

Lecture

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“Japan’s Diplomacy: Consistency and Evolution”

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The main objective of today’s lecture is to review some of the major diplomatic issues that Japan has faced in the last one or two years in this region and to try to look into the background to these issues. In presenting my own observations, I would like to use a longer timeframe starting from the end of the Second World War. I believe that the perspective offered by such a timeframe will allow a closer insight into the background and environment that have led to Japan’s diplomatic policy. I cannot, of course, describe in exhaustive detail all the processes involved in the last few decades of Japan’s diplomacy, which are complicated and the products of different domestic and external factors. Nevertheless, I believe that a review with a longer perspective serves to provide a better understanding of today’s issues.

The first topic I would like to touch on is the issue of the United Nations reform. You are no doubt well aware of the fact that Japan is seeking permanent membership of the UN Security Council. The UN did not reach a specific conclusion on the reform of the Security Council during the last session of the General Assembly, although the need for early reform is widely recognized by the UN member states. Last year we saw demonstrations against Japan’s permanent membership of the Security Council in several cities in Mainland China, which resulted in a number of illegal acts of vandalism. You may also be wondering why Japan is so keen on the UN reform, whether Japan wants a permanent seat on the Security Council only because it makes a large financial contribution to the UN. To address these issues, I would like to go back to the starting point of Japan’s diplomacy right after the Second World War.

After the war, Japan was governed under the occupation of the Allies, namely the US, from 1945 to 1951. The Japanese diplomatic agenda in the 1950s aimed at regaining independence, normalizing relations with other countries, and joining the international community as a full member. At that time, the international community was already divided into the West and the East in what became known as the Cold War. The Japanese government chose the West and participated in the international conference convened in 1951 on the initiative of US to settle the terms of pacification with Japan. The conference decided that Japan should abandon its foreign assets and normalize its relations with war-affected countries by concluding a peace treaty that included war compensation. Thus, Japanese diplomacy started in 1951. The normalization of ties with China was different, however, because neither the Republic of China nor the People's Republic of China attended the conference. Japan normalized ties with the Republic of China first, and later Japan and the People's Republic of China agreed to open diplomatic relations in 1972. Although Japan regained independence in 1951, the normalization of ties was limited to those countries that had participated in the conference initiated by US, a conference that had been boycotted by the East camp, however. Under these circumstances, Japan had to wait to become a full member of the international community until it was accepted into the United Nations in 1956. Entry into the UN was wholeheartedly welcomed by the Japanese people and was the cause of nationwide celebration. Since then, the UN has occupied a very important place in Japan's diplomacy.

Japan's activities within the United Nations structure in the past are a clear testimony to the fact that UN diplomacy has been one of the main pillars of Japan's external relations. The promotion of economic and social progress in developing countries is an area in which Japan has made a significant contribution within the UN. Japan has played a unique role in disarmament activities, such as efforts toward the abolition of nuclear weapons, arms control and non-proliferation of WMD. I will go into UN peacekeeping and humanitarian relief operations in more detail later, but the cases of Cambodia and East Timor represent Japan's major contribution to the process of peacekeeping leading to reconstruction in once conflict-ridden areas. Regarding its financial contribution, currently Japan alone shoulders about 20% of the expenses of the UN, which is greater than the combined contributions of China, the UK, France and Russia, four permanent members of the Security Council.

The UN today has nearly four times as many members as when it was founded and

the issues the UN faces and is expected to address are now more diversified and complicated. There is a consensus among all its members that the UN needs to be reformed to make it more effective, efficient and credible. The issue of the Security Council reform has been under discussion for more than a decade and it is time for member states to make a decision. Permanent membership of the Security Council will give Japan a greater opportunity to make a significant contribution through the UN to solving various global issues that affect international peace and security. Japan will work further to reach a conclusion on UN reforms, including that of the Security Council.

The second topic I will address is the concern voiced in neighbouring countries over Japan's external posture. The concern is often expressed as fear of a revival of Japanese militarism, or worries about a perceived trend towards a right-wing movement, etc. This concern may be amplified by other topical issues that are often reported on TV or in the newspapers. I therefore find it truly necessary to publicize more widely the post-war transformation of Japanese society.

Throughout the 50s and 60s, the Japanese domestic agenda was focused on post-war nation-building and economic reconstruction. The restructuring of Japan's social, economic and political systems had started with initiatives from the occupying forces. Nevertheless, it would not have been possible to achieve such a revolutionary restructuring of society without the support and active participation of the people. Japan really devoted itself to establishing a free and democratic society, and this transformation of the nation was based on its deep remorse for the facts of history, including the colonial rule of and aggression towards Asian countries. Pacifism thus became a deep-rooted principle in the transformation of post-war Japanese society. Article 9 of the Constitution prohibits the use of force to solve international disputes. Japan has never engaged in any type of war. It has strictly maintained its policy of not allowing any type of arms to be exported. Japan is really a rare case: a country with a big economy that has never exported even one single item of military weaponry. Japan's efforts in the post-war era to transform its society into a free, democratic and pacifist one tend to be overlooked by foreign observers, especially in neighbouring countries. Alongside this transformation of society, the government mobilized the people's energies for economic development and better living standards.

Setting as a priority economic reconstruction and a pacifist defence policy, coupled with a reliance on the Japan-US Security Treaty for its international security, Japan

succeeded in achieving stability and a solid development, and gradually expanded the contributions it made to the international community, as I will clarify later. Japan successfully hosted the Olympic Games in 1964, an event which, for the majority of the people, reflected the fruits of their hard work. By 1968, Japan had become the second largest economy in the West – and was often referred to as an “economic miracle”.

Although this achievement was the product of the strenuous efforts of the Japanese people, the economic miracle would not have been possible without a fair and transparent international framework, namely the GATT multilateral trade system, the basis for today’s WTO, and the multilateral financial system of the IMF. These multilateral frameworks have supported the post-war global trade and financial system and Japan has fully benefited from them. Based on our own experience in the post-war era, Japan attaches great importance to nation-building with a free, democratic and pacifist society, economic development and adherence to global standards accepted by the international community.

I will now turn to the third topic, Japan’s contribution to the international community, which has evolved as Japan has sought to define its place in the world.

Japan’s diplomacy in the 70s had to address a new environment within the international community based on issues such as Japan’s trade surplus with the US, its growing economic presence in ASEAN and the contribution Japan, as the second largest economy in the West, was expected to make to the international community. In 1977, Prime Minister Takeo Fukuda paid an official visit to ASEAN and announced new Japanese commitments, later called the “Fukuda Doctrine”, which included a substantive increase in official development assistance, or ODA. By 1989, Japan’s ODA had increased sixfold to make it the largest ODA donor in the world. The “Fukuda Doctrine” called for partnership with ASEAN countries, and Japan thus assisted in the economic development and, accordingly, the stability of the region. My government is very proud to see what the last 30 years of partnership have achieved. Today’s ASEAN is another growth engine of the world economy and has become a very important political partner in the region. Thus, the contribution to the international community came to form an integral part of Japan’s diplomacy. Japan’s ODA expanded to cover most of the developing countries in the world. When China adopted its opening and reform policy in 1978, Japan announced its support, which constituted a core of Japan’s foreign policy towards China.

1989 was a dramatic year for the world and of course for Japan as well. The fall of the Berlin Wall in 1989 and the collapse of the Cold War system brought the world significant changes – to cut a long story very short, the brighter side of the outcome is that democracy has been established in many countries and market-oriented principles have begun to dominate many economies in the world; the darker side, however, is that ethnic and regional disputes and conflicts have arisen in quick succession in every corner of the world, requiring the serious effort of the international community to create a new and proper world order. The Iraqi invasion of Kuwait and the world's response to it, which led to the first Gulf War in 1991, is a case in point. More than 30 countries participated in the world coalition to overturn the invasion. Japan refrained from sending personnel or making any type of contribution on the ground because there was controversy over the constitutional authority to do so. It instead chose to make financial contributions, amounting to 13 billion US dollars, which by far surpassed the total annual amount of ODA that Japan extended to the world that year. However, when the government of Kuwait, to express its appreciation for its liberation, took out a one-page advertisement in the Washington Post that carried the names and flags of the countries that had made a contribution, Japan was not one of them. This gave Japan a big shock, as it thought it had made an important contribution. This also illustrated the importance of actual contributions by personnel and on the ground, something that really challenged Japan's diplomacy especially in light of the fact that in the post cold war era there have been many ongoing civil wars and regional conflicts and many others that have arisen.

The monitoring of the ceasefire in the Cambodian civil war and the country's reconstruction was the first big instance when Japan sent personnel for peacekeeping operations while also assisting in the whole process of negotiation through to reconstruction. Timor-Leste was another case in East Asia that called for Japan's active involvement. Japan has sent a total of about 5,500 personnel to disputed areas to take part in UN peacekeeping operations and international humanitarian relief operations. I need to emphasize that Japan has laid down a strict framework for these activities, which precludes involvement in any type of combat and limits the use of arms. The recent case with Iraq is another example of Japan's Self Defense Forces participating under a rigid framework. The SDF personnel that have been deployed to a non-combat area in southern Iraq are engaged in humanitarian and reconstruction activities such as the provision of water supplies and road maintenance.

I have presented some basic features of Japan's diplomacy related to the issues we have recently witnessed, especially in relation to China. They of course do not cover exhaustively all the features worth mentioning with regard to the last few decades of Japan's diplomacy. Nonetheless, the above features will also constitute Japan's diplomacy in the years to come.

Now, let me move on to one of the most important bilateral relationships in this region, namely Japan-China ties. My view on current and future relations is rather simple and clear. I am basically optimistic on Japan-China relations. There are reasons to support this optimism.

First, we share a lot in common, especially in economic areas. Trade and investment constitute important parts of the bilateral ties and are already built in as an integral part of both economies. In 2004, Japan's trade with China including Hong Kong was bigger than its trade with US for the first time.

Second, mutual visits and communication on the mass level have just started and will expand rapidly in the years to come. In 2004, about four million Japanese and Chinese people visited each other's countries, but this number is still very modest when the whole population of the two sides is taken into account. Future expansion will surely facilitate closer communication and better understanding on both sides.

Third, Japan-China relations are important not just for the two countries, but also for the stability and prosperity of this region, and they need jointly to play constructive and positive roles here. The leaders of both sides have repeatedly expressed this idea, and I believe they clearly recognize that by playing such a role the two countries will both be able to find their place in this region.

As I am sure you are well aware, there exist several issues between Japan and China that sometimes give an excessively negative impression of our bilateral ties. Some of these are related to the past Japanese invasion and others originate in a conflict of national interests. The latter especially is a common phenomenon between neighbouring countries. Existing issues need to be looked into one by one and addressed accordingly. It is not appropriate just to put a negative label on the whole relationship. But I do not intend to touch on specific bilateral issues here. Rather, I would

like to look at Japan-China relations from global and regional perspectives and present two major factors that are evolving in this region and that will determine the future picture of this region – the growing trend of regional integration and the rise of China.

First, let me just briefly touch on the trend towards regional integration. Take trade for instance: intra-regional trade in East Asia accounted for 53 percent of the region's total trade in 2003. The same figure in the EU is 60 percent and that for NAFTA only 45 percent. This illustrates that, even without a legal institutional framework, East Asia has already achieved trade integration closer to that of the EU. In other words, East Asian economies really characterize themselves as vested with a strong trend towards integration and interdependence.

At the same time, there already exist many regional fora and organizations to address issues of a various nature, although the level of institutional integration can hardly be compared with that of the EU. Among such fora and organizations, ASEAN plus Japan, China and Korea, that is ASEAN plus 3, has developed as an efficient and action-oriented forum. Let me describe some of the achievements made at ASEAN plus 3.

- (A) ASEAN plus 3 agreed in May 2000 to set up a network of financial swap arrangements, called the Chang Mai Initiative, which will facilitate quick action to prevent a second Asian financial crisis from happening again. Swap arrangements conducted so far amount to over 40 billion US dollars.
- (B) ASEAN plus 3 also agreed in August 2003 to take an initiative to expand bond markets in Asia, called the Asian Bond Markets Initiative, which aims to encourage more Asian bonds to be issued in Asian currencies.

These are just some of the matters decided or being discussed in various fora and organizations. Nonetheless, many issues remain – economic development, financial matters, environmental protection, piracy, the proliferation of WMD, security matters, etc. Closer cooperation among member countries, especially Japan and China, is a key to jointly addressing such issues.

Second, the rise of China has attracted the world's attention. It is a matter not just related to Japan, but to each country and area in this region. Let me clarify how Japan

sees the rise of China.

Five or six years ago, Japanese business circles had two different views of China's economic rise. One perceived it as a threat, but the other welcomed it as an opportunity. When he attended the Boao Summit held at Hainan-dao in 2001, Prime Minister Junichiro Koizumi clearly stated that the economic development of China is an opportunity. The Prime Minister's view guided Japanese observations. Foreign Minister Taro Aso referred to the same topic in a speech he delivered in Tokyo last December. Let me quote him: "Competition is almost always a good thing for socioeconomics. When you encounter a strong competitor, you are able to improve yourself. For that reason, we celebrate the rise of China and welcome it sincerely."

Today, the majority of business circles share that view and find common merits in strengthening economic ties with China.

The rise of China is not limited to the economic area, but also relates to the social and political development of this region as a whole.

This region, East Asia, faces issues varying from economic prosperity, epidemics and environmental matters, security issues, to social and political transformation. The Japanese Foreign Minister also said in his speech: "What would be even more beneficial is the expansion of this competition into the political and social fields in the years to come."

In this context, I would like to refer to the Kuala Lumpur Declaration adopted at the East Asia Summit held last December in Malaysia. This summit saw the participation of the leaders of 16 countries – ASEAN plus 3 as well as Australia, New Zealand and India – and was convened with a view to discussing community building in this region. The declaration agreed by the 16 leaders calls for the fostering of strategic dialogue and cooperation in political and security issues, and the promotion of development, financial stability, energy security and economic integration, as well as of deeper cultural understanding and people-to-people contacts. In addressing such issues, the declaration urges the countries especially to strengthen the application of global standards and universally recognized values.

The East Asia Summit was a product of developments at the ASEAN forum and was

proposed by Prime Minister Koizumi in January 2002.

We believe that this region has already achieved a great deal and gained experience in the issues required for promoting further cooperation and integration. As the process moves forward, we attach great importance to open and outward-looking fora and transparency, while equally important is the need to adhere to global norms and universally recognized values.