



Japan-ASEAN Summit: Playing Catch-Up With China? by Brad Glosserman

It's hard to get excited about last week's Japan-ASEAN summit. The decision to create a new "special relationship" between the two could be historic, but the economic free trade areas that will provide its foundation look like long shots. Japanese efforts are likely to be frustrated by the same political forces that have blocked previous initiatives. That is a pity: not only for Japan, but for the Southeast Asian governments that seek a rejuvenated relationship with Tokyo.

Hopes were high for the summit. The meeting marked the 30th anniversary of Japan's relations with ASEAN and, in reflection of that long-standing relationship, was the first ASEAN Commemorative summit with a dialogue partner and the first summit to be held outside the region. Japanese officials had promised a "historic" meeting, inferring at least that there would be something more than the fact of the summit itself.

"The Tokyo Declaration for the Dynamic and Enduring Japan-ASEAN Partnership in the New Millennium" and its action plan might measure up to those ambitions. The declaration calls for deepening ties and enhanced cooperation in the fields of political and security affairs, monetary and financial policies, as well as in information technology. Concretely, Japan will provide \$1.5 billion over the next three years to promote human resources development; another \$1.5 billion over three years for sub-regional development projects such as the Mekong River Basin and the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area; the two will cooperate to fight the spread of weapons of mass destruction, terrorism, piracy, and transnational crimes; and they will undertake joint research to tackle emerging infectious diseases, such as SARS.

Much of the language – and even some of the aid – looks like the usual boilerplate. In places, the declaration promises much more, however. The biggest developments are Tokyo's decision to join ASEAN's Treaty of Amity and Cooperation (TAC) and the commitment to create a "comprehensive economic partnership" between Japan and ASEAN, which will include elements of a free trade area, by 2012. Although the regionwide talks aren't scheduled until 2005, the effort begins in earnest next year when Tokyo commences bilateral trade talks on free trade agreements with Malaysia, Thailand, and the Philippines.

It's hard to be optimistic about their prospects. Japan's ability to negotiate free trade agreements has been severely restrained by the power of the country's agricultural lobby, which has effectively blocked any deal that would liberalize farm imports. As a result, Tokyo has thus far concluded just one free trade agreement – with Singapore, which has no agricultural exports. Just two months ago, the farmers' lobby

stymied an agreement with Mexico, even though Prime Minister Koizumi Junichiro had appeared to endorse a deal.

The same obstacles have prevented Japan from playing a more influential role in global trade negotiations – and it is hard to imagine a higher priority for Tokyo, given the country's dependence on international trade and the crying need for rationalization of its agricultural sector.

The real tragedy is the wasted opportunity. ASEAN has warm feelings for Japan and looks for Tokyo to play a greater role in the region. Southeast Asia has a deep and abiding respect for Japan's accomplishments in the postwar era and greatly appreciates the assistance that Tokyo has provided in the past.

The "Fukuda Doctrine" is credited with helping ASEAN through the difficult '70s and '80s amid fears of "falling dominoes" and "red scares." Japan provided markets for Asian exports, as well as the technology and management know-how that facilitated the region's development. Japanese businesses and their networks played a critical role in that process. Along the way, ASEAN became Japan's second biggest trading partner; the region's trade with Japan reached \$124.4 billion in 2002.

ASEAN knows it has reason to be grateful to Tokyo. The region has received the largest share of Japan's official development assistance, receiving some \$23 billion over the last three decades. Tokyo's efforts to help solve the Cambodia problem are highly regarded, as was the Miyazawa plan, which was devised in the aftermath of the Asian financial crisis to ease the region's capital shortage. Tokyo helped broker the political deal that ended the political crisis that followed the coup in Phnom Penh in 1997 and played a high profile role in recent efforts to bring peace to the troubled Indonesian province of Aceh.

The problem for Japan is that its profile is shrinking. It is perceived as lacking confidence and unable to take the initiative in dealing with the region. Tokyo is seen as invariably lagging behind China, responding – unevenly – to Beijing's initiatives. Indeed, this summit is seen as largely a response to China's offer last year to conclude an ASEAN-China "strategic partnership" that would include a free trade agreement. The decision to join the TAC follows a similar decision by China and India at the ASEAN summit that was held in Bali in October. The Mekong River initiative was anticipated by a Chinese proposal last year to deepen Chinese integration with that region.

As the Pacific Forum conducts meetings throughout the region, China is invariably on the agenda – typically in the context of "the meaning and impact of China's rise." Japan is rarely on the program, and is infrequently mentioned in discussions. The fact is ordinary Southeast Asians don't think

about Japan much. That isn't all bad: It also means that the traditional obstacles to Japanese participation in regional affairs have diminished.

That's a good thing as strategists and policy makers now look for Japan to get more involved. Ratification of the TAC is thought to signal deeper Japanese involvement in Southeast Asian security management. That is a powerful vote of confidence in Japan coming after the Koizumi government's steady attempts to increase Japan's military profile since Sept. 11. It would seem to signal the end of worries about Japan's "remilitarization" – a pointed contrast with the comment by Singapore's former Prime Minister Lee Kwan Yew several years back about Japanese participation in peacekeeping operations being akin to giving liqueur-flavored chocolates to a recovering alcoholic.

While China's rise is seen now as "an opportunity rather than a threat," there is still some discomfort and much uncertainty about the implications of China's growing strength. Regional leaders see Tokyo as providing some balance – at a minimum, it offers them increased opportunities for bargaining with the two Asian powers.

Southeast Asians know that for all China's prospects, Japan will continue to be critical to the region's economic growth and development for some time to come. Just as important, Southeast Asians also know that the values that undergird their East Asian community are more deeply rooted in Japan than in China. That is a critical consideration as the ASEAN plus Three process matures and "East Asia" becomes better defined. That is an invaluable and incalculable asset – but it will count for little if Japan cannot meet Southeast Asian expectations of "concrete results" from last week's summit. The past offers little grounds for optimism.

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Reminder: Have you responded to our recent survey yet? Questions and response form repeated below.

Reader Feedback: What Do You Think?

During his meeting with Chinese Premier Wen Jiabao last week, President Bush said: "We oppose any unilateral decision, by either China or Taiwan, to change the status quo. And the comments and actions made by the leader of Taiwan indicate that he may be willing to make decisions unilaterally that change the status quo, which we oppose."

PacNet 51 argues that President Bush went too far in appeasing China at Taiwan's expense while PacNet 51A argues that Bush's comments were appropriate and may actually have been too little, too late; that stronger words may be needed given Taiwan President Chen Shui-bian's attempt to play domestic politics with cross-Strait (and U.S.-Taiwan) relations in advance of Taiwan's upcoming March 2004 presidential elections. For those readers who missed our survey at the end of that PacNet, or have not yet responded, we still want to know what you think. Please take a minute to check the below boxes and, if you like, feel free to also add a brief commentary.

1. President Bush's comments

- went too far
 were appropriate
 should have been stronger

2. Nationality

- U.S. Taiwan PRC Other

3. Brief Comments (optional):