

Japan's Contribution to Fostering Multilateralism in Asia

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1. INTRODUCTION

There are many overlapping regional institutions in Asia. Japan has played a very important role in the development of regionalism in Asia, and has tried to promote the vision of a secure and peaceful regional order by proposing various forms of regional frameworks. For example, a study group instigated by former Prime Minister Masayoshi Ohira proposed a Pacific Basin Community concept towards the end of the 1970s. This proposal suggested that Japan provide a broader regional vision to enhance cooperation and linkages between many countries in the “Pacific” region, beyond just encouraging a United States-Japan bilateral alliance. The United States-Japan alliance has determined the direction of Japan's foreign policy since the post-World War II era. However, together with the framework set by the alliance, Japan has tried to promote a regional multilateral policy, which surpasses merely following the United States (US). In other words, Japan's regional multilateral policies have expressed a preference for an independent foreign policy.

In addition to proposing a vision for regional multilateralism, Japan has also contributed to various regional multilateral frameworks in Asia. Japan contributed to the establishment of the ASEAN Regional Forum (ARF) due to the changing regional strategic circumstances in Asia after the end of the Cold War. Following the Asian financial crisis in 1997, Japan proposed the development of an Asian Monetary Fund (AMF). This idea failed but Japan then promoted regional financial cooperation that led to the establishment of the Chiang Mai Initiative (CMI) under the ASEAN+3. Japan was also deeply involved in the process of establishing the East Asian Summit (EAS) in 2005.

Regional strategic circumstances are now changing drastically and becoming less clear. China is rapidly expanding its political and economic presence in Asia as well as the world. China's assertive approach to topics

related to sovereignty, including the East China Sea and South China Sea issues, have led neighbouring countries to express serious concerns about peace and stability in the East Asia/Asia-Pacific region. However, China also adopts a win-win approach by providing huge economic benefits to neighbouring countries. The China-proposed Asian Infrastructure Investment Bank (AIIB) began its work in early 2016. Many China-led developmental projects have been planned under the Belt and Road Initiative (BRI). China's objective is to expand investments in Asia that will support the region's economic development, which in turn will enhance China's political power in the region.

In addition to China's shifting role, the United States is also contributing to the instability and lack of clarity in the region. The Trump administration's policies toward Asia are unpredictable due to Trump's "unique" behaviour. The US withdrawal from the Trans-Pacific Partnership (TPP) in January 2018 shocked policymaking circles in TPP member countries and undermined the prospect of a liberal economy in the Asia-Pacific. Furthermore, from a long-term point of view, the hegemony of US power in Asia has declined mainly due to the rise of China. US hegemony will not be replaced easily by a rising China for some decades, but the configuration of power in Asia is obviously shifting.

In such regional circumstances, regional multilateral policies are becoming an important part of Japan's foreign policy towards its neighbours. Japan is now simultaneously promoting various regional multilateral frameworks, including the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP/TPP11), the Regional Comprehensive Economic Partnership (RCEP) and the Free and Open Indo-Pacific Strategy. Japan's multi-layered regional approach will help to determine the development of regional multilateralism in Asia.¹

2. TPP/CPTPP: THE PROMOTION OF ECONOMIC INTEGRATION BASED ON A LIBERAL ECONOMIC ORDER IN THE ASIA PACIFIC

Since the early 2000s, Asia-Pacific Economic Cooperation (APEC) meetings have discussed the possibility and feasibility of an APEC-wide regional integration named Free Trade Area for the Asia-Pacific (FTAAP). At almost the same time, Singapore, Brunei, New Zealand and Chile negotiated a

¹ The author has outlined the argument about Japan's multi-layered regional approach in an article. Please see Mie Oba, "Japan Multi-layered, Multilateral Strategy," *The Diplomat*, 18 April 2018, <https://thediplomat.com/2018/04/japans-multi-layered-multilateral-strategy/>.

high-standard and comprehensive free trade agreement and signed the original TPP (Trans-Pacific Strategic Economic Partnership Agreement, or P4 agreement) in 2005.² They were concerned that APEC member countries occupied a diverse range of stages of economic development, characterized by different economic systems and trade interests. So, they decided to become the front-runner for economic integration in the Asia-Pacific region. Due to a strong US initiative, the United States and other countries began to negotiate an extended-TPP in 2010, and Japan joined the negotiations in March 2013.

The twelve countries participating in the negotiations finally signed the TPP agreement in February 2016.³ However, as mentioned above, the Trump administration decided to withdraw the United States from the TPP in January 2017. This made it impossible for the TPP to come into effect, because the TPP needed to be ratified by at least six countries that account for 85% of the sum total of member countries' economic outputs in 2013.⁴ To meet this condition, the ratification of the United States was essential. Therefore, following the US withdrawal, the Abe administration was at first reluctant to promote the TPP without the United States and planned to explain the strategic and economic importance of the TPP to the Trump administration.⁵ However, Japan changed its policy direction around early April 2017 and began to take the lead in negotiations for a new TPP agreement among the 11 remaining member countries which could be ratified without the United States.⁶ The TPP11 was agreed upon in November 2017 and signed in March 2018.⁷

² For the process of signing of the P4, see New Zealand Ministry of Foreign Affairs, *The New Zealand-Singapore-Chile-Brunai Darussalam Trans-Pacific Strategic Economic Partnership*, 2005, 10-11. For the full text, see <https://www.mfat.govt.nz/assets/FTAs-agreements-in-force/P4/Full-text-of-P4-agreement.pdf>, accessed 1 May 2018.

³ "Signing of the Trans-Pacific Partnership (TPP) Agreement," Press Release, Ministry of Foreign Affairs of Japan, 4 February 2016, http://www.mofa.go.jp/press/release/press4e_001013.html, accessed 4 February 2018.

⁴ Trans-Pacific Partnership, Article 30.5.

⁵ *Nikkei Shinbun*, 27 January 2017; *Nikkei Shinbun*, 15 March 2017.

⁶ *Nikkei Shinbun*, 15 April 2017.

⁷ "Statement by METI Minister Sako, Agreement at the Ministerial level on the TPP by 11 countries," November 11, 2017, http://www.meti.go.jp/english/speeches/20171111_01.html, accessed 8 January 2018; "Signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership," Press Release, MOFA, 9 March 2018, http://www.mofa.go.jp/press/release/press4e_001944.html, accessed 15 March 2018.

The TPP and CPTPP outlined the orientation toward further economic liberalization shared by policymaking circles in some Asia-Pacific countries. This led both the TPP and CPTPP to stipulate rules in various fields related to economic activities, such as the liberalization of goods, services and investment, intellectual property rights, e-commerce, financial services, state-owned enterprises, procurement, competition policy and so on.⁸ In other words, the TPP and CPTPP are the “vanguard” of the Asia-Pacific region’s economic integration. One of the reasons for Japan joining the TPP and taking the lead to initiate TPP11 is its strong interest in deepening and promoting Asia-Pacific economic liberalization and integration.

Another reason for Japan’s deep involvement in the TPP process is to sustain the US commitment to Asia. In this context, the Japanese government regards the CPTPP as a tool to re-engage the United States. It eagerly expects the return of the United States to the TPP without additional amendments. The Trump administration’s stance toward “the return to the TPP” remains unclear. President Trump began to mention the possibility of a “return to the TPP” in early 2018. For example, Trump simply mentioned the possibility of the US pursuing negotiations with TPP members “either individually, or perhaps as a group” during the Davos conference in February 2018.⁹ Furthermore, he stated on Twitter in April 2018 that the US “[w]ould only join TPP if the deal were substantially better than the deal offered to Pres. Obama.”¹⁰ However, this is not a “return to the TPP” if the United States demands the renegotiation of the TPP. The Trump administration’s vacillating stance toward the TPP has embarrassed the Abe administration. Toshimitsu Motegi, the minister in charge of the TPP, has said that he welcomed the US interest to return to the TPP, but he also said that it would be difficult to renegotiate

⁸ About the text of the TPP, see “Text of Trans-Pacific Partnership,” Ministry of Foreign Affairs and Trade of New Zealand, <http://www.tpp.mfat.govt.nz/text>, accessed 3 February 2018. About the CPTPP, see “Comprehensive and Progressive Agreement for Trans-Pacific Partnership, Ministerial Statement, Santiago, Chile, March 8, 2018,” http://www.cas.go.jp/jp/tpp/tpp11/pdf/180308_tpp_statement_en.pdf.

⁹ “President Trump’s Davos Address in Full,” 26 January 2018, <https://www.weforum.org/agenda/2018/01/president-donald-trumps-davos-address-in-full-8e14ebc1-79bb-4134-8203-95efca182e94/>, accessed 22 March 2018.

¹⁰ “Trump to reconsider joining TPP trade pact,” BBC News, 13 April 2018, <http://www.bbc.com/news/business-43747211>, accessed 22 April 2018.

the deal because the current TPP agreement was a “balanced one, like fine glassware.”¹¹

The TPP/CPTPP tends to be understood as the construction of an anti-China economic group. Obama’s speech in October 2015 is often quoted as a good example of these characteristics of the TPP. During this speech, President Obama stated “we can’t let countries like China write the rules of the global economy” when he explained the necessity of the TPP to Congress.¹² However, it should be understood that at that time the Obama administration was trying to persuade reluctant lawmakers that the United States should commit to the TPP by using anti-Chinese rhetoric.

The TPP/CPTPP is now regarded as necessary for the maintenance of an international liberal economic order in the Asia-Pacific region. Japan’s interest in the TPP/CPTPP is intertwined with its policymakers’ intentions to sustain such an order. As the Trump administration’s trade policy stems from an “America First” stance with a strong flavour of protectionism, the importance of the TPP/CPTPP has increased for Japan and other countries with a preference for an international liberal economic order. Prime Minister Shinzo Abe mentioned the TPP in his policy speech to the Diet in January 2018. He said, “We will, as the standard-bearers of free trade, continue to scale up a 21st century economic order based on free and fair rules to the broader world.”¹³

3. JAPAN AND RCEP: ECONOMIC INTEGRATION IN AN EXTENDED EAST ASIA BY MAINTAINING THE CENTRALITY OF ASEAN

In addition to promoting Asia-Pacific economic integration via the TPP/CPTPP, Japan is also attempting to accelerate regional economic integration in East Asia through the RCEP. This framework aims at cementing an ASEAN-centred economic integration of East Asia with six other countries: Japan, China, South Korea, Australia, New Zealand, and India.

¹¹ “The press statement of Motegi Toshimitsu, Minister of State for Economy and Fiscal Policy, Cabinet Office, April 13, 2018,” http://www.cao.go.jp/minister/1711_t_motegi/kaiken/2018/0413kaiken.html, accessed 20 April 2018.

¹² Barack Obama, “Statement by the President on the Trans-Pacific Partnership,” 5 October 2015, <https://obamawhitehouse.archives.gov/the-press-office/2015/10/05/statement-president-trans-pacific-partnership>, accessed 15 March 2018.

¹³ “Policy Speech of Prime Minister Shinzo Abe to the 196th Session of the Diet,” 22 January 2018, https://japan.kantei.go.jp/98_abe/statement/201801/_00002.html, accessed 10 February 2018.

The RCEP is virtually the embodiment of the Comprehensive Economic Partnership for East Asia (CEPEA) concept proposed by Japan's Ministry of Economy and Industry (METI) in 2005. CEPEA included the same members as the RCEP and was sometimes called ASEAN+6. While Japan advocated CEPEA, China strongly supported the East Asian Free Trade Area (EAFTA) idea, which was originally proposed by the East Asian Vision Group's (EAVG) final report in 2001. EAFTA included ASEAN, Japan, China, and South Korea (ASEAN+3). Sino-Japanese competition over the leadership of East Asia remains deeply intertwined with the CEPEA versus EAFTA argument. Controversial debates about "favourable" East Asian economic integration frameworks have continued for about six years. However, Japan and China agreed to cooperate with each other in August 2011 to promote economic integration in East Asia. Under such conditions, the economic ministers of ASEAN and the six countries above agreed on the formation of an economic integration framework in November 2011. The new framework was initially called "RCEP". A summit between these sixteen countries announced the start of RCEP negotiations, which began in 2013.

RCEP is still under negotiation because the finalization of RCEP negotiations has been postponed several times. There are two reasons for this. First, India strongly resists high levels of trade liberalization. Second, the ASEAN countries who are pushing for the liberalization of goods take a reluctant stance on the liberalization of services. Japan plays a coordinating role to facilitate negotiations between these competing interests. The leaders of RCEP member countries adopted the "Joint Leaders' Statement on the Negotiations for RCEP", which restated a commitment "to achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement," and "to intensify efforts in 2018 to bring the RCEP negotiations to conclusion."¹⁴

RCEP is an important regional multilateral framework for Japan. First, it is part of an ASEAN-centred regional architecture, enabling Japan to demonstrate its strong support for ASEAN centrality by facilitating and supporting RCEP negotiations. Second, RCEP has a huge potential due to the inclusion of both China and India as members, and could have a complementary rela-

¹⁴ "Joint Leaders' Statement on the Negotiation for the RCEP, Manila, Philippines," 14 November 2017, http://asean.org/storage/2017/11/RCEP-Summit_Leaders-Joint-Statement-FINAL1.pdf, accessed 16 November 2017.

tionship with the TPP, which excludes these two countries, at least during the current phase.

4. FREE AND OPEN INDO-PACIFIC: A NEW REGIONAL VISION IN A TURBULENT ERA

Presently, the Japanese government strongly emphasizes the strategic importance of the Indo-Pacific region and the proposed “Free and Open Indo-Pacific Strategy”. Japan’s policymakers define this huge geographical area as a region, the Indo-Pacific, warranting Japan’s intense engagement. This strategy does not provide a specific vision for constructing an institutional framework, but it obviously goes beyond the strengthening of bilateral ties between countries in the Indo-Pacific.

During the first Abe administration from 2006 to 2007, the Prime Minister had already mentioned the “Indo-Pacific” concept. However, the Abe administration began to propose “Indo-Pacific” cooperation in 2015. Foreign Minister Fumio Kishida spoke about the Indo-Pacific in a speech in January 2015. He emphasized that the era of the Indo-Pacific had arrived and stressed the importance of strengthening the three bridges in the region by means of India-Japan collaboration. The three bridges were defined as “values and spirit”, a “vibrant economy”, and an “open and stable sea”.¹⁵ A year and a half later, Prime Minister Abe delivered a speech during the opening session of the Sixth Tokyo International Conference on African Development (TICAD VI) in Nairobi in August 2016. He emphasized Japan’s “responsibility for fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous.”¹⁶ An examination of the speeches and statements mentioning the Free and Open Indo-Pacific Strategy identifies three pillars to the strategy.

First, it aims to enhance strategic links between the great regional powers so as to manage power politics interactions during the shifting balance of power in Asia. However, a quadrilateral strategic linkage composed of Australia, India, the United States, and Japan is not directly linked to the

¹⁵ Policy speech by Foreign Minister Fumio Kishida, “Special Partnership for the era of the Indo-Pacific,” 18 January 2015.

¹⁶ “Address by Prime Minister Shinzo Abe at the opening Session of the TICAD VI, Nairobi, Kenya, August 27, 2016,” http://www.mofa.go.jp/afr/af2/page4e_000496.html, accessed 2 February 2018.

Indo-Pacific strategy in the documents explaining the proposal. Nonetheless, several facts implied by this quadrilateral linkage are regarded as the driving force for the Indo-Pacific strategy. For example, Japan, India, Australia, and the United States have jointly demonstrated their shared interests in enhancing cooperation for peace and prosperity in the Indo-Pacific.¹⁷ Furthermore, senior officials of the diplomatic authorities of Japan, Australia, India, and the United States met in Manila in November 2017. They discussed measures to ensure a free and open international order based on the rule of law in the Indo-Pacific.¹⁸ A quadrilateral strategic linkage appears to aim at establishing an anti-China coalition, although nobody has formally stated as such. However, this strategy has surely arisen from serious shared concerns about China's expanding influence, as well as its assertive policies on sovereignty, especially in the East and South China Sea. In addition, the rise of India's strategic importance is leading to the other three countries' increased engagement in the linkage. Furthermore, while the US policy towards Asia remains unclear and unpredictable during the Trump era, the Free and Open Indo-Pacific Strategy can be regarded as an important measure to maintain its strategic commitment to Asia.

The second pillar of the strategy involves the acceleration of economic development and prosperity. Investment and assistance in infrastructure development in Southeast Asia, South Asia, and Africa is one of the most significant components of this pillar. It would provide huge economic benefits to the Indo-Pacific. However, it has also led to the growing perception that Japan's Indo-Pacific strategy is a counter-proposal to the BRI. The Japanese government has tried to quash such perceptions. During his speech to the Diet in January 2018, Prime Minister Abe stated that Japan and China would work together "to meet the growing infrastructure demand in Asia" after mentioning the direction of the Free and Open Indo-Pacific Strategy.¹⁹

The third pillar involves sustaining a rules-based international order. The Free and Open Indo-Pacific Strategy stresses the importance of maritime secu-

¹⁷ India-Japan Joint statement in November 2016; Joint Press Conference by President Trump and Prime Minister Abe in November 2017; and Japan-Australia Joint Press Statement in January 2018 stressed the importance of enhancing cooperation in the Indo-Pacific.

¹⁸ "Australia-India-Japan-U.S. consultations on the Indo-Pacific," 12 November 2017, http://www.mofa.go.jp/press/release/press4e_001789.html, accessed 10 January 2018.

¹⁹ "Policy Speech of Prime Minister Shinzo Abe to the 196th Session of the Diet," 22 January 2018, https://japan.kantei.go.jp/98_abe/statement/201801/_00002.html, accessed 10 February 2018.

rity cooperation for a free, open and rules-based maritime order. Furthermore, Prime Minister Abe's speech in Nairobi stated that Japan should assist with nation-building and encourage good governance in Africa, and that Asia, which is already developing by embracing democracy, the rule of law, and a market economy, should tighten linkages with Africa to ensure peace and prosperity.²⁰ While deliberately avoiding compulsion, the Indo-Pacific strategy seems to expect universal values and norms to spread across African countries, and stresses that such values and norms should provide the foundation for a newly developing regional order. However, the emphasis on the significance of a rules-based maritime order as well as universal norms/values might lead to the perception that the Indo-Pacific strategy is an implicitly anti-China strategy, even if Japan's policymakers do not have such intentions.

5. THE PROSPECTS

Finally, I shall demonstrate the tentative prospects of Japan's regional multi-lateral approach. First, a multi-layered regional approach will be an important tool for Japan to manage the shifting power balance and unclear circumstances in Asia. Currently, Japan's economic resources are limited compared to those of the past, and many developing countries have developed, resulting in a more horizontal relationship between Japan and other Asian countries than before. In such circumstances, the combination of a traditional bilateral and multilateral approach will remain effective for Japan in tightening ties with neighbouring countries. Furthermore, a multi-layered approach is a preparation for any scenario which may eventuate due to the shifting power balance between the United States, China, and India, and the prevailing uncertainty about the US commitment to Asia.

However, there are serious problems with Japan's multi-layered approach. First, to what extent can Japan promote more proactive political security and economic cooperation? For example, the Indo-Pacific is a very large area, and yet Japan has declared it intends to expand its role and initiatives in this huge area, not only economically, but also in the field of political security. However, does Japan have sufficient resources and capacity?

Second, how should Japan envisage and accept an inclusive regional vision covering all of the regional powers in the area, including China? From

²⁰ Abe's speech at the opening session of the TICAD VI.

a long-term point of view, any regional system that excludes China is not durable. The TPP excludes China and as mentioned above, some arguments emphasize the anti-China characteristics of the TPP. The Free and Open Indo-Pacific Strategy has also been regarded as a counter-China initiative. There are various opinions being expressed in Japan's policymaking circles. However, whether Japan's multi-layered regional approach can result in fruitful outcomes depends on whether Japan can advance an inclusive vision for durable peace and prosperity in the region.

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