

Interview with Yuichi Hosoya, Professor of International Politics, Faculty of Law, Keio University

Guidelines for Japanese Foreign Policy in Asia as Viewed by Younger Japanese Academics

By Japan SPOTLIGHT

JS: What was behind the publication of “Asia in 2035 and Japan’s Place in the Region” in March 2015 by a group of younger political scientists in Japan?

Hosoya: The main purpose of the Policy Planning Section of the Foreign Policy Bureau in the Ministry of Foreign Affairs is to build a network of intellectuals. I have been exchanging opinions with officials at the Policy Planning Bureau over the past 10 years on various occasions. The discussions are generally closed, but this time, partly in response to my request, the ministry agreed to publish the key findings. We younger intellectuals gathered and discussed freely amongst ourselves how to determine the middle- to long-term prospects for Japan’s foreign policy, and publish our findings in the report.

There were several factors that led to the creation of this report. The thematic issues were determined based on our conversations with ministry officials, and one of the issues that came up was to clearly define and share the direction of Japanese foreign policy. The 2013 *National Security Strategy*, which I played a part in drafting, and the *National Defense Program Guidelines*, show us that newly emerging countries, such as China, have very quickly changed the landscape of both global and regional strategic environments. We have entered an era where it is very difficult to predict the future, and yet the administration and ruling political parties seem to be changing every time we have a general election. Thus we felt that it was essential to clearly define a direction for Japanese foreign policy, and share that across all political parties.

In particular, ministry officials have requested that relatively young intellectuals and specialists convene to discuss the Asia-Pacific order in 2035, because in 20 years we would have to assume a more senior role and be more influential in policy circles. This is why younger scholars are part of this study group. In this respect we were very flexible and fresh, and therefore were able to offer different perspectives.



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Changes in American Foreign Policy

JS: The role of the United States in the Asia-Pacific region is important when thinking about diplomacy in Asia. What can we do to maintain American interest in the region?

Hosoya: Generational changes take place naturally anywhere in the world, whether it be Japan, Europe, Asia, or the US, and what used to be an assumption changes over time. For example, during the Cold War, we were used to the America versus the Soviet Union or the East versus West confrontation. Japan, as part of the Western Alliance, contributed to international cooperation and the basis for that was the US-Japan alliance. This also highlighted the fact that the post-World War II order in Japan was predominantly

led by the US presence in the region. I think this is the fundamental notion shared by the more senior generations, and this notion was perhaps a given condition that contributed to the formulation of Japanese foreign policy.

China is now the second-largest economic power in the world, and the traditional East versus West confrontation no longer holds. It is not desirable to treat China as if it were the former Soviet Union during the Cold War. The former Soviet Union did not have trade partners, but China is Japan’s largest trade partner and things are not as simple as having China become a declining power.

This leads us to assume that the conditions for international affairs have changed: how Japan perceives the world, and also how the US perceives the world. Public opinion in the US has also experienced a generational shift, and things have also greatly changed with time. First, in 2013, President Barack Obama clearly stated that America is not the world’s policemen. In other words, the US will no longer engage in every conflict in the world.

The basic global strategy constructed by the US after the Cold War was to possess ready-for-combat military capabilities both in Europe and in Asia, the two major theaters of international affairs. In other words, if there was a war in the Middle East, the US can send its

troops as it did during the Korean War, and if there were two relatively major wars, in Asia and in the Middle East, or in Europe, the US would also need to send troops. Hence in 1995, Joseph Nye, then assistant secretary of defense for international security affairs in charge of East Asia, stated that the US will maintain a military presence of about 100,000 troops in Asia for the next 10 years, which meant until 2005.

The preconditions for US policies during the immediate post-Cold War period are now drastically changing. First, there is the anti-terrorism war, which deals with the threat of the enemy within, and this is a far different threat from what the Americans used to prepare for. If it was the threat of the Soviet Union, the US would have been able to deter that by deploying troops across its military bases around the world. But now, increasing its forces in military bases in Japan, Saudi Arabia, or in Europe does not fully counter terrorism. Hence the US is forced to reconsider its traditional military strategy of deploying massive military power to the front lines. I think this has been the major change in the last 10 years.

While this is occurring, the mindset of the American people has also changed. Since the Lehman Shock, the domestic economy has been prioritized and there is less financial capacity and fewer resources to commit to external challenges. We have entered an era where in the short term, we may assume American commitment to Asia, but for the middle to long term we cannot.

This means that a US military presence in Asia is not a given condition. But neither is a US military withdrawal from the region. What will then affect future American policy is what Japan, its ally, intends to do, and this is very different from when US forces were deployed to American military bases in Japan, which was to counter the Soviet threat.

World Order — with China & Without

JS: It is important to maintain American interest in the Asia-Pacific region for its peace and prosperity. With this in mind, what is your view of the debate about the need to involve the US in the APEC community-building process, with APEC being at the center of the world economy, and with the cooperation with the APEC region reaching beyond economic issues such as free trade agreements (FTAs) into political security cooperation, disaster mitigation and human security?

Hosoya: I agree with the broad outline of the debate, but we also need to think about other issues.

First, in the past 10 to 20 years, there has been a shift from the Atlantic to Asia, which is not only the largest trade region for the US but also at the core of future growth. It is thus highly unlikely the US



will lose interest in Asia; rather, its interest will continue to grow.

I have previously said that Americans are inward looking. It is important to see to what extent they are interested in external affairs, and where their interests are geared to. In other words, the US is less interested in external issues, but at the same time more interested in Asia. This is something that should be considered an assumption behind US policies.

Japan is also seeing China as an important power, and at the same time East Asia is also a vitally important region for Japan. The other major shift is that the future of Japan or Asia cannot be discussed without looking at East Asia and Northeast Asia.

When the G20 Summits began in 2008, they consequently lowered the status of the G8 Summits, and with that it was noted that leading industrialized countries alone cannot solve the important challenges facing the world, and that newly emerging countries such as China and India were expected to take on greater responsibilities and be engaged. Robert Zoellick used the term “Responsible Stakeholder” in 2006 to describe this new phenomenon, and after 2008 we begin to see China playing a more important role in world affairs.

But most recently, Chinese actions in the South China Sea and Russian actions in Ukraine have caused concerns as both countries are seen to be trying to change the status quo by using force. There are now concerns as to the validity of creating a rule-based international order with China and Russia. Hence the G7 reconvened from 2014, excluding Russia once again. There was a common feeling there that cooperation between Japan, the US and Europe, the countries that share common values such as democracy and freedom, was the key.

The first such glimpse of doubts towards China and Russia were seen in 2009 at the COP15 conference in Copenhagen. Back then, the

Interview 2

European Union and the US were very optimistic about the outlook for China and assumed they would be able to talk about climate change issues together. But in fact, China focused on its own position and lacked understanding of the need to cooperate, and this shocked the US and Europe. The current situation in Ukraine and the South China Sea only further enforces this point about not being able to engage in meaningful discussions with China and Russia. Thus we see an international order which includes China, and another international order which excludes China. Or to phrase it differently, another international order which centers around cooperation among democratic nations who share common values, alongside an international order that includes China.

The same can be said about an international economic order. One scenario is the Trans-Pacific Partnership (TPP) agreement which excludes China, aiming for a high-level free trade area, or a framework for international cooperation. But a global economy which excludes China is untenable, and therefore cooperation among Asian countries, including the Regional Comprehensive Economic Partnership (RCEP), must be considered.

Japan-EU Economic Partnership Agreement (EPA) negotiations are also under way, as well as TPP talks. One scenario may be, if we can achieve both, that Japan will serve as a hub by creating a global economic order, and take on the important responsibility of setting rules. Another scenario is one based on a framework such as the Asian Infrastructure Investment Bank (AIIB), which is a new economic order that excludes Japan, or one that Japan does not join. In a way, a cooperation mechanism that includes China and one that excludes China are developing simultaneously.

The difficult challenge for world affairs today is that conflicting and opposing pieces are moving all at the same time, and it has become increasingly difficult to look ahead into the future.

Functions of the AIIB

JS: Should Japan, like many European countries, participate in the AIIB proposed by China to become part of the world order that includes China?

Hosoya: Most of the members of this group were in favor of Japan's participation. We felt that this was not something that should be rejected, as it does not necessarily pose a threat to Japan or to the US. Rather, it provides a mutually complimentary function.

China had originally envisioned an initiative that excluded Japan and the US, but decided to change course and open it up to the outside, including Japan and the US. China chose this path because Chinese Overseas Development Aid (ODA) has been failing for the past 10 years. China has given ODA to various countries, but most have failed to achieve their original goals and this has led to domestic criticism. China therefore opted to turn to the United

Kingdom and Japan, since both countries have long experience of economic aid and ODA. In the end, the UK decided to join, while Japan did not.

China also welcomes economic development in Asia, but I think it is more concerned about domestic criticism over the failure of its ODA, and seems therefore to be turning to advanced countries, such as the UK and Japan, to draw on their expertise so that the AIIB can invest in areas of high return. The complexity of the AIIB is that it needs to contribute to the economic growth of China, and that definitely clashes with the EU, especially as the EU has higher standards on environmental issues. If the EU and China work together through the AIIB, strong criticism on human rights issues and environmental issues are bound to emerge from Europe. If such criticism is too strong it will offend Chinese nationalism, and this would have uncertain outcomes.

In addition, current ODA is untied, and therefore member countries of the Organisation for Economic Cooperation and Development's Development Assistance Committee (DAC) are shifting towards achieving international public good. Therefore, if China acts just for the benefit of its own economic growth it will create great tensions with Europe.

In cooperation with the US, Japan established a set of high standards for ODA at the Asian Development Bank (ADB), and the ADB also had many conflicting components. More concretely, the ADB demanded that each government deliver on its promises and agreements.

I think that the AIIB and ADB should be mutually complementary by nature, but ultimately the AIIB will support projects which it thinks will be beneficial and profitable, whether it be in dictatorial states or environmentally destructive projects. Many of the countries that will require future funding are perhaps failed states, under dictatorships or violating human rights. I think China and the EU will be at odds over whether the AIIB will fund such countries and projects.

Therefore, my position on this issue is to wait and see, and to determine whether and how the AIIB will function. The ADB has a solid working background, and a long history of successes and experience, which grants it a future role. But the ADB's capital is not enough to meet the infrastructure demands in Asia. This is where the AIIB should come in to fill the gap. This is not necessarily negative for Japan, as interests and methods differ between Japan and China anyway, as they do between the ADB and AIIB, and the two must coordinate ways to be mutually complementary. When the complementary aspects of the two banks are achieved and strengthened, not the competitive aspects, then I think this is when Japan can join.

What definitely differs between Japan and Europe is that Japan established the ADB with the US, and the presidents of the ADB have been Japanese. The ADB presidency is not held by Europeans, and therefore there is no problem with European countries joining the

AIIB. On the other hand, Japan takes on this special responsibility within the ADB and should not jump to join the AIIB until a mutually complementary relationship between the ADB and AIIB is properly established.

Improving Japan-China Relations

JS: What can we do to make China a country that upholds the rule of international law in the middle to long term?

Hosoya: It is not good to divide global economies, and the worst scenario is for the AIIB and ADB to compete, scramble, and confront each other. But Japan has neither the power nor the initiative to stop China's diplomatic initiatives.

Meanwhile, the US Congress has been very inward looking as never seen before. A hardline China has been pursuing uncompromising policies, and since the majority in Congress is Republican and very opposed to Obama, the US has become internally focused. Japan does not have the power to change American policies or Chinese policies.

Therefore, if there are close Japan-US relations and close Japan-China relations, ADB projects and AIIB projects can be aligned for Japan to take on various roles. But in order to do that, Japan and China cannot be against each other. It is important to convince China that Japan is not a hostile country. During the 1990s, Japan strongly supported China's entry to the World Trade Organization. By firmly committing to and working to protect China's economic growth and its peace and prosperity, a trusting relationship between China and Japan can be formed, and Japan's influence over China will expand.

Japanese leaders need to keep in mind in what direction Japanese foreign policies should head, and deliver on them. An important component of this direction is discussed in our report, and that is to deepen the relationship with China to build trust and cooperation. The desirable scenario for now is to strengthen the Japan-US alliance, and at the same time improve Japan-China relations so that Japan can exert greater influence in the region and take initiatives.

JS: We at the JEF have begun a Japan-China-South Korea Cooperation Dialogue project. Japan is a mature industrialized country that has struggled with environmental issues and has experience of FTAs. One of the goals of the Dialogue is to provide an opportunity for Japan to share the lessons it has learned with China and South Korea. Do you see this initiative as a potential driver for improvements in Japan's relationships with China and South Korea?



Hosoya: I think this initiative is most important, and we have also clearly noted the importance of such initiatives in our report. "Value-oriented diplomacy" points to political regime, democracy, human rights, and rule of law, which are all issues of conflict between Japan and China. But there are values that Japan, China, and South Korea share. For example, to be able to eat safe food, live in peace, and lead healthy lives by eradicating air pollution or water contamination. I think the difficulty with Japan-China relations is that vast resources and policies are used for issues that cannot be shared, and scarcely used for those that can be shared.

European union is a concept that was first introduced by Winston Churchill in 1946 when he used the term "United States of Europe". This led to a conference that was held in The Hague in the Netherlands in 1948 where about 800 politicians, diplomats, and intellectuals gathered in an attempt to form a European parliament and a European army. But all of these failed because everything was too ambitious, and the ideals and principles were not shared. But what was successful through this process, which led to the current EU, was the sharing of coal and steel.

Japan and China should freeze working on issues that are impossible to resolve, such as territorial issues and history, and pick up on critically important issues on which they can cooperate. One such issue is the environment: Japan can transfer its environment technology to address water pollution and air pollution in China, and they can work together towards improvements.

Japan's experience and technology in nuclear power and superexpress trains can also be passed on to China. If there is an instance of a nuclear accident in China, this will affect Japan as well, and so Japan should support China in preventing such disasters. This would also be in line with Japan's national interests. **JS**