Flirting with Regionalism: Japan's Foreign Policy Elites and the East Asian Economic Caucus

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1 Introduction

Japanese foreign policy decision makers in the 1990s find themselves caught in a dilemma. The question they are struggling with is whether Japan's international relations in the future should continue its postwar foreign policy line and focus on the Japan–US alliance, or whether Japan should re-orient itself toward East Asia and take on a more regionalist perspective.

During the Cold War period, bilateralism characterized Japan's international relations. Primary importance was attributed to the US–Japan alliance, which many considered to be 'the most important relationship in the world' (see for example Tanaka 1999, 6). After the Second World War, Japanese diplomacy oriented itself on the policy line given by the US and rarely stood out with diplomatic initiatives. Blaker (1993) thus suggested that Japanese foreign policy was merely 'coping' with international problems and issues that were created by other countries. Others criticized Japan for being a 'reactive' state in international relations (Calder 1988). Such interpretations, however, are based on a state-centered perspective that tends to neglect the importance of the domestic foundations of foreign policy decision making.

In fact, any understanding of 'regionalism' that goes beyond merely geographic questions must grapple with the question of how actors within states see and view the region in question. It thus makes little sense to examine Japan's shifting regional orientation without taking into account social, economic, and political actors within countries. This is especially true for the post-Cold War period. While domestic interests were previously controlled and often submerged by Cold War policy constraints, today, in an international system no longer shaped by Cold War bipolarity, domestic players are free to pursue their own international agendas, sometimes different from official government policy lines. This paper argues that in evaluating Japanese foreign engagement with East Asia, especially in the highly public debate about the East Asian Economic Cau-

cus (EAEC) in the 1990s, one must pay attention to the domestic politics behind the government's hesitant flirtation with the idea of Asian regionalism.

Two factors can be considered driving forces for a redefinition of Japan's international role. First, with the end of the Cold War, the quality of the Japan–US alliance has changed. Economic tensions between the two countries are no longer buffered by Cold War security concerns, but can be considered a constant and widely discussed feature of Japan's relations with its main ally. On the other hand, regionalism in Asia has expanded and dispersed. This trend was stimulated by European political and economic integration, and by the emergence of other regional (economic) groupings, such as the European Union (EU) or the North American Free Trade Area (NAFTA). It was further energized by longterm high rates of economic growth in East Asia. Continuing from the early 1980s to the late 1990s, the 'economic miracle' in the region consisting of North- and Southeast Asia made many observers proclaim an upcoming 'Asian century'. Even after such enthusiasm died down in the wake of the economic crises that hit East Asia from 1997–99, the idea of regionalism in Asia is still alive and might even have gained in appeal as a possible way to prevent similar events in the future.

Against this background, Japanese politicians, top bureaucrats, business executives, journalists and intellectuals have engaged in a discourse about the future Japanese role in the region. The debate about the East Asian Economic Caucus (EAEC) can be seen as symbolic of this discourse. Originally intended by its initiator, Malaysian Prime Minister Mahathir Mohamad, as the foundation of an East Asian economic bloc, the Caucus is now promoted as an Asian consultative grouping within the Asia-Pacific Cooperation forum (APEC). Although the list of countries named as putative members of the EAEC has changed several times since the proposal was first made, the core members of the grouping remain the same: the ASEAN member states[1], China, South Korea, and Japan. Due to the limitation of EAEC membership to East Asian countries only, the US and other countries in the Asia-Pacific region like Australia and New Zealand vehemently opposed the concept from the beginning (see Hook 1997). With efforts of EAEC supporters to place the grouping into the broader context of APEC and thus to include or at

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[1] The Association of Southeast Asian Nations (ASEAN) was formed in 1967 by Singapore, Malaysia, Thailand, Indonesia, and the Philippines. Brunei has been a member of ASEAN since 1984. Vietnam joined in 1995; Myanmar and Laos in 1997, and Cambodia in 1999.

least consider the interests of the non-Asian states in the Asia-Pacific region, such opposition has weakened over the last few years. As a consequence, the grouping gradually emerged and a number of meetings have been held. However, the participating states carefully avoided mentioning the EAEC by name; rather, they referred to their meetings as gatherings of 'ASEAN plus-three' (ASEAN plus China, Japan, and South Korea). Japan, the most advanced economy in East Asia, was asked to join the EAEC and to play a leading role. Japanese government representatives also participated in the *de facto* EAEC meetings mentioned above. However, the official Japanese position on the EAEC did not change much from the cautious and unresolved stance the government took when the proposal was first made. In contrast, the complete spectrum of opinions in Japanese public debate differs considerably from the official policy line of the Japanese government. Individual statements by high-ranking members of the Japanese government bureaucracy and politicians, by researchers, policy consultants, and representatives of the private sector range from outspoken hostility to enthusiastic support.

This paper analyzes the domestic Japanese debate about the EAEC and presents the main positions taken by members of the Japanese foreign policy elite. It will be argued that although official statements about the EAEC have been rather negative or non-committal from the beginning, there are strong tendencies among Japanese political elites that favor a more active role for Japan in Asia and therefore support the EAEC concept. In particular, multinational corporations and associations representing big business, for whom Asian countries are important both as markets and production sites, exert pressure on the Japanese government to pursue a policy of economic integration and regionalism in Asia. Additionally, traditional foreign policy elites are not as united in their positions toward the EAEC as the official Japanese government position might suggest. Many politicians, government bureaucrats and diplomats are attracted by the proposal and support or at least consider a more regionalist approach to Japan's international relations. Although it can not be expected that regionalism will become the prevailing strategy in Japanese foreign policy in the immediate future due to lingering bilateral considerations, some Japanese foreign policy decision makers are now willing to engage in an extended flirt with regionalist ideas and concepts.

2 CLARIFYING REGIONALISM

Before turning to the domestic Japanese debate about the EAEC and the question of how Japanese foreign policy elites address regionalism, it is important to define what is understood by 'region' and 'regionalism' in the context of this paper. The necessity to clarify these core terms for the argument of this paper stems from the fact that there is no common definition of the concept of region in the study of international relations. Most authors describe regions in the context of geographic proximity. However, the reference to the location of a country in a geographically specified area does not yet provide a sufficient means to identify it as being part of a region. Neither are high degrees of political, economic, military or social relations, policy convergence or trade adequate conditions to call a group of countries a region. Those factors can certainly be seen as influences that promote the emergence of a region, however, as long as there is no common perception of 'region', a feeling of 'regional identity', among the people(s) living in an area of geographic proximity, the existence of a region can not be confirmed.

To form a region and to create such a 'regional identity', a conscious decision by the political elites of the countries involved is necessary. In the same way as nations are, according to Benedict Anderson (1991), 'imagined communities', *i.e.* the products of policy choices by national policy decision makers, regions are socially and politically constructed. Higgott (1998, 338) states that 'the yardsticks of "regionness" vary according to the policy issues or questions present and above all by what the dominant actors in a given group of countries at a given time see as their political priorities'. Clearly, political action and also support from all spheres of a society are needed to build a region. Political action in this context firstly means the creation and maintenance of a sense of unity – 'regionness' – between the member states of the region.

The complex of ideas, attitudes, and loyalties that are meant to produce a feeling of shared communality among the people(s) of a putative region is usually referred to as 'regionalism' (see, for example, Evans and Newnham, 1998, 474). Political elites use their public role to create and disseminate conceptions of regionalism in order to influence public perceptions of 'regional affairs' and to increase support for closer cooperation and policy convergence between and among the 'member' states of a region. In this paper, 'political elites' refer not only to politicians and high-ranking bureaucrats, but to all 'holders of strategic positions in powerful organizations and movements, including dissident ones, who are able to affect national political outcomes regularly and significantly' (Dogan and Higley 1998, 15).

While regionalism thus has to be seen as a political concept brought about by political elites with the intention to form a regional identity in the countries involved[2], this paper uses 'regionalization' to refer to an undirected economic process driven by actors from the private sector, *e.g.* multinational corporations. This process is rather an accumulation of economic networks, such as in the fields of production or distribution, within or across geographical regions (Higgott 1998, 339), and it is not based upon ideological or strategic motivations. Regionalization is not necessarily linked to government policy, but it can be argued that private sector economic power and regional economic integration can act as driving forces and incentives for governments to take on a more active regional political role. Studies of the European Community (EC), for example, have shown that high economic activity can stimulate further cooperation between the participating states, first on the economic level, but later also in a broader political context. At the same time, regionalization also can affect the policy preferences of domestic actors and thus generate support for further integration (see for example Haas 1958). Milner (1997) has pointed out that pressure from the private sector can influence political leaders who are interested in improving their chances for re-election by serving special interests, *e.g.* of firms and private companies, to favor regionalist projects.

The degree of economic integration in East Asia is, although impeded by national policy considerations and different stages of economic development, already quite high (see, for example, Dobson and Chia 1997; Legewie 1998). At the same time, however, political cooperation on the state level still has yet to gain momentum. This paper addresses the dynamics between political and economic actors on the domestic level in Japan. It is argued that there is a high chance of spillover of regional activity from the economic to the political sector. After a brief overview of the development of the EAEC proposal and the official Japanese government position toward it, we will examine the main positions among Japanese opinion leaders.

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[2] After the end of the Cold War, levels of governance broke down and brought more freedom for domestic players to pursue their own international agendas. Regionalism thus can also involve subnational parts of different states that create a transborder identity not embracing whole countries, but only parts thereof (see, for example, the chapter by Hook in this volume).

3 LET'S GET REGIONAL – THE EAST ASIAN ECONOMIC CAUCUS (EAEC)

The proposal to create a regional economic forum only for East Asian nations was first made by Malaysian Prime Minister Mahathir Mohamad at a dinner in honor of Chinese Prime Minister Li Peng during Li's official visit to Malaysia in December 1990. Originally named the East Asian Economic Group (EAEG), Mahathir intended it to become a regional trade bloc, formed by the member states of the Association of Southeast Asian Nations (ASEAN), the three Indochinese states (and later ASEAN members) Cambodia, Laos and Vietnam, as well as Japan, China, Hong Kong, Taiwan, and South Korea. After concern rose within the Malaysian government that the proposal of a trade bloc might not find support in Asia and could cause international problems, Mahathir restated his plan and proposed the formation of the EAEG as a consultative group (Okita 1993, 56; McDougall 1997, 222). The EAEC concept was then formally proposed at an international conference in Bali in March 1991.

Mahathir's proposal of an exclusively Asian consultative forum stems from both international and domestic motives. First, the EAEG concept can be interpreted as a reaction to economic integration in Europe and North America *(i.e.* the European Community, EC, and the North American Free Trade Agreement, NAFTA). Claiming that these two regions were gaining more influence due to economic integration and the coordination of international trade policies, Mahathir stated that increased cooperation within East Asia would be necessary for the improvement of the region's bargaining position in international trade negotiations. It would furthermore counter the possibility of protectionist actions by European or North American states. At the same time, a regional grouping like the EAEG could serve as a means for Asian countries to jointly address economic and political problems in the region, to enhance trade, and to thus further increase the efficiency of East Asian economies (Okita 1993, 57). Second, the Malaysian government clearly evinced concerns about the APEC process. As it became clear in a 1990 statement by Prime Minister Mahathir, the Malaysian government considered APEC a grouping that was designed to ensure US domination of the region. There were fears in Malaysia, but also in other Asian countries, that APEC might turn into a trade bloc helping the US and Japan to counterbalance the European Union, and that it might overshadow ASEAN (*Far Eastern Economic Review* 18 November 1993, 16–17; *Far Eastern Economic Review* 10 November 1994, 29). Third, the EAEG proposal has to be seen in the context of Mahathir's general criticism of US influence in the region and his calls for a re-orientation toward Asian values and traditions. Since the early 1980s, Mahathir had promoted his concept

of a 'Look East policy' that was oriented on the Japanese model of economic development rather than the West (see also the article by Kimura in this volume). This is also the reason why Mahathir called on Japan to take on a leadership role in the grouping. Finally, a successful initiative for a regional organization in Asia would have raised Mahathir's personal profile as a statesman, thus becoming a valuable asset for the maintenance of domestic support and also for enhancing Malaysia's international position (Hook 1997, 22; *Far Eastern Economic Review* 8 December 1994, 22).

As noted above, the EAEG proposal was part of an ideological concept, pushed forward by Malaysia, to promote an 'East Asian' regional identity in contrast to the 'Asia-Pacific' regional identity favored by the US, for which APEC is the vehicle. Therefore, the US, but also other non-Asian members of APEC, especially Australia, vehemently opposed the EAEG plan. The reasons for this strong resentment on the side of non-Asian APEC members have to be seen as more than the fear of a trade bloc in East Asia that would limit access to Asian economies. Much more important were concerns that such a grouping might undercut efforts, especially by the US and Australia, to enlarge and solidify APEC. The US were also concerned that the EAEG might engage in discussions on regional political or security issues without the US and thus might undermine US claims for a leadership role in the Asia-Pacific region.

EAEG supporters were also confronted with negative reactions from within Asia. In particular the political leadership of Indonesia, traditionally suspicious about policy ideas promoted by erstwhile rival Malaysia, reacted adversely to Mahathir's proposal. There also was a lively debate among Asian countries about the membership in the grouping, with the Chinese government opposing the inclusion of Hong Kong and Taiwan, although it supported the EAEG proposal from the start (*Far Eastern Economic Review* 30 January 1992, 15). To overcome such problems, the ASEAN economic ministers proposed at a meeting in Kuala Lumpur in October 1991 to create an informal East Asian forum within the context of APEC. To stress the consultative and open nature of this organization, the name of this grouping was changed into East Asian Economic Caucus (EAEC). The discussants also postponed an agreement about the membership of the EAEC, to avoid a further delay in the process (*Far Eastern Economic Review* 17 October 1991, 121).

Even after the name change and ASEAN diplomatic efforts to ease US suspicions, US opposition to the plan remained as strong as before. Although not part of the official agenda, the EAEC proposal became a dominant topic at the APEC summit in Seoul in November 1991. Prior to the summit, the US government exerted considerable pressure on both Japan

and South Korea not to join the EAEC. In a letter to then Japanese Minister of Foreign Affairs, Watanabe Michio, US Secretary of State James Baker expressed his concerns that the EAEC could develop into a trade bloc. Baker also pointed out that with the exclusion of the US and Canada, the EAEC 'would divide the Pacific region in half' (*Far Eastern Economic Review* 28 November 1991, 11). He thus made it clear that in the competition between the two concepts of regional integration, the US model of an Asia-Pacific region with APEC at its center, and the Malaysian model of an exclusively East Asian region symbolized by the EAEC, a positive stance toward the EAEC would be considered a choice of sides and have a negative impact on the relationship with the US. To avoid difficulties with its main ally, the Japanese government quickly distanced itself from the EAEC proposal.[3] The government of South Korea, which had shown some sympathy for the proposal, also backed down as a consequence of US pressure and expressed its intention not to join the EAEC.

Vehement resistance by the US and Australia, but also the hesitant and sometimes hostile reactions from ASEAN members such as Indonesia stalled the discussions about the EAEC, and the proposal ran the risk of losing momentum. EAEC supporters, especially the government of Malaysia therefore engaged in consensus-building measures in Asia and on the international level. They repeatedly stressed that the council should be created as a conference, not an institutionalized entity, and focused on the informal character of the group (*Japan Times* 23 November 1991; Korhonen 1997, 180). These activities reached their goal in July 1992 when ASEAN heads of state reached a consensus to form a trade caucus with an all-Asian membership.[4] The question of how this caucus should work in practice, however, was only settled one year later. While Malaysia favored organizing the EAEC as an independent grouping outside of APEC in order to avoid influence from non-Asian APEC members such as the US, Indonesia opposed this concept and insisted on situating the EAEC within the APEC framework. Singapore's Foreign Minister Wong Kan Seng final-

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[3] For a detaild analysis of the official Japanese government position toward the EAEC, see section 4 of this article.

[4] One example for the strategies used by EAEC promoters to win ASEAN support for the EAEC proposal can be seen in the references to Laos, Cambodia, Vietnam, and Burma. The strained economic and political situation in these four countries caused a wave of illegal immigrants into ASEAN states and thus created considerable political, social and economic difficulties for ASEAN member states. Malaysian Foreign Minister Abdullah Badawi took advantage of this situation and promoted the EAEC as one possible vehicle for Asian countries to coordinate efforts for economic development in Indochina (*Far Eastern Economic Review* 15 September 1994, 20).

ly proposed a compromise: the ASEAN member states agreed that the EAEC should operate within APEC, but would be driven by the ASEAN economic ministers' meeting (*Far Eastern Economic Review* 5 August 1993, 11).

This new formula made it easier for reluctant putative EAEC members like Japan and South Korea to consider the proposal in more favorable, if still non-committal and cautious, terms. In particular, the agreement to meet informally as an ASEAN plus-three group consisting of the ASEAN member states, China, South Korea, and Japan, helped to finally realize the grouping. Since 1994, delegations of the prospective EAEC members have met annually to hold informal consultations on economic issues, while at the same time evading any references to the EAEC proposal. This twofold strategy of showing loyalty to the APEC process, while at the same time building dialogue and trust in East Asia through informal meetings, helped to ease the concerns of the US and Australia. In May 1995 and March 1996, the two countries, though still critical of the EAEC concept, dropped their opposition toward an East Asian grouping as one of several layers of regional organizations in the Asia-Pacific region (*Japan Times* 22 March 1999).

The EAEC structure was given legitimacy in Bangkok in March 1996 when the heads of state of the ASEAN plus-three countries met the political leaders of the European Union for the first summit level Asia–Europe Meeting (ASEM) (Higgott 1998, 346). Although the participants carefully avoided or even denied parallels between the Asian representatives and the membership of the EAEC, it can be said that at this meeting, the Council was *de facto* installed as an internationally acknowledged East Asian regional grouping. In December 1997, the political leaders of the ASEAN plus-three states met for the first East Asia summit meeting in Kuala Lumpur. Again, all participants took care not to make any statements that could be used to construct a connection to the EAEC (Chongkittavorn 1998, 46; Pempel 1999, 76). Since then, two more summit meetings followed in Hanoi in December 1998 and in Manila in November 1999. While economic issues and especially trade were in the center of the first meetings, for the future, talks on cooperation in the fields of science, technology and culture are also planned (*Japan Times* 22 March 1999).

The compromise to create the EAEC *de facto* without making a commitment to the ideological framework of the grouping certainly has helped to overcome both Asian and Western concerns, especially US opposition, and to get the grouping off the ground. However, if the EAEC is to develop further, this cannot be seen as a permanent solution. Enhanced dialogue and increased cooperation of East Asian countries in economic and other fields, which was agreed upon at the East Asian summit meet-

ing in Hanoi in 1998 and stressed in Manila in 1999, will confront East Asian governments with the necessity to generate domestic support for further grouping. In other words, if these efforts are to be successful, leaders will need to build an ideological basis among their citizens for their political redefinition as 'Asians' rather than as simply 'Japanese', 'Indonesians', 'Malaysians', or 'Chinese'. It will thus be unavoidable for East Asian governments to address regionalism. The 1999 Leaders' Statement of the East Asian Summit Meeting in Manila points to the general direction regionalism in East Asia might take. The statement stresses the intention to promote dialogue and to deepen and consolidate relations between the countries of the region. At the same time, the statement points to the willingness to use increased regional cooperation to 'support and complement' other multilateral fora, such as the UN, APEC, and ASEM. This statement implies, together with references to the 'diversity' of the region, that East Asian regionalism will not take on the exclusive nature of the original EAEG concept. The leaders, however, also paid tribute to an Asian regional identity when they agreed 'to strengthen regional cooperation in projecting an Asian point of view to the rest of the world … focusing on the strength and virtues of East Asian cultures' (*Japan Times* 29 November 1999).

4 'Dᴇʟɪʙᴇʀᴀᴛᴇ ᴀᴍʙɪᴠᴀʟᴇɴᴄᴇ' – ᴛʜᴇ Jᴀᴘᴀɴᴇsᴇ ɢᴏᴠᴇʀɴᴍᴇɴᴛ ᴀɴᴅ ᴛʜᴇ EAEC

The Japanese government's initial reaction to the EAEG proposal by Malaysian Prime Minister Mahathir was unsympathetic. Both Japanese postwar economic development and later economic growth were only possible because of global free trade and access for Japanese products to European and US markets. Therefore, Japanese governments have traditionally been advocates of free trade and opposed to trade blocs in general (see Kōno Yōhei in *Japan Times* 1 January 1992). As the original EAEG concept was aimed at the creation of a trade bloc in Asia, it instantly provoked negative reactions in Japan and was countered by government representatives with strong rhetoric in the defense of free trade.

The Japanese government's initial objection to the proposal was also caused by the awareness of opposition against the EAEC from both the West, especially the US, and ASEAN member states. A statement by Japanese Prime Minister Kaifu to Malaysian Prime Minister Mahathir that Japan would not commit itself before ASEAN had reached a consensus also points to the low chances Japanese government leaders gave the EAEC

proposal (McDougall 1997, 222; *Far Eastern Economic Review* 1 October 1992, 20). Instead of risking a strain to the relationship with Japan's main ally, which was already tense due to trade conflicts at the end of the 1980s, Japanese government representatives continued to speak out in support for APEC. They also clearly signaled to the US and Asian countries that East Asian regionalism was not on the official Japanese government agenda. This could be seen from public statements by MITI officials that Japan had 'a regional policy for Asia but not a policy on regionalism' (*Far Eastern Economic Review* 18 June 1992, 44–8).

The negative position of the Japanese government toward the EAEC seemed to soften a bit after the ASEAN economic ministers agreed to create the East Asian Economic Caucus (EAEC) as an informal East Asian forum within the framework of APEC. Instead of outright opposition, the official Japanese reaction to the EAEC proposal was rather non-committal. This lack of a clear response by the Japanese government was interpreted by some observers as an indicator that Japan, although not in favor of the concept, at least welcomed some of the effects of the EAEC proposal. Especially with regard to international trade and the formation of regional organizations such as the EU and NAFTA; the EAEC concept created 'new leverage vis-a-vis Europe and North America by making the threat of a retaliatory East Asian trade bloc more credible' (*Far Eastern Economic Review* 28 November 1991, 11).

However, even if this interpretation is correct, Japanese government officials were careful to avoid any kind of confrontation with the US, which vehemently opposed the creation of the EAEC and made its adverse feelings clear to its allies. US pressure on Japan not to join the EAEC was intense, as can be seen from Baker's 1991 letter to Watanabe. Japanese government concerns about US opposition to the EAEC proposal and a possible Japanese participation did not stem from simple loyalty to Japan's main ally. The Japanese Ministry of Foreign Affairs (MOFA) also avoided controversial moves in Asia out of strategic considerations. First, Japanese foreign ministry officials were eager to keep the US, where the new Clinton government had displayed a decreasing commitment to the region after the end of the Cold War, politically and militarily involved in East Asia. The reasons for this can be seen both in worries about China's ambitions to become a regional power in Asia and in Japanese hopes that US presence in the region might counterbalance this development. On the other hand, Japanese government officials also were convinced that a continuation of the Japan–US security alliance would ease historically motivated Asian concerns about a resurgence of Japanese power in Asia. It would, in this analysis, be easier for Japan to play an active role with, rather than without, US support. Second, also economic reasons kept Japanese

government officials from actively supporting East Asian regionalism. The US was and still is the most important market for Japan. Although the Japanese trade volume with Asia surpassed trade with the US in the early 1990s, part of the increase in trade between Japan and Asia was caused by the relocation of production facilities from Japan to Asian countries and the related flow of equipment and parts from Japan. A high share of the products made by Japanese companies in Asia, however, is later exported to the US, thus pointing out the continuing importance of the US market for Japan (*Far Eastern Economic Review* 14 January 1993, 11–12; *Far Eastern Economic Review* 16 December 1993, 24; *Far Eastern Economic Review* 9 June 1994, 47).

Japanese Prime Minister Miyazawa therefore avoided the topic of the EAEC during Malaysian Prime Minister Mahathir's visit to Tōkyō in December 1991. He also stressed continuity in Japanese foreign policy rather than change during his official trip to Malaysia in January 1993, implying that no change in the Japanese position toward the EAEC was imminent (*Japan Times* 25 December 1991; *Far Eastern Economic Review* 28 January 1993, 11). After ASEAN agreed to support the creation of the EAEC in 1992 and decided to establish it as a council within APEC in 1993, however, the Japanese government took on a more open stance toward the proposal. In August 1993, Japanese government officials explicitly welcomed the Japanese decision to place the EAEC within the APEC framework (*Far Eastern Economic Review* 5 August 1993, 11). In July 1994, then Minister of Foreign Affairs Kōno stated in an official meeting with the Foreign Ministers of Malaysia, Thailand and the Philippines that Japan was 'not against the EAEC', but that it favored a solution which was acceptable for both ASEAN and the US. He further stressed that Japan would not support any development that could split the Asia-Pacific region, thus alluding to the two competing concepts of regionalism in Asia brought forward by the US and Malaysia, and also to US concerns about the EAEC (*Asahi Shinbun* 27 July 1994).

In late 1993, ASEAN formally approached Japan to join the EAEC. Since then, the Japanese government has postponed a final decision while regularly stating that the proposal was under deliberation. Japanese politicians and government officials have avoided occasions where a commitment to the EAEC might have been demanded. In March 1995, for example, a senior MITI official declared that Japan would not attend a meeting of ASEAN economic ministers if the EAEC was on the agenda (*Daily Yomiuri* 1 April 1995). The extremely careful position of the Japanese government toward the EAEC also became visible when the Ministry of Foreign Affairs made the Japan–Malaysia Association delete the words 'World-Shaking Quiet Revolution EAEC' from the cover page of a

booklet for a symposium about the EAEC organized by the association (*Japan Times* 18 January 1995). Even as late as February 1996, a Ministry of Foreign Affairs (MOFA) spokesman declared at a press conference about the ASEM meeting that it was a mere coincidence that the group's membership was more or less identical to the EAEC conception. He further pointed out that the issue of the EAEC was still 'under study' at the Japanese government and did not provide further comment.[5] At the same time, Japan has participated in all three informal East Asian summit meetings since 1997 and has even played a major role at these meetings. Japan has also presented several initiatives to promote cooperation and economic growth in the region, including the 1997 initiative to create an Asian Monetary Fund (AMF) to help Asian economies overcome the East Asian economic crisis. This proposal was later aborted due to US opposition. Another example is the so-called 'Obuchi Plan' under which US\$ 500 million shall be extended for the development of human resources and the promotion of exchange programs in the region. It was presented at the informal summit in Manila in November 1999 and was part of a newly declared Japanese policy to play an active role in furthering regional cooperation (*Daily Yomiuri* 29 November 1999).

In sum, the official Japanese position toward the EAEC can be characterized as 'deliberate ambivalence': The Japanese government carefully avoided making ideological commitments to East Asian regionalism out of concerns about possible strains to Japan–US relations. This cautious and non-committal approach certainly delayed the EAEC process. At the same time, however, Japanese government representatives also took part in the *de facto* installation of a regional consultative grouping as a supplement to the APEC process, but without any explicit references to the original proposal. By doing so, the Japanese government showed an interest in cooperation and further integration in East Asia, and it also signaled its willingness to take on an active role in this process. Thus, the Japanese government has managed to practically implement East Asian regionalist concepts without their ideological framework.

The official Japanese government position toward the EAEC and East Asian regionalism is, although important, only one facet of the multi-layered discourse about the future role Japan should play in the region. As noted above, regionalism has to be seen as the result of a process involving not only the state, but all spheres of society. To create a regional identity shared by the people(s) of all member states of a region, support has

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[5] The minutes of this press conference by the Press Secretary of the Ministry of Foreign Affairs on 23 February 1996 were downloaded from www.mofa.go.jp/ announce/press/1996/2/223.html.

to be developed at all levels of society and in all member states in the region. The next section of this paper will show that although the official Japanese foreign policy establishment is reluctant to display any sympathy for regionalist ideas, large groups within the political elite are ready to engage in East Asian regionalism or at least to flirt with such concepts. It will become clear from unofficial public statements by bureaucrats, politicians, business representatives and other opinion leaders that Japanese political elites are not as unified in their attitudes as the official government policy line might suggest.

5 DEBATING REGIONALISM: THE DOMESTIC DISCOURSE IN JAPAN ABOUT THE EAEC

After analyzing the official Japanese government approach toward the EAEC proposal and East Asian regionalism, this section will address the positions of Japanese opinion leaders as presented in the public debate in the Japanese media. Statements by politicians, bureaucrats, journalists, intellectuals and business leaders influence public opinion and can thereby take on an important role not only in domestic politics, but also in the setting of new foreign policy agendas.[6] This argument is based on the assumption that the views presented in public debate are basically consistent with opinions and policy lines proposed by interest groups in informal consultations with the foreign policy establishment.[7] Political elites use the media to build up public support for their policy goals and to thus strengthen their position in the policy making process. An analysis of public discourse therefore contributes to an understanding of political decision making also in the field of international relations.

With regard to the EAEC and a future role for Japan in Asia, three main opinion groups can be distinguished in Japanese newspapers and journals. In this paper, they are referred to as
– ardent Asianists
– traditional bilateralists
– globalists and 'honest brokers'

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[6] For details on the role of media in Japanese politics, see for example Krauss (1996).

[7] For private sector influence on Japanese foreign policy decision making, see also Blechinger (1998).

5.1 Embracing Asia: the ardent Asianists

The most outspoken, widely published and possibly also most noticed group both on the domestic and international level are the 'ardent Asianists'. Their main argument is that Japan is first and foremost an Asian country. The universalism of so-called 'Asian values', which are considered common to all East Asian countries, is stressed, and it is claimed that Japan should re-orient its attention toward Asia and become a true member of an Asian community of nations. Inspired by the 'Look East' policy of Malaysian Prime Minister Mahathir, which promotes the Japanese model of development as an alternative to Western models, opinion leaders sympathetic to this view claim that Japan should be proud of the country's position as a global economic superpower. As a consequence of Japanese success, Japan should take a leading role in Asia and should offer cooperation and support to fellow Asian nations, while at the same time reducing its ties with the US and other Western countries.

In the mid-1990s, the EAEC proposal and its initiator, Malaysian Prime Minister Mahathir Mohamad, received a generous amount of favorable media coverage in Japan. This high level of media attention was caused by the publication of two co-authored books by Mahathir and Japanese writers. One of Mahathir's joint authors was former Member of the Lower House and now Governor of Tōkyō, Ishihara Shintarō, who also is a key representative of the Asianist view in Japan. In the 1980s and early 1990s, he made domestic and international headlines when he published, together with the founder and former chairman of Sony, Morita Akio, a volume entitled 'The Japan that can say NO' (*NO to ieru Nihon*) (Ishihara 1991), which demanded a more assertive Japanese position in trade conflicts between Japan and the US. In an allusion to this publication, the volume he wrote together with Mahathir was entitled *NO to ieru Ajia*, literally translated 'The Asia that can say NO'. The Japanese version was published in 1994 (Mahathir and Ishihara 1994), and the English edition 'The Voice of Asia' came on the market in 1995 (Mahathir and Ishihara 1995). In the volume, both authors engage in harsh criticism toward the West. While the West is described as decadent, aggressive and selfish, Asian societies are portrayed as the exact opposite. For Japan, Ishihara proposes the introduction of a 'New Asian Co-Prosperity Sphere', taking up a concept which Japanese militarist regimes were striving to implement during the Second World War and which should justify Japanese imperialist ambitions in Asia. In contrast, the 'New Asian Co-Prosperity Sphere', according to Ishihara (Mahathir and Ishihara 1995, 141), shall be characterized by Japanese economic leadership and investment, with the Japanese as 'solidary colleagues' of their fellow Asian nations. It can be argued that the author in-

tended the EAEC to become the vehicle for such a new relationship between Japan and East Asia.[8]

Only several weeks after the publication of *NO to ieru Ajia*, another co-authored volume by Mahathir was published. This time, his partner was economist Ohmae Ken'ichi, an author who is well-known in Japan for his works on business strategies as well as on globalization and its effects on politics and the state (see for example Ohmae 1994; Ohmae 1995). In the volume *Ajiajin to Nihonjin* ('The Asians and the Japanese') (Mahathir and Ohmae 1994), both authors argue that Japan should focus on contributing to development in Asia, again appealing to Japan to play a more active role in Asia and to be the leader in East Asian economic development.

One may argue that the publications Malaysian Prime Minister Mahathir launched in Japan at this time were part of his strategy to promote the EAEC and to gain support in the Japanese public. To achieve this aim, he chose two co-authors who were well-known to the Japanese public and who had a reputation of bringing forward unorthodox and often highly disputed arguments. At least in terms of media echo, this strategy worked out well, and one could almost speak of a 'Mahathir boom' in Japan in the mid-1990s (*Far Eastern Economic Review* 24 November 1994, 18). The sympathetic coverage of Mahathir in Japan can be seen, for example, in a very favorable cover story in the well-established weekly magazine *AERA*, which characterized the Malaysian Prime Minister as a pure realist and emphasized his leadership capabilities. This article also presented the EAEC as a pragmatic concept and stressed that it only had a chance to be realized if Japan participated in the Caucus (Mimatsu 1994, 21).

The popularity Mahathir enjoyed in Japan in the mid-1990s also spilled over to the newspaper debate on the EAEC. The prestigious daily *Asahi Shinbun*, for example, printed a number of positive statements about the EAEC proposal in the wake of public attention for Mahathir. Two comments may serve as an illustration. Furukawa Eiichi, a former MOFA bureaucrat with a specialization on Southeast Asia, who is now Director of the Japan International Strategic Center (Nihon Kokusai Senryaku Sentā) was one writer in support of the EAEC. After stressing that the reluctant position of the Japanese government toward the EAEC raised critical voices all over Asia, Furukawa stated that in his eyes, the majority of the

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[8] The same concept was also promoted by his co-author Mahathir. In a speech he delivered in Oita at the 'Kyushu–Asia Local Authority Summit' in October 1994, he stated that in his view, Japan 'owed it' to Asia to join the EAEC. He further suggested that active participation in the EAEC might be a means for Japan to 'make amends' for Japanese wartime atrocities (*Far Eastern Economic Review* 24 November 1994, 18).

Japanese people was in favor of the EAEC. US pressure had to be seen as the only reason for Japan's ambivalent position to the proposal. Furukawa also pointed out that a Japanese 'No' to US pressure about the EAEC would not necessarily bring about friction in Japan–US relations. It would rather help to put Japan–US relations on a 'healthier' basis. US opposition to the EAEC was, in his eyes, merely based on unrealistic assumptions. He appealed to Japan to actively support the EAEC (*Asahi Shinbun* 2 December 1994).

A similar point was made by the political commentator Miyake Wasuke (*Asahi Shinbun* 10 December 1994). He stressed that the passive Japanese official stance toward the EAEC proposal caused disappointment and criticism among Asian countries. Later he pointed out that there was more potential for Japan in stronger ties with Asia than in the continuation of the close relationship with the US. In his opinion, the 21st century would certainly become an 'Asian century'. Therefore, it was high time for Japan to shift the focus of its foreign policy toward Asia. At the same time, he was also advocating a leadership role for Japan in the region and demanded that Japan should, together with China and the US, become one of the main pillars of Asian security in the future. The EAEC would be one vehicle for such a leadership role.

While the positions stated above present a rather exclusivist perspective on Japan–Asia relations, there also are voices in the Asianist camp in Japan that take a more moderate position. While authors like Ishihara call for turning away from the US and 'the West' and emphasize Asia as the core basis for Japan's international relations, the more moderate Asianists rather speak of a shift in attention. They stress the extraordinary position of Japan as the most advanced economy in East Asia and the only Asian member of the G8. Due to this background, Japan is, in their eyes, in an excellent position to bridge the gap between East Asia and 'the West'. This group favors the EAEC and other regional organizations with exclusive East Asian membership as an expression of a new focus in Japan's foreign relations: Asia.

One representative of this approach was also an advisor to Malaysian Prime Minister Mahathir about the EAEC. The late Okita Saburō, former minister of foreign affairs and chairman of the Institute for Domestic and International Policy Studies in Tōkyō defended the EAEC proposal in numerous public statements and stressed the consultative nature of the Caucus (see for example Okita 1993). He also pointed out that the EAEC was meant to counterbalance regional organizations in other areas of the world and was therefore in Asia's (and Japan's) best interest. Okita called on the US to refrain from putting pressure on Japan about the EAEC because the incremental development of the Caucus was in many ways a re-

sponse to concurrent developments in Europe and North America (*Japan Times* 13 November 1991). By arguing in this direction, Okita promoted the EAEC as a purely pragmatic concept and neglected the ideological part of the EAEC proposal. As a friend and advisor to Mahathir, Okita was also named chair of an advisory committee for Mahathir in Japan that was designed to promote the EAEC within the Japanese business community (*Far Eastern Economic Review* 28 November 1991, 11).[9]

Asianist positions can also be found in the Ministry of Foreign Affairs (MOFA). One example is Ogura Kazuo, the former Japanese Ambassador to Vietnam (1994) and Deputy Minister of Foreign Affairs (1995) who currently serves as Japanese Ambassador to South Korea. In a 1993 article for the leading opinion magazine *Chūō Kōron*, entitled 'For the Sake of Reinstating Asia' (*Ajia no fukken no tame ni*) (Ogura 1993), he advocated the adoption of Asian values as a concept not only for Asian countries, but also for the 'West', to solve problems like environmental pollution, the impact of aging societies and human rights violations. This article was not the only publication by Ogura with an Asianist emphasis. He also published a book about cultural friction between East and West (*Tōzai bunka masatsu*) (Ogura 1990), in which he called for more distance in Japan–US relations. MOFA officials up to that time had the reputation domestically and internationally as the pro-US faction in the bureaucracy. Therefore, Ogura's Asianist arguments were met with considerable public interest. He is well known in Japan for his opinion that Japan should depart from its postwar 'America first' policy and redefine itself as an Asian nation. The fact that he made such an impressive career can be interpreted as a signal that there are tendencies within MOFA to strengthen the Ministries' Asian Bureau and to redefine the weight of Asia in Japan's foreign politics.

With the Asian economic crisis of 1997/98, Asianist declarations in Japan decreased considerably in volume and also subtly changed in tone. The idea of a superior value system that guaranteed economic growth had been dealt a severe blow, losing its appeal to the public. But the shock of the crisis, combined with Asian disappointment and dissatisfaction with the efforts of such 'Western' bodies as the International Monetary Fund (IMF), inspired a defensive stance, highlighting the need for Asian nations to circle their wagons and protect themselves from the unfettered liberalism espoused by US and European-led institutions. Ogura Kazuo's pub-

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[9] Further members of this committee were Kurosawa Yoh, President of the Industrial Bank of Japan, Ijiri Kōichirō, Chairman of Mitsui & Co., Anzai Kunio, President of Tōkyō Gas Co., and Saitō Hiroshi of Nippon Steel Corp. For background information about Okita, see also Korhonen (1997, 177–9).

lished opinion once again reflects this new post-recession Asianism. In an article entitled 'Creating a New Asia' (*Atarashii Ajia no sōzō*) (Ogura 1999), he argues that in the wake of the crisis, there is an even stronger need for an Asian identity. The lack of a strong Asian voice in international institutions, the need to check US leadership in the region, and the collapse of Asian self-confidence in the late 1990s become central ideas in his analysis, as Ogura pushes strongly for a reasserted Asian identity. Alluding to the EAEC, he claims that the US should 'stop obstructing Asian attempts to get together and exchange views among themselves' (Ogura 1999, 12). He points out that in the aftermath of the crisis, Asian countries had a responsibility to coordinate their efforts to overcome the problems caused by the crisis and to fight nationalist tendencies that might destabilize the region. The crisis had raised the necessity to invigorate the concept of Asia so that the region would no longer be 'the plaything of Americans, Europeans, and other outsiders' (Ogura 1999, 12). In his view, Japan as the most advanced economy in the region plays a key role in the process of restructuring and reviving Asia. Ogura therefore calls for a re-orientation of Japanese diplomacy to strengthen its Asian strategy.

5.2 Stand by your ally: The traditional bilateralists

Where the Asianists demand a complete departure from 'traditional' Japanese foreign policy orientations and the central importance of Japan–US relations, another group of Japanese opinion leaders strongly insists on the continuation of this policy line. This group is represented by MOFA officials like the former Head of the Asia Bureau in the Ministry of Foreign Affairs and Deputy Administrative Vice Minister Ikeda Tadashi and influential academics like the Head of Tōkyō Gaikokugo Daigaku, Nakajima Mineo. With articles and opinion columns in conservative magazines like *Bungei Shunjū* or *This is Yomiuri*, in which they stress the risks of Asianism and the dangers inherent to a departure from established structures of Japanese international relations, the supporters of this view do not make headlines. However, it can be argued that their position is representative of an important faction within the official foreign policy establishment and does still represent the mainstream opinion among MOFA bureaucrats. Their views might also be shared by more decision makers and leading figures in Japanese business and politics than the provocative, but also often unrealistic proposals of the Asianists.

The main line of argument of the opinion leaders who support this position is that Asia as a region is far too diverse for regionalist ideas to work. For these observers, the Asianists' claims are illogical at best, and dangerously specious at worst. The traditional bilateralists thus empha-

size the cultural, ethnic, and religious differences between the various nations in the region, and underline the different levels of economic success and divergent political systems in such countries as China, Japan, and Indonesia. Moreover, they argue, the region is itself embroiled in several territorial disputes, and the uncertain future of China might produce a regional hegemon or a complete internal collapse, with nasty consequences for the region and for world security more generally (Nakajima 1995, Noda 1996).

With these arguments in mind, the traditional bilateralists recommend a continuation of Japanese foreign policy strategies, especially the preservation of the Japan–US alliance and Japanese involvement in multilateral international institutions. Even if these observers suggest that Japan should develop a leadership role within Asia, they strongly reject the notion of 'Asia' as a coherent region with political meaning other than geographical. These authors also reject globalist approaches, because they argue that globalism does not take cultural differences into account. To take on a proactive position in the region and internationally, Japan has to cooperate with and rely on the support of the US (Noda 1995). With relation to the EAEC, the main line of argument is that Japan–US relations are the stabilizing factor in Japan's relations with other countries in Asia-Pacific. The region's economic development is considered largely dependent on US and European markets, and it is stated that Asian nations alone cannot establish a self-sufficient regional framework. In 1992, an advisory committee to then Prime Minister Miyazawa presented a report that was highly critical of the Asianist conception. Chaired by Ishikawa Tadao, then president of Keiō University and a vociferous opponent of the EAEC, the committee argued that any regional economic framework with Japanese cooperation must be open, non-discriminatory, and consistent with the GATT system. It also must not damage the interests of outsiders like the US and Europe. While APEC was therefore considered a valid option for Japanese activities, the EAEC proposal was rejected (*Japan Times* 26 December 1992). A further claim of this group of opinion leaders is that Japan should avoid exclusive regionalism in its economic relations with other Asia-Pacific nations and should therefore refuse to endorse the EAEC. Such an action would only trigger protectionism in North America and Europe (*Japan Times* 1 October 1992). A similar argument was made by Ogawa Gōtarō, then Deputy Director of MOFA's Intelligence and Analysis Bureau. Reflecting US criticism to the EAEC proposal, he stated that his agency was worried that the EAEC could divide APEC: 'Since APEC has become increasingly important for us, we can not make hasty decisions when various views exist among other major members of APEC' (*Japan Times* 18 January 1995).

5.3 Searching for the best of both worlds: globalists and 'honest brokers'

While the two groups presented above represent two clearly defined and contradicting positions in the discourse on the EAEC and the Japanese position toward regionalism in East Asia, the next group to be analyzed here looks for a middle way between the two extremes described above. It represents the mainstream of Japanese opinion leaders from the private sector and also includes bureaucrats both from the diplomatic service and the economic bureaucracy. The prevailing view of the 'globalists and honest brokers', as they are labeled in this paper, is that because of its economic position and related power, it is indispensable for Japan to take on a stronger role in the region. At the same time, it is also important to keep the US interested in Asia. Supporters of this perspective on Japan's international relations claim that a US retreat from Asia would cause considerable political, economic and security problems both for Japan and for the region. The main interest for Japanese diplomacy should therefore be to integrate East Asian regionalism into the existing Japanese foreign policy line. The representatives of this view are close to the traditional bilateralists in their conservative interpretation of the present Japanese foreign policy and also agree with them in their critical view of the risks that the cultural, ethnic, political and economic diversity in Asia may bring about for Japan. Moreover, they stress the special position of Japan between Asia and the West and define a future role of Japan as a mediator or 'honest broker' both within Asia and between Asian nations and other parts of the world. By doing this, from the perspective of this approach, Japan will not only be able to make the best use of its advantageous position of belonging purely neither to the West nor to Asia. By offering itself as a broker, these observers argue, Japan can not only secure its position in the center of future integration processes in Asia and Asia-Pacific, but also influence future developments in a way favorable to Japanese business interests. The EAEC is considered a generally benign concept but in this view, it should only be created in the context of APEC.

It is perhaps no surprise that the basic position of organized Japanese business would be stated most publicly and succinctly by the head of Keidanren (Japan Federation of Economic Organizations), Japan's major business and employer organization. The Chairman of Toyota Motor Corp., Toyoda Shōichirō, served as the Chairman of Keidanren in the mid-1990s, and repeatedly argued that Japanese foreign policy required a balance between the country's relationship with the US, which had to remain its top priority, and a strong and increasing involvement in the economic and political development in Asia. As Toyoda pointed out in an interview with the *Japan Times* on 6 January 1995, he considers it of key importance to

cooperate with the US to further the economic development of the Asia-Pacific region. With regard to the EAEC, Toyoda was keen to remove all suspicions Keidanren would support regional integration excluding the US: 'The US should not worry about such a scheme because it is only a small caucus in APEC and has no decision making power. We have no plans to join forces with other Asian countries to oppose the US in this region'. The key objectives for Japanese foreign policy in Asia, besides a close cooperation with the US, should be Japanese support for the improvement of East Asian economies and the establishment of a horizontal division of labor with Japan. With this in mind, in 1995, Toyoda announced Keidanren missions to various countries in East and Southeast Asia (*Japan Times* 6 January 1995). These missions, together with a series of international conferences organized by Keidanren in Japan, played an important role in Keidanren economic diplomacy in the region in the late 1990s.

The accent on an equally strong Japanese involvement in Asia and other parts of the world as the US and Europe has been stressed repeatedly by Keidanren officials throughout the 1990s. Considering the fact that Keidanren is the largest business organization in Japan and that it represents companies and sectoral business networks of all spheres of the Japanese economy, its even-handedness is unsurprising. Both Toyoda and his predecessor Hiraiwa Gaishi, now Honorary Chairman of Keidanren, frequently pointed out that there was either a tendency in the US to lose its interest in Japan and to turn its activities toward Europe, expressed as 'Japan passing' (Toyoda, *Japan Times* 9 February 1996), or that Japan might be losing its influence in Asia and there might be complaints of Asian countries that 'Japan is no longer part of Asia' (Hiraiwa at the 'Tōkyō Colloquium' on 6 June 1998, *Daily Yomiuri* 10 June 1998). The tentative position Keidanren took – between a focus on the US and Asia – also characterizes the organization's stance vis-a-vis the EAEC. Keidanren officials never spoke out clearly in favor of the Caucus or openly expressed their opposition to the proposal, but always adopted a cautious position. A statement by Katsuhiro Utada, then Vice Chairman of Keidanren, following the policy line of the Japanese government, may serve as an example: 'We have to find out whether creating something other than APEC will offer any favorable effects' (*Japan Times* 18 January 1995).

While Keidanren officials thus reacted rather ambivalently to the EAEC, a large number of its member businesses were clearly in favor of the proposal. This became clear at a luncheon for Japanese top business representatives and former US secretary of state James Baker, hosted by the organization in January 1995. While Baker (author of the angry 1991 letter) explained why the US was opposed to the EAEC, the present business representatives pointed out that in their view, the EAEC in general

was a positive idea and there was no intention to build up an exclusive Asian trade bloc (*Asahi Shinbun* 8 January 1995). The positive attitude of individual businesses became also clear from statements by Keizai Dōyū-kai, the Japan Committee for Economic Development. This organization only allows individual membership and thus can act more flexibly than Keidanren which has to consider the diverse interests of all its member associations. It took a more open position toward the EAEC. In a press release in November 1994, the organization stated that it was principally in favor of the EAEC. Even so, as US opposition against the Caucus was so strong, a consensus of all countries in the Asia-Pacific area was a necessary precondition for the realization of the forum (*Asahi Shinbun* 2 November 1994).

The strong support for the EAEC from the Japanese private sector, and especially from big business and the Japanese industry, became obvious from public statements by individual business leaders. Kobayashi Yōtarō, President of Fuji Xerox and Co-Chairman of the US–Japan Business Council until July 1997, for example, proposed the re-Asianization of Japan (as quoted in Kimura 1997, 62). At a seminar sponsored by Keizai Dōyūkai in July 1989 under the motto 'establishing a national identity and winning the trust and respect of Japan's Asian neighbors will be the top goals of Japanese business in the next century' (*Japan Times* 22 July 1989), Kobayashi said that before talking about internationalization, Japan should first clearly identify itself as a member of Asia. At various occasions over the last 10 years, he has repeatedly stressed the need for Japan to engage itself in Asia. He has warned Japanese business representatives not to take on an arrogant stance toward other Asian nations (*Japan Times* 25 March 1997) and advocated the creation of market conditions which facilitate access for Asian companies to the Japanese market (*Japan Times* 25 October 1995). With regard to the EAEC, he pointed out that 'Japanese business leaders are basically in favor of the Caucus' (*Japan Times* 15 February 1995) and that this broad stance made it difficult to reach consensus in recent Japan–US business consultations. Interestingly, as Chairmen of the US–Japan Business Council, Kobayashi was busy emphasizing the importance of Japanese–US cooperation in the future. Yet he also made clear that within this cooperation and all talks about future Japan–US relations, Asia had to be a major focus (*Japan Times* 31 July 1997).

Given Kobayashi's background as a leading figure in the US–Japan Business Council with educational and business experience in the US (Kimura 1997, 63), his rather Asianist perspective seems surprising at first glance. It can be plausibly argued, however, that many Japanese business representatives consider regionalist concepts and ideas as useful tools to counterbalance the US in international trade negotiations.

Such an attitude can be detected in the statement of then Chairman of JETRO (Japan External Trade Organization) and Chairman of Mitsui Bussan Ikegami Kōichirō in 1994. In a press conference on APEC and regional cooperation in Asia, he stated that the EAEC was 'not necessarily what Japan should support', and that Japan should make sure that the US did not get too self-assertive. To give the Japanese position vis-à-vis the US some more leverage, the EAEC might be a good vehicle (*Asahi Shinbun* 9 December 1994).

Representatives of the 'globalists and honest brokers' can be found not only in business. There are also numerous unofficial statements by high ranking bureaucrats that favor an integrated approach for Japanese foreign policy between Asia and the US. One example is Okamoto Yukio, the former head of the first US division in MOFA. In an article in the *Asahi Shinbun* (23 December 1994), he stressed that after the end of the Cold War, it was time for Japan to think about an independent foreign policy line. While cooperation with the US, especially in terms of the Japan–US security cooperation, was still vital for Japan, in relations with Asia, a more independent policy line should be created. As long as there was a basic common understanding with the US, Okamoto supported the creation of the EAEC and an active role for Japan within it.

Another supporter of the EAEC concept who at the same time called for a continued close cooperation with the US is former senior financial bureaucrat Oba Tomomitsu. Facing regionalism in other world regions, he perceived an 'urgent need' for strengthened economic cooperation in Asia, especially with regard to capital markets. At the same time, however, he pointed out the importance of the APEC process which should be continued. Oba made this statement at the 1991 annual meeting of the Japan Bankers' Association, in which Japanese bankers have considerable influence (*Far Eastern Economic Review* 19 December 1991, 15).

6 CONCLUSION

What conclusions can be drawn from the public debate about the EAEC and the Japanese position toward regionalism in Asia? First, it has become clear that there is considerable support from Japanese opinion leaders for a 'middle way' for Japan that includes both the continuation of the close relationship with the US and a stronger integration of the country with Asia. Both government officials and Japanese business representatives are keen to preserve close relations and trust both with Asia and the US. Given the fact that the Japanese economy strongly relies on exports and has important interests in Asia and the US, it may be argued that the main-

stream opinion in the Japanese domestic discourse rather supports an Asia-Pacific identity as compared to an Asian identity. Considering the current state of regional integration and security cooperation in Asia, there are no dramatic changes to expect in the near future.

Second, however, we also see a growing interest among Japanese foreign policy decision makers in Asia and there is a readiness to take on a leadership role in the region. This is especially true for business representatives. While many MOFA bureaucrats and veteran LDP politicians like former Prime Minister Miyazawa emphasize the importance of Japan–US relations and the need for continuity in Japanese foreign politics, business representatives and a considerable number of bureaucrats are willing to bring Asia more into focus. This development could bring about a reassessment of priorities in Japanese international relations.

Third, with the end of the Cold War and the relative clarity of its attendant security issues, Japanese foreign policy decision making is becoming more pluralistic, with an increasing number of actors taking the opportunity to pursue their own foreign policy agendas and to influence government decision making on Japan's appropriate strategies (Blechinger 1998). Japanese big business has to be expected to be more active in Japan's international relations in the future. Multinational corporations have long been playing an important role in Asia. One may argue that these interest groups will engage in the promotion of a stronger political role of Japan in the region as well. The Japanese business community has already created a wide network of contacts and information gathering facilities all over Asia, for example think tanks run by private companies or business associations, which help developing policy ideas and initiatives. Japanese multinational corporations do not only have longterm experience in relations with governments in Asia, they also dispose of enough economic potential to make their interests count in political decision making processes.

Fourth, the East Asian economic crisis has not terminated East Asian regionalism. Rather, the impact of economic turbulence on individual economies and the awareness how intertwined Asian economies have become, have changed the wish for further integration into a necessity to prevent similar events in the future. Programs like the ASEAN Vision 2000 of 1998, but also declarations like the Leaders' Statement of the 3rd ASEAN Informal Summit of 1999 point to a common aim to deepen East Asian economic and political integration. With the *de facto* creation of the EAEC as 'ASEAN plus-three', at a very informal level, the first organizational efforts have been made. It can be argued that further cooperation and integration also will contribute to the formation of a regional identity and thus invigorate East Asian regionalism.

Fifth, Japan will actively participate and play a leading role in this process. One example for the willingness to assist East Asian recovery is the 1997 Japanese proposal to create an Asian Monetary Fund (AMF) to offer immediate financial support to crisis-hit East Asian economies and to stabilize regional financial systems in the long run. Although this concept was aborted due to US objections, the idea still lives on in the Miyazawa Plan of 1998 and in the creation of local funds to help restart private capital flows into Southeast Asian countries as for example the 1999 Thailand Recovery Fund (TRF). Such initiatives will bring about a stronger Japanese commitment to the region. Japanese companies that have invested in the region will also profit from such programs. Business pressure to continue this kind of assistance and support is likely to persist. With increasing economic involvement in East Asia and the need to preserve and improve existing structures, a spillover from the economic to the political level has to be expected. East Asian regionalism and Japanese leadership will spread faster than standard state-centered analyses of international relations would lead us to expect.

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