JAPAN AS A REGIONAL POWER*

Chulacheeb CHINWANNO

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Japan, a major external power in Southeast Asia, is often seen as a one-eyed giant because its interest has been mainly economic and it seems to play only an economic role in Southeast Asia while avoiding political or security roles. Japan's predominant concern with economic activities in the region is quite understandable because Southeast Asia is Japan's major source of essential raw materials as well as substantial market for her manufactured goods.

However, various changes have occurred in international politics at the global and regional levels over the past forty years since the Second World War. Japan, now a leading economic power second only to the US, has to face these realities and may have to become a more than one-eyed giant in the future. Japan has to play other roles in addition to an economic one as a regional power, not only to commensurate its economic status but also to contribute to the prosperity and stability in the Southeast Asian region.

This paper is an attempt to look at Japan's relations with Southeast Asia, especially ASEAN, and its roles as a regional power.

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**Post-War Japan and Southeast Asia: Economic Diplomacy**

In order to understand Japan's relations with Southeast Asia, one has to look at the post-war Japanese foreign policy, as well as the international conditions in East and Southeast Asia, especially the strategic policy of Japan's major ally, the United States vis-à-vis the region.

After the defeat in the Second World War, Japan became reluctant to get involved in international as well as regional politics. It appeared that the main theme of Japanese foreign policy in the post-war period emphasized the separation of economic considerations from political ones (*seikei bunri*).¹ This policy not only contributed significantly to the economic growth of Japan, but also enabled Japan to keep a low profile in international political and security affairs.

The international environment in the 1950s also facilitated Japan's foreign policy, because the global politics was dominated by the United States and its rivalry with the Soviet Union. In addition, the victory of the Chinese Communist Party on mainland China in 1949 and the subsequent Korean War in the early 1950s led the United States to extend the containment policy to Asia. Consequently, the United States decided to boost the recovery of Japanese economy and to make Japan an anti-communist bastion in Asia. Both the United States and Japan² also realised that Southeast Asia was strategically and economically important not only because of its location, but also because of the food and raw materials it supplied to Japan as well as to many other countries.

Japan's enthusiasm about the prospect of doing business with Southeast Asia can be seen in the June 16, 1953 statement of Prime Minister Yoshida Shigeru:

> I do not think it is necessary to dwell upon the importance of our relations with Southeast Asia, since we can not expect much from trade with China. The government desires to extend every possible co-operation for the prosperity of the countries of Southeast Asia in the form of capital, technique, service or otherwise in order thus to advance further the relations of reciprocal benefit and common prosperity.³

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59
At the same time, several leaders in Southeast Asian countries perceived their countries confronting the problems of communist infiltration, and decided to take on an anti-communist policy. Moreover, they thought of the economic development and industrialisation as a means to cope and contain these problems. Japan was thus looked upon as another country besides the United States which could provide what was needed for their economic development.

Japan then negotiated and concluded the reparation agreements with various countries in Southeast Asia, for example with Burma in 1954, the Philippines in 1956, Indonesia in 1958, and South Vietnam in 1959. The reparation payments were in the form of goods, equipment and services, and it appeared that “the programme (of war reparations) served to recondition the people of the region to Japanese goods, Japanese spare parts and Japanese practices...in brief to a resurrected and refurbished Japanese presence.”4 The reparations payment not only allowed Japan to normalise the relations with Southeast Asian nations, but also paved the way for Japan’s expansion of economic activities in the region.

Japan saw the economic viability and political stability of the region as essential for her economic activities. Thus, Japan, for the next two decades, began a vigorous pursuit of what Foreign Minister Shigemitsu Mamoru called “economic diplomacy” (keizai gaiko); the promotion of trade and economic co-operations in order to stabilise the region.5

In addition, Japan also intensified its economic aids to Southeast Asia and had by the early 1970s became the principal aid donor for Indonesia and Malaysia exceeding the United States, and also became the primary donor to the Philippines and Thailand. Japan’s economic aids seemed to facilitate the sale of Japanese manufactured goods and to promote trade expansion with Southeast Asia. Moreover, Japanese private investment also poured into the region in search for cheap labour, and by the early 1970s Japan became one of the leading investors in the region.

Japan throughout these years concentrated only on her economic role and avoided the involvement in the politics of the cold war. In fact, Japan left it to the United States to play the “World Policeman” role. As long as the United States remained present in Asia and Southeast Asia, Japan did not have to worry or want to change its rather successful foreign policy of economic diplomacy.

However, it had become increasingly obvious to the people in Southeast Asia that Japanese “economic diplomacy” towards the region was dictated by commercial motives and was mainly concerned with profits from trade and with obtaining natural resources for her industries. As Japan continued to expand her economic activities into the region, anti-Japanese feeling and criticism began to surface.

In Thailand, students, led by the National Students Centre (NSC), organised an anti-Japanese goods movement, boycotting Japanese products at various department stores in Bangkok for 10 days.6 The students cited the issues of trade imbalance and Japanese economic and cultural aggression and domination as the causes for launching the movement.

The anti-Japanese feeling in Southeast Asia also manifested itself when Japanese Prime Minister Tanaka made a goodwill trip to the region in mid January 1974. A stormy welcome, including street riots in Indonesia and anti-Japanese
demonstrations in Malaysia and Thailand, greeted him and shocked Japan.

These anti-Japanese activities could be seen as nationalistic reaction to perceived economic "domination" by Japan, as a result of the influx of Japanese goods and the conspicuous presence of Japanese businessmen and economic activities. Moreover, the Japanese trade, aids, and investment patterns were strongly criticised by many people including scholars in Southeast Asian countries.  

In the field of trade, the Japanese were criticised for practising restrictive and protectionist policies through tariff and non-tariff barriers, resulting in increased exports from Japan and fewer purchases and imports by the Japanese. This was especially notable in the case of Thailand which had since 1957 suffered a chronic trade imbalance with Japan.

The Japanese aid programme was also criticised as essentially serving Japanese economic interests more than those of the recipients, because much of the aid was tied and structured to benefit Japanese firms. Similar criticism was voiced against Japanese investment practices, which were seen as means of gaining access to minerals and agricultural products needed by Japan at low cost.

Another important factor often cited as a cause of anti-Japanese sentiments was certain behaviours of the resident Japanese businessmen. A leading Indonesian politician once complained, "The Japanese are too exclusive ... They don't want to mix with our people ... They have their own clubs, their own restaurants, their schools. It brings back memories of the Japanese occupation." These criticism -- valid or not -- seemed to be in the minds of many in Southeast Asia at that time.

The anti-Japanese movements in Southeast Asia had a lot of impact on Japanese leaders as well as the public; and Japan started to realise that it could not pursue only economic interests without regarding other considerations. Japan had to improve its image and its relations with Southeast Asia and was in need of a new foreign policy, a new direction. Concurrently, several changes also occurred in the mid 1970s at the international and regional levels, and these new realities forced Japan to consider playing other roles in addition to the economic one.

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**Japan’s Political Role: Fukuda Doctrine**

Until the end of the Vietnam War in 1975, the United States, Japan’s formal ally, played extremely active political and military roles in maintaining security and stability in the Southeast Asian region. However, since then there had been a vast change in global and regional politics. The three Indochinese states – South Vietnam, Kampuchea, and Laos — had fallen under communist control. Moreover, the United States had reduced its previously over-whelming influence in the region, while the Soviet Union and China had engaged in fierce competition for influence in the region.

The five non-communist countries in Southeast Asia, formed a regional organisation called ASEAN since 1967 to enhance economic co-operations, felt a pressing need in 1975 to co-operate closer and to overcome the diverse national interests. Such co-operations, economic as well as political, were considered essential to the growth of national and regional resilience in order to co-exist peacefully with the Communist Indochinese states and to maintain peace and stability in the region.
Japan was also concerned for the future of Southeast Asia because it had enormous stakes. Japan, perceiving ASEAN as a stabilising force in the region, began to involve itself more fully with ASEAN, on the multilateral basis as well as with each individual member country. Japan also tried to improve its economic relations with ASEAN and expanded the cultural and academic exchanges to improve its image.

At the same time, Japan also felt concerned with the future development of the three Communist states in Indochina, as these states were seen as “an integral part of Southeast Asia.” Japan, seeing economic potentials in these countries, wanted to have friendly relations with them and proposed to help them rebuild their countries. The Japanese argued that this would eventually not only have beneficial effects on the stability of the area but would also affect the degree of independence the Indochinese states were able to manifest in their relations with the Soviet Union and China.

In fact, Japan wanted to be friendly with all, communist as well as non-communist states in Southeast Asia. Japan was also looking for a political role to play in the region because it gradually realised it was becoming a regional power in Southeast Asia in the post-Vietnam War era. Japan was nonetheless somewhat reluctant and played its new role cautiously.

The attendance of Prime Minister Fukuda at the Second ASEAN Summit Conference in Kuala Lumpur, held to celebrate the tenth anniversary of ASEAN in August 1977, was quite significant because this was the first meeting ever to be held jointly between a Japanese prime minister and ASEAN heads of governments. During the following visit to ASEAN countries between August 9-18, 1977, Prime Minister Fukuda announced in Manila what was later known as the “Fukuda Doctrine.” This could be seen as Japan’s attempt to clarify its intention and roles in Southeast Asia.

Three basic principles were set forth in the “Fukuda Doctrine” as follows:

First, Japan, a nation committed to peace, rejects the role of a military power, and on that basis is resolved to contribute to the peace and prosperity of Southeast Asia and of the world community.

Second, Japan, as a true friend of the countries of Southeast Asia, will do its best for consolidating the relationship of mutual confidence and trust based on “heart to heart” understanding with these countries, in wide-ranging fields covering not only political and economic areas but also social and cultural areas.

Third, Japan will be an equal partner of ASEAN and its member countries, and cooperate positively with them in their own efforts to strengthen their solidarity and resilience, together with other nations of the like mind outside the region, while aiming at fostering a relationship based on mutual understanding with the nations of Indochina and will thus contribute to the building of peace and prosperity throughout Southeast Asia.

In addition, Fukuda also promised in his Manila speech to respond to ASEAN’s request by providing a loan of Yen totaling US$1 billion to the ASEAN member countries to be used for five major industrial projects, one in each of the member countries. The Fukuda Doctrine and the Yen loan represented a firm commitment of Japan towards the prosperity and stability of ASEAN. It also represented Japan’s serious effort
to articulate explicitly her political role and policy towards Southeast Asia. Japan came to believe that to maintain stability, Japan must play a dual role, economic as well as political, by helping to promote economic development and by contributing to the strengthening of ties between ASEAN and the three Communist Indochinese countries while avoiding the role of a military power.

Japan thus established diplomatic relations with Vietnam, and in 1976 concluded an agreement to extend ¥0.5 billion in grant aid to Vietnam, in addition to the ¥8.5 billion in grant aid previously given to Hanoi as reconstruction aid. This grant would be used by Vietnam to purchase from Japan various equipment and materials necessary for her economic development.

The Fukuda Doctrine provided the framework for Japan to get involved in Southeast Asian regional politics, and Japan attempted to play a positive political role in bridging ASEAN and communist states in Indochina, and to bring both sides into peaceful co-existence. But this policy had proved increasingly difficult to maintain as a result of the recurrence of armed conflicts in Indochina in late 1978. Japan had to abandon this even-handed policy when Vietnam invaded and occupied its neighboring communist state, Kampuchea, in January 1979. The Vietnamese occupation created tensions along Thai-Kampuchean borders as well as between ASEAN and Indochinese states.\(^10\)

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**Japan and Southeast Asia in The 1980s: An Active Regional Power**

The political-military environment in Southeast Asia had experienced radical changes by the end of the 1970s. The security and stability of the region remained threatened by perennial conflicts, while the United States continued to reduce its role and had became increasingly passive. At the same time, the Sino-Soviet competition for regional influence intensified and greatly affected the relations and conflicts between two Communist states, Vietnam and Kampuchea.


ASEAN was very much alarmed by these military actions, especially the Vietnamese military aggression against Kampuchea. Moreover, the continuing presence of large Vietnamese forces in that country and Laos, as well as the close alliance between Vietnam and the Soviet Union caused grave security concerns for ASEAN, especially Thailand. ASEAN denounced the aggression and called for the immediate and total withdrawal of Vietnamese troops from Kampuchea so as to allow the Kampuchean people to exercise their rights of self-determination from outside influence. ASEAN had called all their friends, the United States, Japan, China and other peace-loving countries to support their stance.

As for Japan, her response to the Vietnamese invasion of Kampuchea was similar to that of the United States, by endorsing the ASEAN position on this issue in the form of support for the ASEAN-sponsored UN Resolution, calling for the withdrawal of Vietnamese troops. Japan continued to maintain its diplomatic ties with Vietnam, hoping that such ties were necessary to
promote Vietnam’s independence from the Soviet Union. However, Japan’s hope had not been realised so far.

In general, Japan’s image in Southeast Asia, especially in ASEAN in the 1980s had improved significantly, since the anti-Japanese movement a decade ago, and its economic and cultural relations with ASEAN had greatly expanded, quantitatively as well as qualitatively. In the economic realm, Japan in the 1980s continued to be the biggest investor and trading partner for all the ASEAN countries and continued to be the biggest aid donor to ASEAN. Such forms of economic co-operations and transactions in the areas of trade and investment have benefitted ASEAN as well as Japan. In such complex relationships, disagreements and conflicts of interests were expected to arise, but both ASEAN and Japan seemed to be able to find ways to solve these problems together without straining their relations. Japan and ASEAN have become closely interdependent. Japan has been viewed by ASEAN as an important economic power in the region and is expected to play an active economic role in helping ASEAN to develop their economies. ASEAN countries want more direct investment from Japan, especially in the export-oriented industries, and also more transfer of technology. In addition, ASEAN countries also want access to the Japanese market with less tariff barrier, and want to be treated fairly and equally.

To compliment these positive roles in the economic arena, Japan should also play some political roles. As a regional power Japan has the responsibilities to maintain stability and security in Southeast Asia. It is understandable that while Japan supports ASEAN on the Kampuchean issue, Japan does not want to alienate Hanoi too much. Japan also tries to bridge the ASEAN countries and the Communist Indochinese states and to bring them into a peaceful co-existence.

Japan also provides some creative proposals to bring about the political settlement in Kampuchea. At the ASEAN Ministerial Conference with the Dialogue Partners held in June 1984, Shintaro Abe, then Foreign Minister put forth a three-point proposal intended to give additional thrust to the joint appeal advanced in 1983 by the ASEAN Foreign Ministers. The proposal reads as follows:

1. When partial withdrawals of Vietnamese troops from the Thai-Cambodian border area in the west of Cambodia, the establishment of safety zones in that area, and the introduction of peace-keeping forces to ensure the respect for and the safeguarding of the zones have all been realised with the consent of all countries concerned, Japan will be prepared to make a contribution in bearing the expenses for such peace-keeping activities as may be required by an international arrangement and to extend humanitarian assistance to the Cambodian people in the safety zones.

2. When the Vietnamese forces have completely withdrawn from Cambodia and free elections are to be held under international supervision, Japan will be prepared to extend co-operation in sending personnel for election supervision and supplying materials and equipment of a non-military nature, including the means of transportation necessary for holding elections.

3. When true peace has been restored in Cambodia, Japan will be prepared to render as much economic and technical co-operation as possible for reconstruction in Vietnam, Laos and Cambodia.
Japan's support on the Kampuchean issue and its initiative and "Creative Diplomacy" have been appreciated by ASEAN. Moreover, ASEAN also hopes that Japan would continue to play an active political role, because Japan has been seen as a stabilising force in the regional politics of Southeast Asia.

In the meantime, Japan has been under pressure to move into the military/security arena. This trend may be inevitable as a result of at least two factors. One is the increasing presence of the Soviet force near Japan in the Pacific, especially in the four islands north of Hokkaido. Moreover, the Soviet Far Eastern Fleet has been greatly enhanced by the availability of facilities in both Danang and Cam Ranh Bay in Vietnam. The Soviet could choke off Japan in times of a crisis. Another factor is the pressure from the United States on Japan to shoulder a greater defence burden, as well as to protect the Sea Lanes of Communications (SLOC). These two factors would push Japan to increase its defence budget close to the 1 per cent limit or beyond that in the near future, and to expand its military/security role as well. On the other hand, Prime Minister Nakasone has repeatedly stated that Japan would not become a military power.

ASEAN leaders seem to take the words of the Japanese Prime Minister, and have not been much concerned with the increase of the defence budget, as long as the increase is gradual and with the approval of the United States and on the condition that Japan will not go nuclear in the future. As for the defence of the Sea Lanes of Communications it is understood that the one thousand nautical mile radius would not include the ASEAN seas. Moreover, it is the impression that there may not be any consensus among ASEAN on the expansion of Japan's security role in the future. For Thailand, some form of Japanese security role in Southeast Asia may be welcome if it complimented the US's role and is not objected by other ASEAN members. Malaysia and Indonesia seem to object to Japan's direct military role in the region, especially Malaysia may object because it goes against the concept of the Zone of Peace, Freedom and Neutrality (ZOPFAN). Indonesia may tolerate a gradual military buildup under some conditions. Jusuf Wanandi of the Centre for Strategic and International Studies in Jakarta wrote in 1979: "A gradual buildup of Japan's military capability can be accepted by ASEAN, granted that Japan would take the efforts to consult ASEAN on a regular basis and granted that this buildup would be pursued within the framework of the defence treaty between Japan and the US."

It appears that ASEAN countries, for the time being, do not entertain the idea of Japan's security role in the region. In fact ASEAN seems to be more comfortable with Japan's concept of "comprehensive security." This concept, representing an attempt at a more comprehensive definition of security, does not mean only the military aspect of the security, but also the political and economic aspects. In fact, the emphasis is on the latter, which seems to correspond to ASEAN's concept of resilience. Japan and ASEAN can co-operate on this "comprehensive security."

Conclusion

Japan has a major role to play in Southeast Asia. In fact, the decade following the end of the Vietnam War can be viewed as a watershed in Japan's relations with Southeast Asia, a period during which the economic and political ties developed and matured. Japan is regarded as a major regional power and is expected to play active roles in the economic and political arena, so as to bring about the development, prosperity and stability in Southeast Asia.
Footnotes

1 This concept was conceived in the 1950s as a means for Japan to trade with Communist China. See Masahide Shibuzawa, Japan and the Asian Pacific Region: Profile of Change (London: Croom Helm for the Royal Institute of International Affairs, 1984).


7 For Thailand, see Khien Theeravit, Khwam samphan tang settakit rawang thai lae yeepoon (The Japanese-Thai Economic Relations), (Bangkok: Social Science Research Institute, Chulalongkorn University, 1974).

8 Cited by Manglapus, Japan’s Relations with Southeast Asia 1952-1960, p. 48.


