The Japanese Dilemma

By Kikuo Sato

Japan is trying to adapt to the new post-Cold War world, but in doing so it faces several dilemmas. The time has come for the country to think about its position in the international community. Having created the second-largest economy in the world, Japan has a perhaps undeserved reputation for having a deep pocket. And countries around the world, having overestimated its financial resources, are tempted to seek large contributions from it for every project that requires international support.

Nor is it just money that is desired. The world is asking that Japan contribute its fair share in the political, social, and even military arenas. But there are constitutional constraints on Japan that cannot be changed at the drop of a hat, and the insular structures and customs that the country has built up over centuries are certainly not going to fade away overnight. Unable, therefore, to make clear-cut choices about anything, unable to react decisively, Japan hesitates, stalls, and seemingly fails to come to grips with its problems.

Gulf War shock

Just what are these problems, these dilemmas that Japan faces?

Its first dilemma stems from a shock the country received a year ago during the Gulf War and is still trying to get over. After its liberation from the Iraqi forces, Kuwait lined up the names and flags of the countries that supported it and expressed its thanks. But Japan was nowhere to be found, and that in spite of the fact that it spent a total of $13 billion on the war, for which the total cost to the U.S.-led allies was about $40 billion. Japan paid $9 billion as a direct contribution to the war effort, and another $4 billion in reconstruction cooperation and loans. That money had to be raised directly from the public through taxes. The Japanese people therefore considered their costs to be every bit as high as

those of Kuwait and Saudi Arabia, and felt that they had defrayed most of the United States' expenses in the "Operation Desert Storm."

But Kuwait ignored the contribution, and some in the United States criticized Japan for trying to solve everything with money rather than fighting alongside its allies. Some of the more insulting commentators went so far as to call Japan "nothing more than a cash register." The Japanese were distressed by these slights, and frustrated because there was no place to vent their annoyance and anger.

Then-Prime Minister Toshiki Kaifu said it was time for Japan to start contributing people as well as money to international causes, and submitted a bill to the Diet that would enable the country to participate in U.N. peacekeeping operations by having its Self-Defense Forces (SDF) provide behind-the-lines support for multinational forces. Kaifu tried hard to push the bill through, but it was an abortive effort. The opposition parties fought it tooth and nail and the general public was convinced that the Constitution forbids the SDF to be sent abroad.

That, however, was not the end of the matter. This year, the government of Prime Minister Kiichi Miyazawa submitted a bill that would allow Japan to participate in the U.N. peacekeeping operations in nearby Cambodia. In fact, he staked the life of his administration on the bill's passage, and convinced two middle-of-the-road opposition parties to support him, though he had to make some revisions in exchange. The socialists and communists remained opposed to the bill, but the public has gained a more positive image of peacekeeping operations, and the bill was finally enacted on June 15.

Short end of the stick

This may be a step forward. Or so it would seem, but opinions in Asia are mixed. China, South Korea and Singapore are skeptical. Having been victimized by the Japanese army during World War II, these countries are scared that an SDF mission to Cambodia might be the prelude to a story they know all too well. Cambodia is all for the idea, however. Both Prince Norodom Sihanouk, the chairman of the Supreme National Council, and the government in Phnom Penh have indicated that they expect the Japanese SDF to provide behind-the-lines support for U.N. troops and expressed their hope that Japan will send engineering and medical corps as well. The governments of Thailand and Indonesia have indicated their support too. And even though the United States has repeatedly encouraged Japan to participate in peacekeeping operations, the Japanese must still feel as if the skeptical eyes of the world were watching them.

Last summer, Japan sent a fleet of minesweepers to the Persian Gulf to clean up the mines that had been planted along the coastlines of Iraq and Kuwait. There is an interesting anecdote in this connection. Sohei Miyashita, director-general of the Defense Agency, was on a television talk show recently in which he revealed that the minesweeping operation had cost Japan about ¥1.3 trillion ($10 million), or only a thousandth of Japan's total contribution to the war effort. But it was for this that Japan was praised, while for its footing of the bill for the war, all it got was the pejorative "cash register" designation. There is only one conclusion to be drawn: why waste all that money paying everyone else's bills when the contribution of a small, constructive force is much more effective?

It may be worth noting in this regard that the Japanese have been very critical of the actions of some the other major players in the Gulf War. Operation Desert Storm was launched as a Security Council-approved offensive against Iraq, but the only countries that actually stood out in the battle were the United States and Britain. While respecting them, Japan had little good to say about the other Security Council member countries.

With its empire in the process of unraveling, the Soviet Union had little energy for outside affairs and then-President Gorbachev's peace initiatives were ineffective. French President Mitterrand made some highly publicized gestures toward peace, but reports from the field said that no fighter planes were visible on the aircraft carrier Clemenceau, which France had dispatched from the Mediterranean to the Red Sea. China, for all the worry that it might exercise its Security Council veto, was not much better either. There were no Chinese soldiers seen in the Persian Gulf and there was no mention of China bearing any of the multinational force's expenses.

Perhaps it is not surprising that the Japanese felt they were given the short end of the stick. Each and every person in the country paid an extra $100 in taxes to cover the cost of the war. Why should they be treated so harshly later on?

Trivial politics

But there is yet another undercurrent to the story. The Japanese have begun to perceive the need for structural changes of their own as the Cold War framework of the last half-century gives way to new and as yet unknown security arrangements. But Japan will be unable to take decisive action at this historical turning point unless it is able to solve or at least alleviate the imbalance between its economic immensity and its political triviality. It is this "political triviality," in fact, that is at the heart of the Japanese dilemma.

"Trivial politics" refers to the practice of politicians leaving the most important matters of state–defense and foreign relations–to others while they concentrate on obtaining material benefits for their home districts, seemingly oblivious of the interests of the nation as a whole. The chief reason why politics here has become so trivial goes back to the end of the war, when Japan, as a defeated country, was disarmed and forced to renounce war by accepting the so-called Peace Constitution, and to sign the mutual security treaty with the United States, by which Japan agreed to follow Washington's leadership in most matters of defense and foreign affairs, a situation that has continued to the present day.

The signing of peace and mutual security treaties in 1952 allowed Japan to recover its independence, but the basic structures remained unchanged from the immediate postwar period. Politically,

therefore, it went nowhere, but in the realms of economics and trade it was an astounding success. Japan was able to use the free trading system enforced by the IMF and GATT and the fruits of co-operation with the United States to full advantage, rapidly moving from reconstruction to further growth. In the 1970s it did indeed achieve its goal of having an "immense economy," and with blessings from all around, it became an economic power.

Now that the Cold War has ended and the Soviet military threat has all but disappeared from Asia, one would expect that the huge U.S. bases in Yokosuka, Misawa and Okinawa would be getting visibly smaller, but such has not been the case. Comments by the U.S. defense authorities, including Defense Secretary Dick Cheney, and the United States' own defense plans all indicate that the United States and many of the countries in Asia feel the need for a strong U.S. presence in the region. Regional conflicts could possibly be more frequent and more dangerous here than in, say, Europe, and the U.S. needs to maintain its ability to respond to them quickly.

While there are some in Japan who call for the abrogation or renegotiation of the Japan-U.S. Security Treaty, their numbers are few and their power limited. To do so would mean that Japan would have to establish its own defenses, and before it could do that, the Peace Constitution would have to be amended. It is still rare for frank discussion of such matters to take place openly. On the other side, little is heard anymore about the Social Democratic Party of Japan's idea that Japan should become an "unarmed, neutral country" either.

Little hope in sight

What all this adds up to is that Japan has no desire to end the security treaty with the United States and take the responsibility for its own defenses–and that in spite of the fact that the need for U.S. military protection is gradually fading. Granted, part of this is because there would be almost insurmountable hurdles to get over before the Constitution could be amended: two-thirds of both houses of the Diet and a clear majority in a national referendum.

So even though it would like to break out of the "trivial politics" that plague it, Japan dare not abrogate the security treaty that gives the U.S. sole responsibility for Japan's defense. With most of the country lacking the stomach to scrap the treaty, it is impossible for Japan to set up a new system that would give it independent defenses–or even an independent foreign policy. As a result, it finds itself unable to live up to the rest of the world's desire for it to take on a political role commensurate to its economic size. There is no hope in sight that it will be able to develop the "significant politics" such a move would require. The Japanese have grown used to and even fond of this combination of "economic immensity" and "political triviality." Indeed, that combination is a rather good match for a traditionally passive island nation that turned staunchly pacifistic in the wake of a crushing military defeat.

The chances over the short term of Japan making noticeable progress toward political significance are not nearly as large as other countries believe. It is virtually inconceivable, for example, that it will become a military power any time soon, Henry Kissinger's predictions notwithstanding. Still, if the situation is left as it is, the imbalance between economic immensity and political triviality will only expand, and by the end of the decade it will have reached the point where it can no longer be ignored. For Japan, this is the biggest dilemma of all.

Japan's dilemmas do not stop there, however. It has its share of economic problems too. In the February 1992 issue of *Bungei Shunju*, Japan's most influential monthly magazine, Sony Chairman Akio Morita created a storm by suggesting that Japanese companies needed to make major modifications in their behavior. According to Morita, companies need to bring their employees' working hours down to U.S. and European levels, and instead of going after market share by mass-producing good-quality products at reasonable prices, they need to emphasize the production of high-priced goods at the very top of the quality spectrum.

Part of his purpose was to respond to incessant U.S. carping about unfair trade practices, but it was also clearly Morita's intention to call for an end to unbridled corporate competition and excessively demanding working conditions. His suggestions were extremely well received–by all, that is, except corporate managers. Takeshi Nagano, president of Nikkeiren (Japan Federation of Employers' Associations) led the attack and his argument was a prime example of the capitalist polemic. The Japanese economy, he said, prospered because of hard work. If the country loses that spirit of industriousness, economic growth will stop and prosperity will slip away.

Downsized economy

One of Morita's motivations for writing the article was to answer foreign criticisms of Japan's economic strength. A prime example of the audience he was targeting is Edith Cresson, who recently resigned as the prime minister of France. Cresson was not loved in Tokyo. In fact, her reckless comments earned her the worst reputation in Japan of any foreign leader. She was fond of comparing the Japanese to ants who work frantically all the time, live in tiny houses, and commute two hours a day to their jobs. While subjecting its people to such inhumane living conditions, she said, Japan was using the wealth it accumulated to dominate every industrial sector in the world. Not exactly the kind of talk one would expect from a prime minister.

But while her conclusions may have been skewed, she hit the nail on the head about the rest of it. Cresson said nothing about Japanese lifestyles that the Japanese themselves do not feel every day. Maybe Japan should have been thankful to her after all for speaking to it as such a true friend.

There is no need to go back over America's forays into Japan bashing. When the business cycle was reaching that unusually high peak that has come to be known as "the bubble," the Japanese were snatching up Rockefeller Center, Columbia Pictures, real estate in Los Angeles and

Hawaii, and famous western paintings by the dozen. That "invasive commerce," however, is a thing of the past. In the fall of 1991, the Japanese economy entered a major consolidation period.

As the authorities clamped down on credit, the liquidity bubble collapsed. In its wake, it exposed shockingly large-scale improper loans at financial institutions. Then, as share prices collapsed, securities companies were found to be making up the tremendous losses of some of their largest customers. Punishments began to be meted out, big-shot executives began to resign, and with this, a major shift occurred in the economy. Japan began to shed the accumulated dirt of the last several years; the economy started to downsize.

If other countries still have this image of Japan as an economic superpower and continue to demand financial support from it on that basis, it is now, unfortunately, almost impossible for Japan to give them the kind of immediate response they want. For the foreseeable future, Japan will suffer from the gap between what is expected of it and what it can actually provide. Looking at this situation, some economists in Europe and America have been rather pleased to announce the decline of the Japanese economy, but that, too, is unrealistic. Most Japanese economists say that there has been but little damage to the country's fundamental strengths and there is still room for further growth.

Territorial dispute

Japan has its share of dilemmas in foreign affairs, as well, though perhaps none is more pressing than the impasse in its relations with Russia. German Chancellor Helmut Kohl has publicly criticized Japan (at the May 5 general session of the American Newspaper Publishers Association) for not providing enough economic assistance to the former Soviet republics and Eastern Europe, but Japan still has some unfinished business with Russia dating back to the war: the return of the four islands seized from it in the final days of the conflict. In the absence of any solution to this dispute, Japan has steadfastly refused to give the former Soviet Union much more than humanitarian aid and it shows no signs of changing that stance now.

Of the four islands illegally occupied by the Soviets, even the Soviets themselves were forced to admit that Habomai and Shikotan, the two smaller islands, were actually part of Hokkaido. In a joint statement on diplomatic relations in 1956, Japan and the Soviet Union agreed that the two islands would be restored to Japanese sovereignty as soon as a peace treaty was signed. Unfortunately, a peace treaty has never been signed, and so the two islands have never been given back. Then last year, when the then-President Gorbachev visited Japan, he shocked people here by taking the incredibly high-handed stance that the agreement on even the return of these two islands was null and void because the "statute of limitations" had expired.

The Soviet Union claimed the other two larger islands, Etorofu and Kunashiri, to be Soviet territory, and they are still unlawfully occupied. When diplomatic relations were established and the Friendship and Navigation Treaty was signed in 1855 between Japan and Russia, they both officially agreed that the waterway directly to the north of the four islands should be the border between Japan and Russia. Japan's assertion is based on this historical fact, which justifies its claim.

However, during the Yalta Conference of February 1945, President Roosevelt promised Soviet leader Stalin that in return for declaring war on Japan within three months after Germany's defeat, he would: 1) return southern Sakhalin to the Soviets, 2) give the Kurils to the Soviets, and 3) restore Russian interests in southern Manchuria. At this time, a treaty of neutrality was still in effect between Japan and the Soviet Union. Roosevelt wanted a Japanese surrender as soon as possible, so he was willing to use the promise of attractive spoils to lure Stalin into attacking Japan's northern flank. Stalin accepted, abrogating his treaty with Japan. The deal was the same in substance as the secret treaty between Germany and the Soviet Union giving the Soviets control over the Baltic republics.

Stalin hurriedly declared war on Japan on August 8, two days after the atomic bomb was dropped on Hiroshima. The Soviet forces quickly occupied Manchuria, southern Sakhalin and the Kurils, claiming the spoils Stalin had bargained for at Yalta. If that were not bad enough, Stalin went on to deport 600,000 Japanese living in Manchuria to forced labor camps in Siberia. Cold, starvation and sickness claimed the lives of about 60,000 of them. Japan is therefore not asking too much if it conditions its peace treaty with Russia on an apology for the inhuman treatment of its people and the return of its "northern territories."

Absolute minimum

In contrast, the war with Germany cost the Soviet Union 20 million people and much of its land was laid waste by the invading Nazi armies. Gorbachev, however, was instrumental in tearing down the Berlin Wall and facilitating the reunification of the country. He even rewarded Germany by pulling Soviet forces out of the East. In return, Germany promised large sums of economic aid to the former Soviet republics and Eastern Europe.

There is thus a striking difference between the warmth of German-Russian relations and the coldness of Japanese-Russian relations. Japan, in this case, was a victim and before it provides the kind of friendly assistance that Germany has done, the overwhelming majority of the Japanese believe they have the right to ask for the return of the disputed islands and amends for the ravages of Stalin. Indeed, they see these conditions as the absolute minimum.

But regardless of the reasons, its poor relations with the former Soviet republics are a thorn in Japan's side. Japan would like to provide the large sums of financial assistance that are necessary to stabilize the Russian economy, but it cannot. And here again, it faces a dilemma.

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