

Japan's Grand Strategic Shift from Yoshida to Koizumi: Reflections on Japan's Strategic Focus in the 21st Century

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ABSTRAK

Doktrin Yoshida merupakan strategi utama yang dilaksanakan Jepun sejourus Amerika Syarikat mengembalikan tampuk pemerintahan kepada Jepun. Doktrin ini menjurus kepada pembangunan dan kemakmuran ekonomi, di samping menghadkan komitmen dan perbelanjaan ketenteraan ke tahap yang paling minima. Penghayatan doktrin ini telah berjaya memacu Jepun menjadi gergasi ekonomi dunia. Namun demikian, keberkesanan dan kerelevanan doktrin ini mula dipertikaikan apabila berhadapan dengan perkembangan dan perubahan strategik dan politik antarabangsa dalam era pasca-Perang Dingin. Malahan, sokongan kepada doktrin ini semakin lemah. Artikel ini menampilkan hujah bahawa Doktrin Koizumi merupakan strategi utama yang lebih sesuai dengan peredaran masa dan keperluan semasa Jepun. Strategi utama baru ini mengandungi tiga matlamat: (1) kuasa struktural, (2) keharmonian nasional, dan (3) tahap kompetitif ekonomi Jepun. Perubahan dari Doktrin Yoshida ke Doktrin Koizumi ini menggambarkan aspirasi Jepun serta reaksinya terhadap persepsi ancaman sejajar dengan perkembangan dalam negara dan antarabangsa.

ABSTRACT

Postwar Japan had been defined by the Yoshida Doctrine. As a grand strategy, this doctrine, which was aimed at spurring and advancing Japan's economic development while keeping security commitments to the lowest acceptable level, had reaped enormous benefits and was instrumental in creating the economic mammoth that Japan is today. However, the changing security and political environments attendant with the post-Cold War era is challenging the precepts of the Yoshida Doctrine. This article argues that the Yoshida Doctrine is losing support, and in its wake the newly christened Koizumi Doctrine is a more accurate approximation of Japan's emerging grand strategy. The new grand strategy is concerned with (1) achieving structural power, (2) preserving national tranquility, and (3) maintaining Japan's economic competitiveness. The shift from the Yoshida Doctrine to the Koizumi Doctrine is a manifestation of Japan's aspirations and perception of vulnerabilities in the context of domestic and international developments.

INTRODUCTION

The story of Japan, as told by its grand strategies, had been a constant struggle to adapt and accommodate the pressures of change. The Meiji oligarchs reversed the Bakuku's *sakoku* policy, and exposed the country to western influences and teachings. At the same time, they were mindful of the consequences of unmitigated change. It was due to the Meiji oligarchs' foresight and sagacity that Japan managed to avoid the ignominy of falling under the yoke of western imperialism. Except for one major aberration – World War II – Japanese grand strategy had been very successful. Nevertheless, at the closing stages of the late Shōwa era (1926-1989), Japan was teetering on the edge of complacency. The Yoshida doctrine that had hitherto been an unqualified success was beginning to show signs of fallibility. The Koizumi doctrine is, on the one hand, an attempt to rectify the shortcomings of the previous grand strategy, and on the other Japan's response to present and future challenges. This article argues that the main tenets of the Yoshida doctrine are unsuited for contemporary times. Although the parameters of the Koizumi doctrine are murky, what is clear is that Japan is coming into its own and is gradually increasing its international profile. This article begins with an introduction of the Yoshida doctrine and arguments identifying three areas where the doctrine is incongruent with the changing strategic landscape. It then introduces the Koizumi doctrine and outlines the main pillars of this emerging grand strategy. It concludes with a brief discussion on the impact of the Koizumi doctrine on Japan.

THE YOSHIDA DOCTRINE

The “Yoshida Doctrine” was named after Yoshida Shigeru who was prime minister from 1946-7 and 1948-54. A diplomat by profession, Yoshida was one of the most influential politicians of postwar Japan. He successfully concluded the San Francisco Peace Treaty that restored Japan's sovereignty. His vision, with a blend of pragmatism and realism, was a pivotal factor in Japan's reemergence as a great power. Over the years, succeeding administrations had fine-tuned the doctrine to reflect the exigencies of the moment with the inclusion of notable corollaries such as the non-nuclear policy and the ban on weapons export. Critics like Nakasone Yasuhiro found their efforts to rearm and expand Japan's international security commitment dashed by the entrenched Yoshida doctrine. The three tenets of the Yoshida doctrine are as follows:

- (a) Japan's economic rehabilitation must be the prime national goal. Political-economic cooperation with the United States was necessary for this purpose.
- (b) Japan should remain lightly armed and avoid involvement in international political-strategic issues. Not only would this low posture free the energies of its

- people for productive industrial development, it would avoid divisive internal struggles.
- (c) To gain a long-term guarantee for its own security, Japan would provide bases for the U.S. army, navy and air force (Pyle 1996b: 235).

This article reformulates the Yoshida doctrine into two grand strategic goals: economic recovery/growth and minimal defense. We will examine these goals in turn.

ECONOMIC RECONSTRUCTION/DEVELOPMENT

In the aftermath of the diplomatic ceremonies associated with the surrender to the Allied Forces, Japanese leaders had to grapple with the realities of rebuilding a war-torn nation and to soothe the souls of a society marred by deprivation and suffering. The immediate challenge for Japan was less an issue of regaining its power and status in the international community, but more toward the mundane concerns of clothing, feeding and securing its citizens. It was these ends that the grand strategic goals of the Yoshida doctrine sought to achieve.

In the first years of the postwar period, Japan was surviving from hand to mouth from the benevolence of the U.S. which provided vast amounts of food and monetary assistance. Japan's resources were stretched by the burden of having to provide for the six million troops and civilians returning from Asia. Jobs needed to be found for this group as well as for the other seven million unemployed citizens. The solution to these woes was economic reconstruction. Other than the obvious benefits of creating new jobs and to shore up Japan's fiscal standing, economic reconstruction was a therapeutic diversion that channeled the nation's energies to productive endeavors.

There were two facets to the economic goals of the Yoshida doctrine grand strategy: recovery and growth. On the one hand the focus on economic recovery refers to efforts directed toward rebuilding the nation's infrastructure and support facilities, and on the other hand to policies initiated to reestablish Japan's industrial and manufacturing capacities. From a political angle, recovery meant achieving and surpassing the prewar economic achievements. In 1956, the government published its *Economic White Paper* declaring, "It is no longer postwar." In fact, "by 1955 most key economic indicators had already risen higher than prewar levels. Real GNP had accomplished this in 1951 and per capita GNP by 1955. Real per capita consumption returned to prewar levels in 1953..." (Uchino 1983: 83). When the goals of economic recovery were attained in 1955, the focus shifted to growth and development. While this objective was no different from other nations, Japan's single-mindedness set it apart from the norm.

MINIMAL DEFENSE

The second goal of the Yoshida doctrine was to keep Japan lightly armed. The rationale for the goal was the result of the convergence of several factors. The first of two important factors is the age-old “guns and butter” debate. Japan surmised that “guns” were a waste of resources and opted to focus on economic development. The second factor concerns Japan’s war legacy. Memories of World War II (WWII) made it difficult for Japan to undertake full-scale rearmament. The constant cries of Japanese revival of militarism from Beijing and Seoul, and strong domestic pacifist sentiments worked in tandem to check Japanese remilitarization. These two factors helped shape the discourse on security and defense issues in Japan, contributing to the institutionalization of the “minimal defense” posture. The goal of “minimal defense” was aimed at keeping Japan’s defense expenditure to the lowest level without compromising the nation’s security. In sum, the net result of the Yoshida doctrine grand strategy was to harness the nation’s resources toward economic growth while maintaining a defense structure that is cost-effective and non-threatening in nature (i.e., defensive posture).

CHALLENGES TO THE YOSHIDA DOCTRINE

The Yoshida doctrine grand strategy succeeded beyond imagination and transformed Japan into an economic powerhouse. It was an effective blueprint to rebuild a war-torn nation and to ease Japan’s re-integration into the international system. The doctrine was, in sum, an optimal strategy for a weak and vulnerable nation trying to survive in an age where the threat of nuclear holocaust and great power conflict was a reality. A low-key foreign policy enabled Japan to stay above the fray of ideological squabbles. However, as the goals of recovery and rehabilitation were attained, the doctrine’s inadequacies and shortfalls became apparent. Japan was fixated within the relative comfort and security of the Cold War paradigm and had been slow in recalibrating its grand strategy to address the new complexities of the post-Cold War environment. It was becoming increasingly untenable for Japan to ignore the shortcomings of the Yoshida doctrine, particularly in the areas of international security, *seikei bunri* and ODA.

INTERNATIONAL SECURITY

After regaining full independence from the US in 1952, Japan successfully resisted pressure to “normalize,” and remained steadfast to the twin tenets of its postwar grand strategy. In what some critics have decried as Japan’s self

bestowed “international military exemption, “it abstained from overseas military activities and hardly contributed to international security”. Protests of Tokyo’s “free ride” had been pronounced in the 1980s and spilled over into the Heisei period (1989 to current), but did little to alter the fundamentals of the Yoshida doctrine. The United States of America (US), it must be said, was not serious at pushing Japan to assume greater responsibilities and was more concerned about its trade deficit. Tokyo’s responded in its usual manner: checkbook diplomacy. The power of the *yen* was put to test when Iraq invaded Kuwait in August 1990.

The voices of progressive lawmakers like Ozawa, Nakanishi Keisuke, Nishioka Takeo and Watanabe Michio, that it was constitutional for Japan to participate in United Nations (UN) operations were drowned out by a society entrapped within the *kaigan no kasai* (conflagrations on distant shores) mentality. This expression denotes “an attitude of aloofness from foreign problems and a desire to abstain from getting involved” (Young & Grinter 1989:136). Therefore, Japan did not send troops to Kuwait. A half-hearted attempt was made in October 1990 by the Kaifu cabinet to pass a law that would have permitted the Japanese to undertake peacekeeping functions, but the bill was abandoned when the government failed to clarify the difference between “collective defense” and “collective security.” Japan sought to compensate the absence of human contributions by doling out a US\$13 billion financial package. “This figure represented 20 percent of the estimated cost of the war for a three-month period and a tax burden of approximately ¥10,000 per citizen” (Purrington 1992: 163)

In what Courtney Purrington calls the “Iraqi shock,” Japan was dismayed that its monetary contribution went either unnoticed or unappreciated. “What struck a particularly heavy symbolic chord was a full-page advertisement placed by Kuwaiti [*sic*] in the *New York Times* thanking the international community for its help in defeating Iraq [... and], Japan was not listed in the ad” (Zisk 2001: 26). The seasoned journalist, Sam Jameson (*East Asian Views of the Japan-U.S. Defense Guidelines* 1998:62), remarked ... “It is interesting to know that in January 1991, at the moment American troops went into Kuwait to drive the Iraqis out, the Japanese troops were in Sapporo building snow statues for the Sapporo Snow Festival.” Meanwhile, *Newsweek* condemned Japan’s passivity: “Japan, which is far more reliant on the Gulf than any other rich country, buys its energy security with the lives of young Americans” (Hook 1996:83). Donald Hellmann wrote in the *Wall Street Journal* of Japan using “bogus constitutional excuses” (Woolley 1996: 806) as a pretext for shirking its international responsibilities.

The Gulf War evoked strong reactions from the Japanese. On the one hand, there was a degree of idealistic demagoguery and grand standing. According to Thomas Berger, “[a]lthough most Japanese condemn the Iraqi invasion of Kuwait, many Japanese preferred to see the United States as a bully, overeager to resort to armed force in the Gulf in order to reaffirm its global hegemonic

role” (Berger 1993: 129). The Japanese Consul General to New York, Hanabusa Masamichi, criticized the U.S. “mismanagement” of the Gulf conflict and retorted ... “whoever controls oil will be disposed to sell it” (Curtis 1993: 253). The overwhelming reaction to the Gulf War was, however, one of shock and resentment. Tadokoro Masayuki notes that “[t]he lack of any respect paid by international society to the efforts of Japan was traumatic for the Japanese society” (Tadokoro 2002: 5). The damage wrought by the Gulf War was immeasurable. It undid nearly four decades of painstaking effort to regain an honorable place in the world. “The government was shocked by a *Washington Post-ABC* poll released on March 17 that showed 30 percent of Americans surveyed had lost respect for Japan because of its behavior during the crisis ... There was also the realization that ‘one-nation pacifism’ was viewed by other nations as ‘selfishness’” (Purrington 1992: 169-170).

It is increasingly difficult for Japan to hide behind its constitutional veil or even to play the “militarism card.” Its Asian neighbours are warming to the idea of Japan taking on international security responsibilities. For example,

Singapore president Ong Teng Cheong told Prime Minister Murayama, [...] that Japan should seek a permanent Security Council seat to play its role as a global power. Malaysian prime minister Mahathir Mohamad told Murayama that Japan should stop its “redemptive diplomacy” and encouraged Japan to become a permanent council member and promote the peace and prosperity of Asia (Itoh 1998: 172).

China, while understandably cautious, did not object to the Japanese dispatch of minesweepers to the Gulf following the end of hostilities. Japan realizes that “[n]o amount of ‘host-nation support’ or checkbook diplomacy will satisfy the United States if American lives are being sacrificed in an East Asia contingency – e.g., in Korea or over Taiwan – that is critical to Japanese interests while Japan stands idly by because of its constitutional constraints” (Green & Mochizuki 1998:29-30). The passage of the United Nations Peacekeeping Operations Cooperation Law (better known as the PKO Law) in 1992, followed by the “three emergency laws” in 2001 suggest that Japan is moving away from the “unidimensional” power mold, and signals the emergence of a responsible global citizen ready to bear its share of securing the peace. A Japanese corporate leader succinctly points out Japan’s predicament ... “It needs to be realistic living in the world, and cannot afford to be neutral” (Anonymous Respondent 2001).

SEIKEI BUNRI (SEPARATION OF POLITICS FROM ECONOMICS)

The characterization of the Japanese as “economic animals” is, in part, a reflection of the success of the *seikei bunri* policy. The “economics first” policy meant that Japan had to pursue an unprincipled foreign policy by subjugating political interests in pursuit of economic and financial gains. Over the years,

Japan's commitment to *seikei bunri* is unflinching. The handling of the Azadegan oil deal is evidence of this contention. Tokyo passed on the deal, believed to hold an estimated crude oil reserve of 26 billion barrels, after strong pressure from Washington, which was putting together a policy to contain Teheran's nuclear ambitions. Japan, subsequently, did a flip-flop and in February 2004 signed an agreement with Iran to develop the Azadegan oil field with Japanese firms holding a 75 percent interest. The US\$2 billion deal granted rights to Inpex Corp., Tomen Corp. and the Japan Petroleum Exploration Co. to develop the oil field for 12.5 years. Tokyo also extended a US\$1.2 billion loan to Teheran to sweeten the deal.

The Ministry of Economics, Trade and Industry (METI) scored a spectacular victory over the Ministry of Foreign Affairs (MOFA) in securing the Azadegan deal. The latter would have preferred Japan to close ranks with the U.S. to contain one of George W. Bush's "Axis of Evil" for *realpolitik* reasons. The foremost consideration was to preserve the alliance. Second, MOFA considers giving up the Azadegan deal as an acceptable cost to secure U.S. assistance to defuse the North Korean nuclear quagmire. Nevertheless, in the end, METI's energy security argument held sway. The METI line has wide support, including former premier Hashimoto Ryutaro. In a recent interview, he stressed that "it is in Tokyo's interest to maintain good ties with Iran, which is a key source of oil for the country" (*The Japan Times* 2004b). Apart from the power tussle between MOFA and METI, the larger issue involves Japan's willingness to subjugate its national interests to address global concerns. It is untenable to maintain business and politics as mutually exclusive entities considering the impact Japanese investment and trade have on recipient countries. An avid Japan watcher observes: "Economics and security interact in complex ways. It's time Japan saw the big picture" (*The Japan Times* 2004a). Robyn Lim sums up the paucity of *seikei bunri* ... "It all shows once again how one-dimensional a player Japan is. And how it can easily find itself wrong footed when it tries to play "resources diplomacy" when the big guys [China, Russia, and the U.S.] are playing *realpolitik*" (Lim 2004).

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

The ODA program was part of Japan's "charm offensive" in the postwar Shōwa period, with the initial goal of re-establishing ties with its neighbours and subsequently evolving into an adjunct to its national economic policy. Fujimoto Koji, the former executive director of the Japan Bank for International Cooperation Institute (JBIC), explains: "Japan's ODA loans are provided for economic infrastructure development mainly in Asian countries as the foundations for promoting private sector investment" (Fujimoto 2002). Over the years, new goals such as prestige and national security were appended.

Japanese aid programs and initiatives, observes Dennis Yasumoto, have been prepared for maximum public relations effect:

Fukuda's \$1 billion for his ASEAN trip and his aid doubling pledge for the Bonn summit; Suzuki's aid doubling pledge for the Cancun and Ottawa summits; Nakasone's \$20 billion recycling plan and the \$500 million Sub-Saharan aid for his Washington visit and the Venice summit; Takeshita's \$50 billion for his Toronto summit; Finance Minister Miyazawa Kiichi's debt relief plan for Toronto and the World Bank/IMF meeting; Takeshita's \$2 billion ASEAN-Japan Fund for the Japan-ASEAN summit; and Uno's \$35 billion recycling pledge for the Paris summit (Yasumoto 1989: 501).

Additionally, the adoption of "comprehensive security" as the national dogma places ODA at the forefront of Japan's foreign policy. In light of constitutional restraints and other anti-militarism measures adopted by the government, ODA is Tokyo's most effective diplomatic tool.

Public support for ODA, however, is declining. The 2002 White Paper on ODA acknowledged that "[a]s a result of the prolonged economic slump and [the] worsening of Japan's fiscal situation, the domestic view of ODA is growing harsh" (Ministry of Foreign Affairs 2002). Polls conducted by the Cabinet Office show that the percentage of respondents who agreed that ODA "should be actively promoted" declined from 32.60 percent in 1993 to 19.20 percent in 2002. At the same time, those responding that ODA "should be reduced as much as possible" doubled from 12.10 to 24.30 percent (Gagen n.d.). According to Kawai Masahiro and Takagi Shinji (2001) ... "The public has called for greater accountability, and lamented the 'faceless' tendency (lack of visibility) of Japanese assistance." They further state that "[m]any argue that Japan has not captured returns commensurate with costs, even if ODA is considered merely a diplomatic tool".

Economic stagnation and weak business sentiments have led to renewed calls to apply ODA in support of Japanese businesses. The influential Keidanren (Japan Federation of Economic Organizations) unabashedly advocated the use of ODA to further the national interest, which includes promoting Japanese trade and investment worldwide (Keidanren 2001). The head of the MoF's Council on ODA Reform, Atsushi Kusano, argues that ... "Japan can no longer afford to spend ODA broadly. It needs to spend it more strategically, taking national interest into full account." Atsushi reasons that ... "[e]nhancing business competitiveness would benefit both recipient and donor ..." (Hook & Zhang 1998:1066). Assertions of Japan playing the role of Santa Claus are not unfounded. The percentage of untied Japanese ODA, for example, has increased from 25.8 percent in 1980 to 96.4 percent in 1999 (Kawai & Takagi 2001). As a result of the "untying" of ODA, Japanese businesses were unable to secure contracts from ODA projects in the manner and quantum as they did three decades ago. From 1990 to 2000, Japanese firms were only able to secure an average of 27.5 percent of loan procurement by recipients of Japanese aid. In light of Japan's continuing economic slump, should Japan continue to be as generous or magnanimous?

Disillusionment is setting in with the direction of the ODA program. Not only are Japanese concerned with China's burgeoning military budget, they are also concerned that their taxes are "being used as low-cost, fungible funds to construct highways, railroads, airports and other facilities that are critical for military mobilization" (Kawai & Takagi 2001). It is ironic that while Beijing petitions for aid, it is "providing large amounts of economic assistance of its own to other developing countries for strategic objectives, including the debt cancellation of 10 billion yuan (¥130 billion) granted to African countries" (Kawai & Takagi 2001). China's successful manned space program has also raised the question that if China has the financial and technological resources to develop a manned space program – something that only two other nations (the U.S. and Russia) have achieved – should Japan continue to provide aid to China? Speaking to reporters at the eve of the 2004 ASEAN +3 meeting in Laos, Koizumi signaled that Japan may soon cease providing assistance to China when the latter "graduates" from the ODA program in the wake of its phenomenal economic development (The Daily Yomiuri 29 November 2004). While the national debate is inconclusive on whether China is a friend or foe, pressure is mounting for Japan's ODA custodians – MoFA and the Japan International Cooperation Agency (JICA) – to be more discriminating in awarding grants.

It is clear that the ODA program needs to be reformed to suit contemporary circumstances. The concerns raised by the Keidanren and the business fraternities were valid given Japan's current economic climate. With the proportion of its untied aid at more than 90 percent, opportunities abound to apply ODA to stimulate the *domestic* economy, especially to relief sunset sectors like construction. In this sense, the ODA program needs to return to its "roots" of marrying diplomatic objectives with business acumen. At the same time, the premise of ODA emphasizing positive inducement merits a reexamination. ODA can serve as a "stick" and "carrot." It remains, however, to be seen if Japan has the mettle to withhold aid as a form of sanction in accordance to the revised ODA Charter.

The three challenges in this section highlight the disconnect between Yoshida doctrine and strategic environment in which Japan had to operate in. Clearly, the Yoshida doctrine continues to hold sway in the higher echelons of the government and among the populace but there is unmistakable mood change. Japan underwent intensive introspective soul searching during the "lost decade" of the 1990s and while the Koizumi doctrine – outlined in the next section – may not be definitive nor could it lay claim as the successor to the Yoshida doctrine, it nevertheless address some of the salient issues confronting Japan today.

GRAND STRATEGIC GOALS OF THE KOIZUMI DOCTRINE

The Koizumi doctrine – named after the Japanese premier – was a new diplomatic initiative but encompasses strands of ideas that were widely held in Japan since the 1990s. The doctrine, christened by the premier’s aides, was based on Koizumi Junichiro’s January 14, 2002 speech in Singapore. In his address entitled, “Japan and ASEAN in East Asia: A Sincere and Open Partnership,” Koizumi outlined the importance of cooperation between Japan and ASEAN, and reiterated his government’s commitment to further Japan’s ties with the region based on the Fukuda Doctrine. Continuing his mentor’s legacy, Koizumi stated that ... “Japan and ASEAN should strengthen their cooperation under the basic concept of ‘acting together, advancing together ...’” (Koizumi 2002). He also proposed closer security cooperation noting that Japan ... “realizes that one’s own security is at stake when a neighbour’s wall is ablaze ...” (Koizumi 2002). Underlining his commitment to economic reform at home and the inescapable phenomenon of economic interdependence, Koizumi noted that ... “when it comes to the global economy, rain does not fall on one’s roof alone” (Koizumi 2002).

The Koizumi doctrine breaks new ground in that it is less “insular” in its orientation. In contrast to the Yoshida doctrine’s domestic focus that puts national development and growth above all other considerations, the new doctrine stakes Japan’s future with its neighbours. This paradigm shift compels Tokyo to take on an active regional, if not global role. Japan realizes that as a trading nation, its boundaries extend beyond its shores. The Koizumi doctrine revolves around three grand strategic goals. The first goal centers on institutionalizing Japan’s position in the international system by transforming its economic influence into structural power. The second goal of “national tranquility” serves to ensure social stability in the wake of reforms and change. The last strategic goal – maintaining “economic distance” – focuses on Japanese efforts to preserve their technological edge vis-à-vis competitors in order to sustain Japan’s competitive edge.

THE QUEST FOR STRUCTURAL POWER

Power comes in many forms. Hans Morgenthau’s expansive list of power elements includes geography, natural resources (including food supplies), industrial capacity, military preparedness, population, national character, quality of diplomacy and quality of government (Morgenthau 1973:112-49). Similarly, Martin Wight notes that power comprises many elements, including size of population, strategic position, geographical extent, economic resources, industrial production, administrative and financial efficiency, education and technological skill and moral cohesion (Wight 1978:26). Japan is reasonably endowed with most of these benchmarks, but it is its economic and technological

achievements that form the backbone of Japanese power. Although the Japanese economy has been in the doldrums for most of the Heisei period, Japan is still the second largest economy in the world. It had an enviable trade surplus of ¥18 trillion in 2005 (Bank of Japan 2006). Its net external and reserve assets for 2006 are ¥215 trillion (Ministry of Finance 2007a) and US\$895 trillion (Ministry of Finance 2007b) respectively.

Japan's economic power is respected and feared. A former high-ranking IMF official commented that he has "never seen Japan speak up before others do. Even when Japan did, it was simply in support of a majority opinion" (Pyle 1996a:66). This observation is attributed, in part, to Japan's "non-confrontational culture", but closer examination would reveal an endemic weakness in *structural power*. Susan Strange (1994:25) defines this concept as ... "the power to decide how things shall be done, [and] the power to shape frameworks within which states relate to each other ...". Structural power could be attained through several means. One way is to diversify Japan's power base in light of Joseph Nye's contention (1990:189) that ... "[t]he fragmented structure of world politics among different issues has made power resources less fungible". Thus, it is important to possess an array of capabilities to respond effectively to any contingencies. Second, structural power results through the ability to convert latent power and resources into actual and realized power (Nye 1990: 198).

If Japan aspires for a more participatory and visible role in international affairs, it needs to boost its personnel commitment to international organizations. There is an acute shortage of Japanese international civil servants. For example, Japan has 112 professional staffers in the UN, well short of the "desirable range" of 256-346 recommended by that body (Japan Almanac 2005:60). With the notable exception of Akashi Yasushi, Matsuura Koichiro, Utsumi Yoshio, Nakajima Hiroshi and Ogata Sadako, there are few Japanese nationals at the helm of international organizations. The low participatory rate of Japanese nationals in the UN holding professional and leadership positions amplifies Japan's reputation of "invisibility" on the international stage, and constitutes a serious impediment to achieving structural power.

The problem of power conversion is not limited to the area of human resources but is also institutional. Japan's 19.468 percent share of the UN regular budget is higher than the combined total of all permanent members of the Security Council – except the U.S. – yet it does not have a seat on the world's highest international security body. Analysts like Reinhard Drifte (1998:137) observe that Japan's campaign for a permanent seat on the UNSC is fueled by "considerations of prestige". Nevertheless, beneath Japan's penchant for recognition lies a deep-seated craving for structural power. The president of the Gakushuin Women's College and former ambassador to the UN, Hatano Yoshio quips that "[n]o one will pay attention to you unless you speak your mind as a permanent council member" (*The Daily Yomiuri* 7 November 2003). Koizumi underlined the importance of structural power by renewing Japan's quest for a

permanent seat on the UN Security Council at the Fifty-Ninth Session of the General Assembly. Japan is also “structurally weak” in the IMF. Its allotted quota under the 11th review of 6.279 percent falls short of the “calculated quota” of 10.204 percent (Rapkin & Strand 2003:20). Encouraging more Japanese to become international servants would increase Japan’s physical presence internationally, while enhancing its electoral power in key international institutions gives Japan greater access and influence in decision-making. Both elements are important toward the goal of structural power.

In practical terms, the problem of power conversion refers to the inability to transform resources into effective power and influence. On-going efforts to reform the education system and added emphasis on internationalization address this point. Changes in the education system, among others, are aimed to nurture a society with the linguistic and intellectual capacity to function effectively in the international arena. The inculcation of a society with “word power,” defined by a blue-ribbon commission as ... “the ability to acquire information, map out ideas, and deliver proposals based on information and ideas, as well as the ability to debate and influence decisions, and possibly even the ability to mobilize people and organizations to implement decisions,” (The Prime Minister’s Commission on Japan’s Goals in the 21st Century 2000) is central to augmenting Japan’s structural power. Concomitantly, the internationalization strategy sensitizes a society cautious of “overseas adventurism” that Japan has a stake in global governance, and that it is in their national interest to institutionalize and diversify its power base.

Many analysts, including Edward Newman, associate Japan’s weak international leadership with its inability to “readily mobilize a substantial military force with global reach ...” (Inoguchi & Jain 2000:59). This, however, is changing. The Koizumi administration moved to improve Japan’s battered image in the wake of the Gulf War debacle by acting swiftly and unequivocally to “show the flag.” Heightening the Self-Defense Force’s (SDF) visibility is an indicator that Japan is moving away from its unidimensional mould. In this context, enhancing military power constitutes a crucial step toward the quest for structural power. Recalling his experience in the Gulf War, Ambassador Hatano recounted that despite Japan’s substantial financial contribution to the war effort, he ... “was not permitted to attend *unofficial* [emphasis added] Security Council meetings on the war” (*The Daily Yomiuri* 7 November 2003). Similarly, Japan was often sidelined in G-7 summits in deliberations on international security. Japan was snubbed because of its self-declared “international military exemption.” Hence, allowing the 8 to undertake limited security roles would likely improve Japan’s standing and enhance its structural power.

If Japan can sustain the momentum in pulling its weight to perform security functions, coupled with its traditional financial generosity, there is no reason why Japan should not aspire and indeed, be accorded structural power

commensurate with its commitment and resources. The motivation for structural power is not for national aggrandizement, but rather a means to secure the long-term security and future of the nation. Nations such as France and the United Kingdom continue to enjoy international recognition well into their twilight years owing to their success in having institutionalized their positions in the international structure (i.e., the UN and IMF). As such the grand strategic goal of achieving structural power is a defensive measure against the imminent erosion of its *relative* economic power and to anchor Japan within the inner circle of global decision-making.

NATIONAL TRANQUILITY

Koizumi set the tone for reform by declaring that no sector is sacred and pleaded to the nation to endure pain in order for changes to be successful. When reform tsar, Takenaka Heizo announced that no bank is “too big to fail,” it created a stir among those concerned about the cost of structural reform. After more than a decade of what Darren Whitten calls the “Heisei malaise,” Japanese have come around to accepting change as inevitable. However, change is unsettling as it creates pools of winners and losers. The grand strategic goal of national tranquility puts paramount importance on ensuring societal stability in the wake of change and reform.

Japan would have to make substantive adjustments if the current demographic trajectory maintains its course. Japan is, however, conflicted between the prospects of a declining standard of living and opening its doors to foreigners to make up for its dwindling workforce. The migrant labour issue generates passionate debate centering on the threat posed by foreigners to the nation’s “cultural purity” and cohesion. In an age where human resources are increasingly mobile, Japan could not afford to be xenophobic. Post-industrial economies rely on the fermentation of ideas and knowledge to grow, and thus slamming the door on immigration is a setback for the economy. It is, thus, in the nation’s best interest to embrace the issue of diversity in a positive and welcoming manner. The ability of Japanese society to coexist with other nationals and cultures is central to the preservation of national tranquility.

Reform is destabilizing, even more so when the cost is borne disproportionately by different segments of society. Reforming the national curriculum affects the society in ways that tests existing norms and traditions to the limits. Although the object of the new curriculum is to maintain and further Japan’s achievements in critical subjects such as science and mathematics, as well as to produce individuals fitting Sakie Fukushima’s model of “global executives,” the ramifications of these reforms are more pronounced. The new national curriculum encourages individuality and personal achievement, pitting it against the long-held norms of consensus and collective interest. This gives

rise to new patterns of social relations that would, among others, transform interpersonal ties, industrial and labour relations.

Reforms are seldom pain-free. Rationalization programs by industrial giants such as Nissan, Fujitsu and Sony have been successful in returning these corporate giants to profitability, but they have also helped push the unemployment rate to post-war highs. Sony's Transformation 60 revitalization strategy, for example, would shed 20,000 jobs by 2006. The pace and extent of reforms in the fifteen years of the Heisei period is unparalleled except for two epochal events in modern Japanese history – the Meiji Restoration and the U.S. Occupation. If reforms are implemented without putting in place safety nets to cushion the externalities of change, social harmony and stability might be in peril. National tranquility goes beyond pulling disparate groups to live and work together in harmony and involves creating the economic, political and social space for stakeholders to function effectively. In the end, the goal of national tranquility centers on the issue of how to manage change in a society with a stoic reputation for conservatism and risk-aversion.

MAINTAINING ECONOMIC DISTANCE

Japanese firms producing a wide array of products ranging from trucks to electrical components scattered throughout the region are important growth engines for their host nations. Matsushita Electrical Co., for example, accounts for about five percent of Malaysia's GDP. Although Japan is undoubtedly the *economic* leader in the region, its position is by no means secure. A 2000 RAND report argues that ... "Japan's relative economic power [...] in the region diminishes appreciably from 2000 to 2015, vis-à-vis China and [South] Korea" (Wolf et al. 2000:65). The Chinese economy, buoyed by domestic capital spending and foreign investment, is expected to trot along its high growth trajectory while Japan remains laggard. The expansion of the Chinese economy – with its relatively untapped market of more than one billion consumers and its new role as the world's factory – is a phenomenon not lost on the world. In fact, some members of the G-8 have spoken favorably of China's membership, which is in itself a testament to the growing Chinese influence and power. Thus, the grand strategic goal of maintaining economic distance is a reaction against the relative decline of the Japanese economy, and aims to arrest the erosion of Japan's economic power. The following analogy by Tessa Morris-Suzuki captures the conceptual underpinnings of "economic distance".

The evolution of economic relations between Japan and South-East Asia, in short, is not so much a process in which the Asian 'new Japans' are catching up with Japan itself, but rather a process which may be pictured as resembling the movement of an escalator: as South-East Asian economies moved first from agriculture to labor-intensive light-industry, and later from light industry to more capital- and technology-intensive forms

of manufacturing, so the Japanese economy itself has shifted its own industrial and technological frontiers forward, thus maintaining its economic dominance of the region (Morris 1991:149).

There is nothing new in Japan's economic leadership aspirations. Its technological and industrial development was ahead of its regional competitors as far back as the early ShMwa era. It is thus, natural for Japan to see itself as the leader of the pack. The "flying geese" model expounded by Akamatsu Kaname in the 1930s – and given a new lease of life by Kojima Kiyoshi four decades later – epitomizes Japan's game plan for economic leadership. In this model, Japan would be the "lead goose" with other "geese" tailing in its wake:

Heading a "flying V" of Asian economic geese, Japan was to pull the region forward with its own successes in industrialization and manufacturing. The other Asian countries were to follow Japan's lead, and a succession of Asian "geese" was to replicate Japan's developmental experiences and those of the other "geese" ahead of them in formation, moving steadily forward in their levels of manufacturing sophistication (Katzenstein & Shiraiishi 1997:53).

Hungry for capital and starved of technology, Asian countries were more than happy to "fly in formation." Malaysia, for example, introduced the "Look East" policy in an attempt to replicate the Japanese success story. The "flying geese" model serves to perpetuate Japan's lead over its neighbours. T.J. Pempel writes that the hidden meaning of the model is for the "lesser" geese to "stay the line and don't try to get too close ..." (Katzenstein & Shiraiishi 1997:52). Having gone through the "catching-up" experience, Japan had rarely let its guard down and had been successful in deflecting the "boomerang effect." The Japanese government and enterprises "are perhaps particularly conscious of their vulnerability to competition from the 'new Japans'" (Morris 1991: 149). The flying geese model, however, has been discredited in the wake of Japan's economic turmoil. Although Japan may not be able to keep the other "geese" in formation, it still aspires to fly higher and further. Japan had perfected a stratagem to keep competitors at bay. Walter Hatch and Yamamura Kozo explain:

Using vertically integrated production networks, Japanese MNCs have jealously guarded their technology, the source of their competitive edge. By locating discrete pieces of the production process at different sites throughout the region, high-tech manufacturers controlling such networks can thwart the ability of Asian competitors to master and appropriate the entire package of technology" (Hatch & Yamamura 1996:28).

Japanese firms also strategize to maintain their competitive edge by keeping sensitive and technological demanding production at home to prevent leakage. A case in point is Murata Manufacturing's production of ceramic powder in Japan while building new facilities in China and Malaysia to produce "less sensitive" ceramic filters (Hatch & Yamamura 1996:28).

Controlling the outflow of technology and industrial expertise allows Japanese firms to maintain their competitive edge and to perpetuate the divide

between Japan and its neighbours. However, it is harder to rely on “deprivation” to maintain economic distance. The gap between Japan and Asia – albeit substantial – is narrowing due to endogenous and exogenous factors. Thus, Japan has to take proactive steps to stay ahead. Reforms already underway in the education system had an eye toward maintaining Japan as a technological superpower. After decades of deliberation and stalling, Japan has taken crucial steps to remedy its structural weaknesses. Joint research between university and industry researchers – which had been traditionally low – is on the rise. The number of cases of joint research rose appreciably from 705 in FY1989 to 5,264 in FY2001 (Ministry of Education, Culture, Sports Science and Technology 2003). Incentives such as reduced rental of university premises for joint research and tax reductions are two of the 16-point reform undertaken by MEXT to promote research. Although many of the reforms are targeted at domestic change, the government is building research partnerships with Asian countries and promoting international collaboration.

Japan’s niche in the international system is its ability to produce innovative and high quality products. What made Japan the economic superpower that it is today was its engineering superiority, i.e., the ability to produce quality goods at competitive prices. Thus, technology itself is a priceless resource. The future of Japan depends, immeasurably, on its ability to maintain and further its technological edge.

THE KOIZUMI DOCTRINE IN PERSPECTIVE

Although the Koizumi doctrine pales in comparison to the historical significance of the Meiji Restoration and the American Occupation, this grand strategy is no less important. The turbulence of the early Heisei years shattered the foundations of the *ancient regime*. The developmental state model had been discredited. Confidence in the vaunted bureaucracy plummeted in wake of exposé of corrupt practices and abuses of power. Education standards were adjudged to be declining, while crime is on the upswing. Reading the newspapers in the “lost decade” of the Heisei period is enough to push readers into bouts of depression. Like the previous “openings,” the Heisei malaise presented Japan the unique opportunity to chart a new course.

The Yoshida doctrine, in comparison, was a total repudiation of militarism and successfully harnessed Japan’s nationalistic fervor toward becoming an economic superpower. Whether by choice or a case of *gaiatsu*, Japan could not remain on the sidelines while terrorism and other emerging threats are undermining the international security structure. Japan is gradually behaving like a “normal” power and appears more comfortable at shouldering its share for maintaining international security – albeit confined to non-combatant roles. Top policymakers from the ruling Liberal Democratic Party (LDP), including

Koizumi, favor legislation giving permanent authority to send the SDF on overseas post-conflict missions. Japan's former defense chief, Ishiba Shigeru, has even christened the bill, "Basic International Contribution Law." In addition, the LDP is committed to amending the Constitution and had conducted numerous high-level studies on the matter. Meanwhile, the current Abe administration upgraded the Japan Defense Agency (JDA) to full ministerial status in January 2007. These developments are not the harbinger of militaristic revivalism. What is clear is that Japan is poised to assume greater responsibility as an ally and a member of the international community. In this sense, the Koizumi doctrine is nudging Japan away from its myopic pursuit of wealth, and toward the direction of normality. "Normalizing" the SDF would not make Japan any more militaristic just as turning Shanghai into a financial hub would not turn China into an economic superpower. Although the SDF is a well-equipped outfit, it would have difficulties mounting an offensive campaign against China and Russia considering its limited power projection capabilities. If the SDF had to seek Russian assistance to transport its armored carriers to Iraq, one wonders how much firepower the SDF can bring to bear upon the People's Liberation Army or Russian forces in the Far East. Nevertheless, we can expect to see more of the SDF in many parts of the world, especially operating under the UN banner. The then Deputy Chief Cabinet Secretary Abe Shinzo's keynote address at the Yomiuri International Forum on May 12, 2003 provides an inkling of the changing Japanese mindset on security ... "Japan will maintain its 'exclusively defensive' defense policy. But as weapons are advancing and tactics and strategies are changing, we have to reconsider whether the fundamental concept of the policy framework is still suitable" (*The Daily Yomiuri* 12 May 2003).

It would be a mistake to overemphasize the military aspect of the Koizumi doctrine. Although enhancing Japan's military power adds to the nation's diplomatic repertoire and furthers the quest for structural power, the nation's influence is tied to its economic standing. Economics remain an important facet of grand strategy. Aid, trade and investment are the nation's most effective resources. Corporate Japan has taken huge strides to improve competitiveness, including moving to a performance-based wage system and discarding its anachronistic supply chain management system. Because of these reforms, giants like Nissan had returned to profitability and are spearheading Japan's recovery. The full extent of economic reforms is yet unknown, but what is certain is that there is a renewed sense of urgency and a drive to succeed. The entry of foreign players such as *Toys "R" Us* is bringing in new business models and expertise that bears a positive impact on the economy. The future of the economy, and by extension the nation, lies in the hands of private enterprises and how they rise to the challenge of low cost producers like China and high-tech competitors such as the U.S., South Korea, Taiwan, Europe and the Scandinavian countries. Japanese corporations are poised to exploit the emerging free trade regime under the World Trade Organization. Nevertheless, the government is also hedging

its bets by signing economic partnership agreements with, among others, Australia, Malaysia, Mexico, South Korea and Thailand. What is evident is that Japan is undergoing an economic revival, and the Koizumi doctrine has assembled the set pieces that would position the Japan on a firmer footing.

CONCLUSION

Japan is at a unique juncture in history. The Japanese, in their usual self-deprecating way, were resigned to accepting the conditions in which they operate as a given. There is wisdom in this fatalistic worldview considering that the bifurcated environment during the Cold War allowed Japan little maneuvering room and few options. This changed as the “end of history” liberated Japan from ideological and political constraints, allowing Tokyo a greater degree of freedom to pursue its national interests. Although Japan has the wherewithal to influence and condition the external environment, it opted for a cooperative approach by introducing the idea of “acting together, advancing together.” This vision, laden with undertones of inclusiveness and partnership, is a masterstroke as it addresses Japan’s current and future strategic interests. Its immediate goal to legitimize Japanese regional leadership and establishing cooperative linkages among regional members is a prelude to keeping China from establishing regional hegemony in the distant future. In sum, the Koizumi doctrine is a grand strategy for the present and has a firm eye on the future.

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