

Regional Architecture for Cooperation in the Asia-Pacific: A Japanese Perspective

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Introduction

Since my first publication entitled *The Logic of Multilateralism and the Japanese Foreign Policy*, I have worked on multilateralism for a long time. It is, thus, my distinct pleasure and privilege to be invited to this KOPEC Seminar on regional architecture for cooperation in the Asia-Pacific, to share my thoughts and to be enlightened by colleagues gathered here today on regionalism. In recent times, my research focused on East Asia cooperation and community concept with a book published on this topic immediately before the first East Asia Summit and with two more chapters in two books to be published soon on an East Asia community building. Lately I am a member of a study group on Asia Pacific Economic Cooperation (APEC) organized by the Japanese Ministry of Economy, Trade and Industry (METI) to recommend how the Asia Pacific regionalism should be promoted. Japan will host the APEC Leaders Meeting in 2010 and the Japanese Government has sought academic views for its future as the APEC developed economies achieve the Bogor Declaration. Just last week, I participated a special workshop of the Northeast Asia Cooperation Dialogue (NEACD) held in Moscow to envision a permanent mechanism for peace and security cooperation in Northeast Asia to provide an idea for a working group on this very topic of the Six Party Talks.

Today I would like to draw from these research activities on regional cooperation and would like to offer a Japanese perspective on region architecture. I would like to title my comments as *a Japanese perspective* rather than *the Japanese perspective* since in Japan views are not single but plural on regionalism in Asia. You would encounter promoters, skeptics and opponents on regionalism in Asia. I would identify myself as a cautious and informed promoter of regional cooperation. In today's short comment, I would like to present the following: (1) Japan and multilateralism, (2) premise, drivers and obstacles in building regional architectures and (3) some concluding thoughts.

Japan and multilateralism: the twin challenges

From the Meiji Restoration to the present, Japan has used both bilateralism and multilateralism to

¹ The views expressed here are solely of the author's and do not represent the institution she is affiliated with.

pursue its foreign policy goals. While Japan was part of the ineffective system of multilateral treaties in the interwar years and tried to construct its own “East Asia Co-prosperity Sphere” during the war, the primary instinct for Japanese strategists throughout modern history has been to focus on ***bilateral alliances*** with the perceived hegemonic power of the day: with Britain from 1902 to 1922, with German (and Italy) from 1940 to 1945, and with the United States since 1952. However, since the end of the Cold War, the Japanese government has rediscovered multilateral diplomacy as a centerpiece of its foreign policy; not as a replacement for its strengthened bilateral alliance with the United States, but as a necessary complement.

With the end of the Cold War – as the tide of democratization and industrialization came ashore to Asian countries and stimulated by European regional integration and the North America Free Trade Agreement (NAFTA) – Asian regionalism began to bud. Japan took an active part in regionalism in the Asia-Pacific region in the 1990s, and then in East Asia since the late-1990s. Recently the shifting power dynamics in Asia demands Japan to be proactive in an East Asia community building.

Playing in both of bilateralism and regionalism presents Japan with two challenges. One is reconciling the two, particularly since East Asian regionalism does not include the United States. The second challenge is whether and how Japan can engage in regionalism in Asia, given the lingering and painful legacy of Japan’s history in the region. Japan’s role in building regional architecture will be shaped by how effectively Tokyo is able to manage these twin challenges.

Premise, drivers and obstacles in building a regional architecture

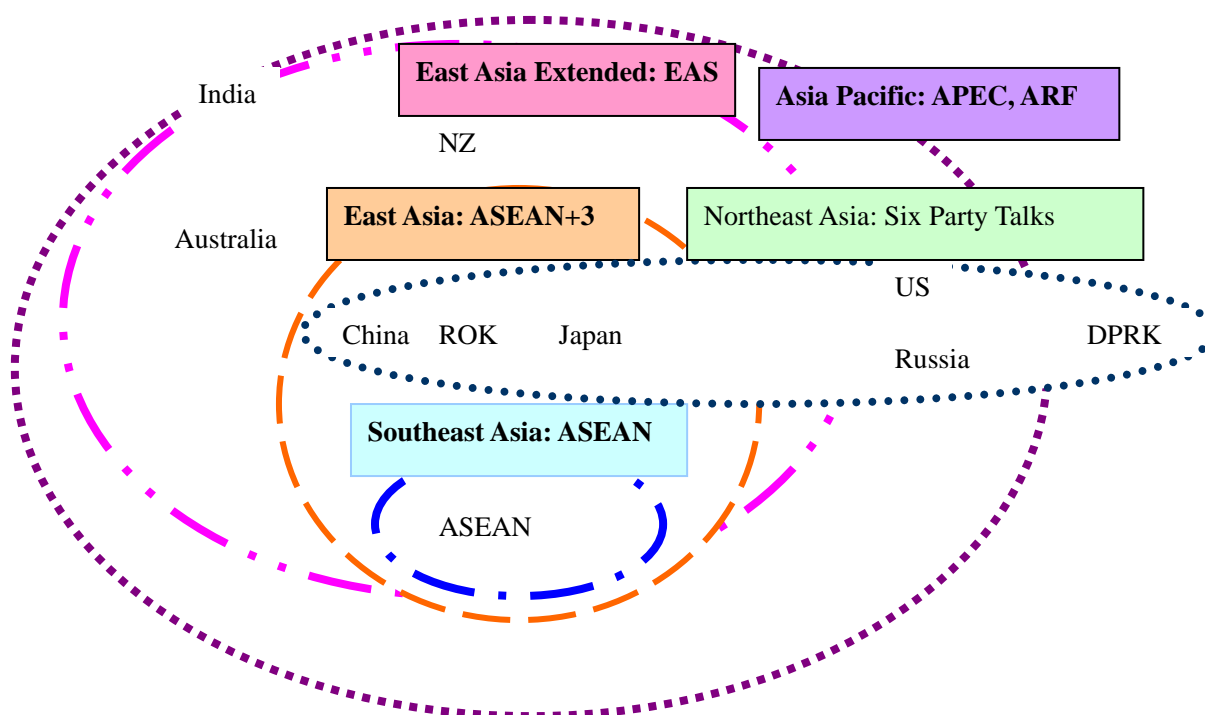
Footprint of regional architecture

The geographical footprint of regionalism in the Asia Pacific has evolved from ***the Pacific*** before and after the Second World War to ***the Asia Pacific*** since the 1990s, to ***East Asia*** since the late 1990s and to ***Northeast Asia*** since 2007. The geographical evolution of regionalism, however, did not sequence but has shaped a plethora of regional architectures as shown in Figure 1. The relations between regional architectures in Asia and the United States have been questioned. In the Asia-Pacific, U.S. is clearly an insider. In East Asia architectures including ASEAN +3, East Asia Summit, the United States is not a member. In Northeast Asia the United States is not within the footprint but is a member to the Six Party Talks.

Certainly Japan wants to see the United States continue to offer constructive proposals and engage in regional leadership in Asia; and Japan is not alone with that view. U.S. efforts to revitalize APEC and other trans-Pacific mechanisms would be particularly welcome and would enjoy strong Japanese

support. Japan does not want to be seen in Washington DC as building an architecture that excludes the United States and wants to ensure its ally that East Asian regional cooperation is based on regional interdependence and is not driven by anti-Americanism. From Japan's perspective regionalism should embrace globalization, not reject it. The United States encouraged its allies in Europe to build the European Community and the prevailing hope in Japan is that the United States will take a similarly supportive view of Japan's efforts in Asia.

Figure 1 Overlapping regional architectures and major actors



Drivers for regional cooperation

Is there an incentive for regional cooperation in Asia different from earlier attempts on regionalism? First and foremost intra-regional trade in the Asia-Pacific has expanded and deepened in the past two decades. The GDP of APEC economies has now reached to 60 % of the world. Its population is 40 % of the world. Thus the Asia-Pacific constitutes the largest regional cooperation by far. Moreover the **production network** in the Asia-Pacific and in East Asia has developed to be more intertwined than ever which compels the region to cooperate for its stability and prosperity. Secondly power dynamics is shifting in the region. The most notable example is the rise of China. Thirdly the region faces more **strategic complexities** than ever ranging from traditional security to non-traditional security such as terrorism, climate change, infectious disease, trafficking of narcotics, human and others. These strategic complexities must be managed well by national, regional and global efforts.

Some of the threats being transnational, multilateral cooperation is necessary.

The link between economy and security is often questioned and is not new. Back in the XVIII century Montesquieu wrote in his famous work, *The Spirit of the Laws*, “the natural effect of trade is to bring about peace; when two nations negotiate together they become dependent on each other; if one has an interest in buying and the other one has an interest in selling; they develop mutual needs.” There is a certain level of linkage.

There is no doubt that the task of building a regional architecture is a challenge and will take a time. While there is no denying of the *direction* of regional cooperation, there is an ample room for debate for its *destination*. We should not be too ambitious in designing our destination. Nevertheless, if we share a common desire for a better future, the region has a strong enough incentive to stitch itself together by regional architecture to reduce uncertainties and insecurities.

Enduring principles and emerging prospect for cooperation

In designing a regional architecture, be it utilizing the existing ones, be it step by step through building ad hoc institutions, or be it through institutionalization, the direction for cooperation should be based on principles. Viewed from Japan, there are five enduring principles to be under girded for a regional architecture.

First, as has been noted, the regional architecture must allow for ***both bilateralism and multilateralism to flourish, complementing one another***. In certain times, bilateral cooperation can be developed to regional cooperation like the case of Chiang Mai initiative. In East Asia, basic tenets of regional cooperation namely power, values and identity are difficult to be shared. Sino-Japanese confrontation is one good illustration. When countries confront each other bilaterally, it is difficult to weave multilateral cooperation including these two countries. Thus, from a Japanese perspective, regionalism in East Asia has not been and should not be led by a top-down, institutionalized integration. Rather regionalism in East Asia in recent decades has been and should continue to be driven by *de facto* regionalization backed by deepening interdependence. Growing intra-regional trade is one such example.

Second, the future regional architecture should be one which promotes both healthy ***cooperation and competition***. Regional institutions are arenas for national power competition as well as for cooperation, and both competition and cooperation spur Japan’s policies toward Asian regionalism. For example, the initiation of FTA/EPA discussions by Japan and China in Southeast Asia derives in part from a competition between the two. Japan started its FTA/EPA negotiations with Singapore

earlier than the offer made by China to ASEAN as a region. The Japan-Singapore EPA was signed in January 2002. Meanwhile, China proposed its FTA with ASEAN as a group and concluded its framework agreement in November 2002; with the intention of concluding an FTA by 2010 (the parties have introduced some tariff reductions since 2004). Meanwhile, Prime Minister Koizumi proposed a Japan-ASEAN EPA in January 2002 during his visit to Singapore, the framework of which was signed in October 2003. In November 2007 China, ROK and Japan have signed their respective EPA agreements with ASEAN which ought to pave the road for East Asia EPA.

In another example, the framework for the EAS came about in part from competing visions between Japan and China. Press reports on the ASEAN+3 Summit and the first East Asia Summit in December 2005 portrayed the tense relations between Japan and China as undermining the process of achieving regional cooperation in East Asia. It was reported that there were intense debates as to whether ASEAN+3 could exert more influence, or it should be the venue for discussions on the building of an East Asia community. On the other hand it was speculated that Japan wanted to use the East Asia Summit to discuss the East Asian community to reduce Chinese influence. In the end, a compromise was struck between the Chinese and Japanese positions. The Kuala Lumpur Declaration of the ASEAN+3 Summit in December 2005 stated that “the ASEAN+3 process will continue to be *the main vehicle* in achieving [an East Asian community].” Meanwhile, the EAS declaration on the same month stated that “the East Asia Summit could play *a significant role* in community building in this region.”

Ideas matter in promoting regionalism. Since the creation of APEC, ARF, and the EAS, Japan has tried to offer ideas for regional cooperation. As Michael Green describes, we may see more of a balance of ideas rather than a balance of power in future in the context of regionalism. There are certainly areas in which Japan can better take the leadership or in which China can better take the leadership. In creating a rule-based market, for example, Japan can better take the leadership. . In non-traditional security cooperation, we have a variety of issues from drug trafficking and environmental preservation, to curbing the spread of infectious diseases. Each area has potential leaders and members, and a healthy spirit of cooperation and competition will help spur effective ideas.

Third, a future regional architecture in Asia should be one of “*open regionalism*.” Countries in the region require trade and investment relations with other regions, particularly in terms of export market and in terms of foreign direct investment. Given a plethora of geographical footprints of regional institutions in Figure 1, more exclusive ones need this open regionalism to be viable rather than building fortress of its own. Moreover in this globalized world not only in economy but also in politico-security, gains and losses are indivisible so much so that it does not serve the purpose if

regional architectures try to close doors to outside.

Fourth, Asia should let the existing plethora of regional institutions with different footprints to evolve. In developing a regional architecture in future, the *destination* of regional architectures should be commonly shared which ought to be creating a no-war and a better Asia-Pacific. Beyond this lofty destination, the region must develop *common principles and values*. The goal of narrowing the normative differences among countries in the region will continue to be challenging. In embracing common regional or universal values and in crafting a future-oriented vision, countries in Northeast Asia, in particular Japan, must grapple with its historical past including honor dispensed and humiliation experienced. The history issue remains a lingering sore not only in relations with Japan's neighbors but also in the Japanese-Americans during the war time.

Mr. Jusuf Wanandi in his paper argued that for deeper regional integration "one obstacle is the China-Japan relationship, which has been hampered by history, nationalism, competition for leadership in the region, and competing claims in the East Asia." This has been raised as a problem. As he also pointed out, efforts are underway to mend our relations for our own sake and for the region.

In order to assist countries to share common values, we should nurture regional identity. In fact in terms of tourism, tourists between Japan and ROK, and Japan and China, have reached 4 million people a year respectively. Pop songs, anime, fashion and TV drama series are enjoyed by Japan, Korea, Taiwan, Hong Kong and China. As an illustration when a question was asked whether they have watched Korean TV drama, 67.6% of Japanese responded yes in 2003, while 58.8% responded yes in 2004.

Fifth, the future regional architecture should be driven by *a functional approach* which helps address the many political, economic and security challenges the region faces. Thus, future regional architecture should be structured in a way that goes beyond conferences and undertakes effective action ranging from EPAs to non-traditional security issues. How Japan and the region can realize functional cooperation in a substantive manner would be a first hurdle to clear for East Asian regional architecture to sustain. Some argue in favor of sequencing, that is to start from easy ones, while others argue in favor of dealing with hard issues like the case of the Six Party Talks working on denuclearization or disablement of nuclear facilities in North Korea. One can argue that when a subject matter for cooperation is the most challenging one, countries find it attractive enough to cooperate. On the other hand, when it is an easier issue, it should be easy to start the cooperation. If they do not produce concrete tangible results, architectures would lose momentum. In ten to fifteen

years, those existing regional institutions shown in Figure 1 that prove to be effective will survive and will comprise the future regional architecture in East Asia.

These five principles are hard and are inter-related in developing a viable and sustainable regional architecture for cooperation in the Asia-Pacific. It does not suffice to have conferences, but to operationalize some cooperation. We should not repeat “Le congrès danse beaucoup, mais il ne marche pas.”

In concluding

Given the great changes taking place in Asia, Japan wants to adapt to the changes and redefine Japan’s role in the region in a way that increases Japanese visibility. Regionalism is certainly one of the paths for Japan to choose. Japan certainly benefits from, and wants to build a stable neighborhood for its own sake and for the sake of regional peace and prosperity. To take an active part in this process and realize its own interests and those of the region, Japan should aim for a regional architecture with principles.

For Japan, bilateralism, regionalism and multilateralism are not choices from which it must choose one. Rather Japan must navigate all three to remain a relevant player, realize its interests, and promote prosperity and peace regionally and globally. Given shifting power dynamics in the region, Japan will strive more diligently to be a player from economy to security, trying to reconcile its past, and making a positive contribution to Asia’s future.