structure is deeply built into Japan's domestic political and economic systems. This is evident when you examine Japan's "semi-sovereign" status under the Japan-U.S. security arrangement, and Japan's "economic cooperation" system defining "economic prosperity" as the fundamental national value.

Then, what are the structural characteristics of Asia's regional order? They become clear when the Asian order is compared against that of post-war Europe (West Europe). Let us go back to the 1950s again. At the time, the United States also had two main problems to resolve in Europe. One was how it could deal with the threat of communism in the region, i.e., how Soviet influences could be contained. The other was how it could ensure that Germany (West Germany) would never re-emerge as a threat to the United States, while facilitating Germany's economic recovery and independence as a U.S. ally. Washington opted for a different solution in Europe than in Asia. The security solution was the establishment of NATO (North Atlantic Treaty Organization) as the collective security body, under which Germany was re-militarized. The economic solution was the development of a collective economic cooperation system built around the alliance between Germany and France. This eventually led to the formation of EEC (European Economic Community), EC (European Community), and EU (European Union).

The comparison clearly illustrates the characteristics of Asia's regional order and Japan's positioning within the region. Germany was placed in the "North Atlantic" group in regard to security and "European" group in regard to economy. In this sense, Germany was given a stable position within Europe. This is why Germans define themselves as Europeans, entrust their future in Europeanism, and adopt multilateralism as their principle for action within the European Union.

In contrast to how Germany was integrated into Europe, Japan was never placed as an integral part of Asia. Instead, Japan was defined as its own, dealing with, for example, South Korea or South East Asia individually. In this sense, Japan's relationship with the rest of Asia has been "Japan and

Asia" rather than "Japan in Asia". This is why Japanese people consider themselves only as the Japanese, and feel somewhat resentful when classified as "Asians". Unlike Germans resting their future on the European grouping, the Japanese would never dump the yen, abolish protective measures for their agricultural industry, or relinquish the commanding rights to the self defense forces, and entrust their future to Asia. Another Japanese characteristic is its use of bilateralism as the principle for action in Asia.

Given the situation, what is the significance of discussing "Japan in Asia"? Let me confirm that I believe Japan will not become integrated into Asia, in the way Germany did into Europe, in the next 100 years or even in the foreseeable future. This is because the Japanese economy is far too big to be incorporated into part of Asia. Yet, that does not mean that Japan can continue to hold the "Japan and Asia" relationship with the rest of Asia. Not when important changes have been underway in the last decade on Japan's position in the Asian region.

The changes are manifesting themselves most prominently in the economic area, especially in relation to South East Asia. Since the mid 1980s, Japanese companies have made direct investments, established joint ventures, and developed local production networks in South East Asia. Such moves made it difficult for Japanese industrial policies to maintain consistency if they stay within the national framework. In addition, direct investments by Japan and NIEs altered the incentive mechanism of South East Asian companies and governments, and accelerated the liberalization of Intra-regional trade within the framework of ASEAN (Association of South East Asian Nations). Starting in the mid 1980s, Asia became integrated in a scale never seen before. The degree of integration was observed in the recent economic crisis engulfing the whole of Asia. Now, it has become the interest of Japan to ensure stability and prosperity in the Asian economy. This is why the Japanese government has made numerous policy moves, including the Miyazawa Initiative, at the time of the Asian economic crisis. However, no major changes have been seen in the security framework of East Asia.

To put it simply, Japan maintains the "Japan and Asia" stance in regional

security, while becoming "Japan in Asia" in terms of economy. Based on this analysis of the current situation, what should Japan do from now on with what objectives?

It may be difficult for Japan to take the initiative in security and political matters. Yet, we are well positioned to explore possibilities in economic, cultural, intellectual, and technological cooperation. Expanding and deepening exchanges in these areas can gradually change economical, social, and cultural parameters in the Japan-Asian relationship. In the process, Japan can expand its moving space in the region in the long run, subsequently bringing about benefits to South Korea and South East Asia. We can build such a mechanism within the existing regional order. One such example was the attempt, although unsuccessful, to set up the Asian Monetary Fund. Japan must use such a mechanism to explore a new relationship with the rest of Asia in the long term. The vision of "Japan in Asia" sets this direction.