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The Parameters of Japan's Political Economic Strategy: Impact of National Identity, National Interests, and Role Conceptions on Japanese Foreign Policy (1980-97).

DANN DUHO DRAPEAU
Department of East Asian Studies
McGill University
Montreal, Canada

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ABSTRACT

Research on Japanese current foreign policy suffers from neglect of the influence of domestic factors on Japan's decisions and behaviour in world politics. The question of the nature of Japanese foreign policy needs to go beyond the exogenous cause of state behaviour in international affairs. The object of inquiry of this thesis is the influence of social factors on the orientation of Japan's foreign policy. The central concern is: "how" and "why" Japan behaves as it does in world affairs. This examination addresses the question of the interaction of endogenous and exogenous factors on the foreign economic policy of Japan, and postulates that Japanese national identity, national interests, and role conceptions, are the essence of Japan's defensive attitudes in world affairs on the one hand, and that Japanese behavioural patterns in international relations are in conformity with the ends of Japan's foreign policy: economic security and growth under the Japan-US alliance. Japanese response to US pressure and trade adjustment to the changing framework of the world economy from the 1980s up to the present give a relevant outlook to the defensive character of Japan's foreign policy. For Japanese policy-makers, the stability of Japan's economic performance in the world economy, its pacifist attitude in world affairs, its trade relations with the United States, and its protectorate status as a result of the Japan-US Security Treaty, are beyond question.

RÉSUMÉ

Les recherches portant sur la politique étrangère nippone négligent l'influence des facteurs sociaux sur les décisions et la conduite du Japon en relations internationales. La question sur la nature de la politique étrangère nippone mérite dès lors d'aller au-delà des causes exogènes du comportement des États en affaires internationales. Cette étude porte donc sur l'influence des facteurs sociaux sur l'orientation de la politique étrangère du Japon. Les questions abordées sont les suivantes: "comment" et "pourquoi" le Japon agit comme il agit en affaires internationales. Cette analyse soulève la question de l'interaction des facteurs endogènes et exogènes sur la politique économique étrangère du Japon, et avance que l'identité nationale et les intérêts nationaux japonais et la conception de son rôle sur la scène mondiale sont la source de l'attitude défensive du Japon en affaires internationales et que la conduite de ce pays en relations internationales est conforme à ses aspirations en politique étrangère: la croissance et la sécurité économique du Japon sous l'alliance américano-japonaise. La réponse du Japon aux pressions américaines et ses ajustements commerciaux face aux changements structurels de l'économie mondiale, dès années 80 à nos jours, sont des indices notables du caractère défensif de la politique étrangère nippone. Pour les hommes d'État japonais, la stabilité de la performance économique nippone dans l'économie mondiale, l'attitude pacifiste de l'États japonais sur la scène mondiale, les relations commerciales avec les États-Unis et le protectorat américain résultant du traité de sécurité entre ces deux pays, sont au-delà de toute question.

CONVENTIONS

Throughout this study, Japanese names are given in their proper order, with the surname first and the given name second. With names of Westerners of Japanese descent, Western order is preserved.

1. INTRODUCTION

Japan's economic growth in the postwar era is striking. Japan is today an economic superpower. The new international status of Japan has generated debates among scholars and policy makers about the nature of Japanese foreign policy. The orientation of Japan's foreign policy, that is, Japan's formal involvement in world politics, is in question. Some perceive Japan's behaviour in international affairs as essentially passive, some as aggressive, and others as increasingly active. Between the "passive" and the so-called "rising state" thesis, is another view which sees Japan as a "defensive state." This view is supported by the present thesis.

Japan's strategy in foreign policy has been essentially defensive in character. Evident in Japan's politico-economic strategy since the postwar, this characteristic is also readily apparent in Japan's manoeuvres in foreign economic policy since the prelude of the post-cold war era. As the object of analysis of this thesis, the defensive character of Japan's foreign policy, and its raison d'être, will be empirically demonstrated throughout the following chapters.

Much important research on the topic has been undertaken over several years. However, as mentioned above, this research holds radically different views about "what is" Japanese foreign policy. The confusion regarding this

question indicates the need for more convincing hypotheses and reliable findings concerning Japan's current foreign policy. Thus, clarifying the question of "how" and "why" Japan behaves as it does in world affairs, is the essential goal of the present thesis.

Accordingly, I will examine the evolution of Japan's foreign policy in the postwar, with an emphasis on the development of its foreign economic policy since the 1980s. The 1980s were marked by the growing debates over Japan's roles and responsibilities in the global system. Recognized as an economic superpower within the Western camp, and for geopolitico-strategic reasons as a major ally of the United States, Japan's share of responsibilities and weak participation in international affairs was seen as disproportionate to its economic capacity. The United States was mainly calling for greater Japanese participation in international affairs, and greater opening of Japan's market to foreign goods and services.

As I will argue, with American pressures and the new structural patterns of the world economy, Japan undertook some "defensive actions," which translated into market-opening measures, financial liberalization, and financial aid to the Third World, that were judged inside Japan as compatible with either national identity or national interests and roles on the world scene. This is part of the

essential defensive nature of Japanese foreign policy, which is one of the main tenets of this thesis; a view shared by not only myself, but by, as we shall soon see, Susan J. Pharr and Alex Macleod.

The 1980s were also marked by the emergence of movements toward "economic regionalism" in the international economic system. Before the "undesirable" trends in the global economy (i.e., the rise of economic protectionism, regional trading arrangements, and alliances among corporations in the western hemisphere), Japan's trade adjustments, as I will later show, denoted the essential defensive character of Japan's strategy in foreign economic policy. These adjustments will figure prominently as choices selected among available options.

I support the thesis advocating the defensive character of Japan's foreign policy. However, unlike most analysts in international relations, my analytical framework of Japan's foreign policy will not be based on the foundations of the realist approach, which largely ignores the impact of domestic institutions (social norms) and human ideas (social beliefs and values) on the orientation of a country's foreign policy but rather, on the constructivist approach which examines the influence of national identity, national interests, and social norms, beliefs and values, on a nation's position and behaviour in international affairs.

I focus on Japanese perception of national identity, national interests, and assumed roles of their nation in world affairs, to demonstrate the impact of these ideas on the orientation of Japan's foreign policy since the prelude of the post-cold war era. This thesis does not seek to analyze different facets of the representation of these ideas, nor to examine in depth the institutionalization process of these ideas within Japanese society; it seeks instead to explain the sources of these ideas about the perceived Japanese national identity, interests, and roles in the global system, and to demonstrate the importance of the influence of social factors on Japan's behaviour and decisions in international affairs.

I claim that not only international factors (such as international pressures and conditions) influence a state's behaviour and stances in world politics, but that the domestic structure of a society (the social norms, beliefs, and values, inculcated throughout the socialization process of individuals within a society by, among other things, social institutions and family education) also has a major impact on a country's decisions and behaviour in international affairs.

Disregarded so frequently by researchers on international relations, the importance of the influence of domestic factors on a nation's behaviour and assumed roles in

international politics, is my concern. This thesis, therefore, intends to create awareness of the fact that domestic factors have a major impact on the foreign policy of states.

In order to explore the ambiguities of the theses put forward by researchers on international politics to explain the nature of Japan's foreign policy and the comments about Japan's responsibilities and duties on the world scene since the prelude of the post-cold war era, let me turn to an overview of this literature. This will enable me to clarify the strengths and weaknesses of their assertions on the orientation of Japanese foreign policy.

Review of the Literature

Although a large-amount of research on the orientation, design, and goals of Japanese foreign policy has been undertaken throughout the world (particularly in the United States and in Japan), there is still no consensus on the nature of Japan's foreign policy among scholars. This ambiguity is evident in the findings and conclusions about the "what is" of Japanese foreign policy, and, for a few, the "how" and "why" Japan acts as it does on the world scene.[1] Moreover, in considering the hypotheses presented in these

[1] Throughout this research, the "what is" constitutes the thesis and the "how" and "why" constitutes its foundations.

works, some observers go as far as suggesting the role that Japan should play in world politics.

Regarding the nature of Japanese foreign policy, it is often claimed that Japan is a "reactive state," meaning that Japan's impetus towards policy change, favouring a more activist role on the world scene, arises from outside pressure (Calder 1988; Pyle 1989; Blaker 1993). However, to call it "reactive" is inadequate. This concept misses the central point of the present study, which is that not only international pressures and conditions have an influence on a state's behaviour and stances in world politics, but domestic beliefs, ideals, and conditions also have a major impact on a state's conduct and positions in international affairs. And here, what is relevant about Japan's foreign policy over the entire postwar era up to the present is the degree to which this country, before the pressures exerted on it by its politico-economic partners, has followed its accepted and trusted national strategy of avoiding all kinds of risks to recover its industrial infrastructure and economy, and, subsequently, secure its economic wealth and position in the international system.

Along these lines, other scholars hold that Japan is a "freerider," meaning that Japan, through, among other things, its protectorate status under the American security umbrella, benefits from the international system without a commensurate

contribution to it. This interpretation has been revised by some who perceive Japan as a "challenger," through its new status in the world, to American international status at the economic and commercial level (Prestowitz 1988; Van Wolferen 1989; Choate 1990; Johnson 1990). In contrast to these two perspectives, there is the interpretation of Japan's involvement in international affairs as neither a "freerider" nor a "challenger," but as a "supporter" of the United States and the international community (Inoguchi 1986, 1993; Rosecrance and Taw 1990; Wan 1995).

As noted earlier, vis-à-vis these hypotheses, some researchers make suggestions about the duties and responsibilities Japan should undertake on the world scene. These views concerning the role that Japan should play in the global system can be divided into two groups. On the one hand, some observers claim that Japan will have to be a "normal state," meaning that it has to develop a political and military power commensurate with its economic capacity (Johnson 1992, 1995; Ozawa 1994). Within this perspective, a country's responsibilities and duties on the world scene have to be in accordance with its status in the international system. On the other hand, some argue that Japan should become a "civilian power," and advocate the development of its economic and non-military influence abroad without efforts to expand its political and military influence (Maull

1990). As we will soon see, this latter approach is more predominant in the minds of Japanese decision-makers and the Japanese public.

However, here again, these interpretations and comments pose a problem. They are related to either Japan's status or its roles and responsibilities in world affairs. For this reason, it must be noted that not only is the perception of a nation's position in the international system subjective, but the selection of its adequate role(s) and responsibilities on the world scene is also arbitrary. With such questions, other issues arise. The degree of Japan's activity or passivity, and the pattern of its conduct, is still in question. Indeed, some responsibilities and duties have to be undertaken by an economic superpower like Japan; but what kind of responsibilities and duties? Which responsibilities accord with the presumed Japanese status, and for what reason? What is the appropriate scale for Japan's participation and cooperation on the world scene? Above all, from whose will or beliefs do such responsibilities arise?

Finally, apart from the aforementioned problems and the neglected area of concern in the above research, there is another view about the nature of Japan's foreign policy suggested by Susan J. Pharr (1993) and supported by Alex Macleod (1997). According to them, Japan is a "defensive state" that has always promoted its interest at low costs and

risks. This perception of Japan's foreign policy maintains that changes in Japan's view of its international duties and responsibilities, and then relative changes in its attitude towards the outside world, do not only originate from external pressures, as suggested by the "reactive state" concept, but also from domestic factors. Moreover, it is stressed in Macleod's examination of the model that the perceived national roles of Japanese policy makers dominate the decisions undertaken in Japan's foreign policy, and that these conceptions and choices are shaped by the Japanese institutional system in which the collective identity is defined. From this perspective, Macleod claims that the Japanese role conceptions in world affairs derive from Japanese national identity.

Finally, I support Susan Pharr and Alex Macleod's statement: Japan's actual foreign policy has not really diverged from its main source—the Yoshida Doctrine. If in the past Japan sought to recover its industrial infrastructure and economy, today it seeks to preserve and polish its economic performance and growth. Economic security—often seen as the pillar of prosperity—is a matter of prime importance in Japan. And, as suggested by Kenneth N. Waltz (1979, 126), "the first concern of states is not to maximize power but to maintain their position in the system."

The "defensive state" thesis is the most relevant for explaining Japan's behaviour and decisions in world politics over the entire postwar era up to the present. Throughout the postwar period Japan has pursued a nationally accepted and trusted strategy which renders the importance of Japanese economic growth through non-military means in a favourable trading environment, fed by a strong pride in Japanese achievements, a major concern.

By adopting this thesis, I argue that Japanese social norms, beliefs, and values, have a great influence on the orientation of Japan's foreign policy. However, simply claiming that "social factors" matter, as was done in Pharr and Macleod's analysis, is not enough for our purposes in the present research. Moreover, stressing that the Japanese role conceptions in world politics are mainly rooted in Japan's national identity is also insufficient. One has to go beyond Pharr and Macleod's approach. Such a study of the nature of Japanese foreign policy needs to go deeper into "how" Japan is acting and "why" it is acting like this on the world scene—the design and ends of Japan's foreign policy. This will enable us to demonstrate that the patterns of Japanese conduct and decisions in world affairs show above all what the Japanese believe to be good and appropriate for Japanese national interests and identity.

Theoretical Overview

In the studies of international relations, the influence of domestic and international factors on the development of a state foreign policy has been noted in only a few besides the one conducted by Susan J. Pharr and Alex Macleod (Katzenstein 1978, 1996; Cox 1981, 1983, 1996; Ruggie 1983; Keohane 1986, 1989; Sampson 1987; Sampson and Walker 1987; Putnam 1988; Onuf 1989; Goldstein and Keohane 1993; Wendt 1992, 1994; Finnemore 1996). As pointed out in these studies, more attention needs to be paid to connections between the internal attributes of a state and the socialization process of individuals within this society on the one hand, and the international relations on the other. For Martha Finnemore, in particular, the ways in which states interact with other states is deeply influenced by what they value and believe to be good and appropriate for the blossoming of their nation. Indeed, not only is the structure of the international environment constraining states' decisions and actions in world politics, but the shared norms, beliefs, and values in a society also have a great influence on the development and direction of states' foreign policy.

Therefore, powerful states and the structure of the global system cannot be seen as the only "causes" of change in the behaviour of less powerful states, or as the only "causes" of certain forms of behaviour on the part of states,

as assumed by the adoption of the positivist approach.[2] There is an interface between the domestic and international dimensions, and domestic pressures are no less important than international ones in shaping the development and direction of a state foreign policy. These statements in some of the research on international relations lend support to Pharr and Macleod's observations about the influence of domestic factors on Japanese conceptions of their role in world affairs and the direction of Japan's foreign policy.

In this regard, for the concerns and purposes of the present research, this thesis will be based on the constructivist approach in preference to the realist approach. However, the understanding of the assumptions of both approaches is essential for the understanding of this preference for constructivism (keeping in mind the subject of the present research). Therefore, I turn to an overview of the basic tenets of both approaches.

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[2] This analytical method (positivism) holds that "the only means by which claims to knowledge about the world can be sustained is through an appeal to experience, observation, and testing" (Sinclair 1996, 6-7).

a) The Realist Approach

Realism deals with the power, security, and wealth of a country, and its capacity to preserve them in an anarchic systemic environment (Carr 1964; Aron 1967; Morgenthau 1973; Waltz 1959, 1979, Gilpin 1981).[3] For realists, states are the key units of action in world affairs; states seek power in the international system; and, by their preoccupation with power and security, and predisposition towards conflict and competition, states behave in ways that are comprehensible to observers in rational terms (Keohane 1986, 7). Thus, according to these theoretical assumptions, the nature of man is the desire for power; the national interest is the guiding light of states' actions; and, the nature of the state system rests on the balance of power.

Moreover, in realism, the focus is mainly on states' material capacities and the interaction of these actors on the world scene. Accordingly, the Great Powers are seen as the prime cause of change in the behaviour of weaker states, and the structure of the global system, shaped by powerful states, is considered the main cause of certain forms of behaviour among states. If, on the one hand, Great Powers

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[3] I will not distinguish between realism and neorealism in this thesis, because on crucial issues like the nature of the world system—anarchy—and its significance and effects on states (the survival spirit), modern realists' concepts and theoretical assumptions do not really diverge from the classic ones.

seek the maintenance of the world order, some powerless actors look for its restructuration on the other.

In this respect, realism largely dismisses the impact of domestic factors (social norms), and human ideas (beliefs and values) or experiences on the orientation of a state's foreign policy. For these reasons, I feel the need to take into account entanglements between the field of comparative politics and international relations, for the purposes of our examination (i.e., the influence of national identity, national interests, and social norms, beliefs, and values on Japan's decisions and conduct in international politics). Thus, I adopt some of the theoretical assumptions of constructivism.

b) The Constructivist Approach

This approach allows for the influence of social norms, beliefs, and values on a nation's foreign policy; and domestic factors are recognized as having an impact on global relations. Constructivism focuses on the socially-constructed nature of a state's identity, behaviour, and interests in international politics (Finnemore 1997, 1-33). The sources of states' actions and preferences are not taken as given as they are in realism, but are questioned. On this basis, the social structures of a state, including constructed rules, principles, norms of behaviour, as well as shared beliefs

through social institutions, are the unit of analysis in constructivism.

Thus, leaving plenty of room to evaluate the influence of social construction processes in shaping states' preferences and behaviour in world affairs, this approach addresses the central concern of this study—that is to say, the constraint and influence of social factors on Japan's foreign policy. As we will see, constructivism provides sociological insight into the Japanese stands and conduct in international politics.

Within this framework, I focus on the perception of national identity, roles, and interests of the Japanese people (the decision-makers and the masses), and I demonstrate the importance of these ideas on Japan's behaviour and decisions in world affairs. This study emphasizes the impact of domestic factors on the direction of Japan's foreign policy, or, in other words, the mesh formed by domestic and international pressures impinging on Japan's behaviour in the global system. Thus, I adopt the "defensive state" concept with a greater emphasis on the importance of societal factors on Japanese policy makers' decisions in foreign policy.

Methodology

Research on this issue began with an examination of the domestic sources of Japanese foreign economic policy, followed by the study of the evolution of Japan's politico-economic strategy in the postwar era. On the one hand, this investigation serves as a basic revelation of what is seen as the main concern of the Japanese Government concerning its foreign policy agenda. On the other hand, this investigation provides a strong indication of the perceived national identity, national interests, and role in world politics of Japan.

The examination of Japan's foreign policy is primarily based on observations and data; that is, analysis of the literature related to the topic coming from the Japanese Government, Western and Asian scholars, and international institutions. Japanese official publications in particular contain the core of the Government's beliefs about Japan's national identity, and the concerns, as well as aspirations about the Japanese role and responsibilities in world affairs. The review of this literature is not only relevant to the understanding of different facets of Japan's foreign policy, and to the awareness of factors that influenced its development, but is also a good means of revealing the limits—i.e., the misconceptions and the omission of

influential factors—of ongoing academic research on the topic.

With this in mind, I shall undertake a new level of research in this field by going further into analysis of internal factors having an effect on the direction of Japan's foreign policy, and on the determination of Japan's roles and responsibilities in the global system; hoping to shed light on the actual concern among scholars and policy-makers about the nature of Japan's foreign policy.

2. THE DOMESTIC SOURCES OF JAPANESE FOREIGN ECONOMIC POLICY

An examination of the mode of influence of the Japanese social framework on Japanese ideas about their national identity, interests, and roles in world affairs, is fundamentally relevant to my analysis of the real nature of Japan's foreign policy. This examination will contribute to comprehension of the impact of Japanese social norms, beliefs, values, and prior experiences on Japanese decisions and behaviour in world politics, that is, the foundation of Japan's foreign economic policy.

It is my belief that in Japan, as in other societies, individuals are "framed" by a legal and social system in which their interests, preferences, identity, behaviour, beliefs, and values, are somehow guided through social institutions and the family. Although one likes to control one's own conduct, legal and social frameworks guide its trajectory. As pointed out by Arthur Berger (1989, 4), "We are born into a given [society] and generally operate more or less within the [parameters] it establishes for us."

Having said that, the present thesis postulates that one of the main goals of Japanese institutionalized patterns of social relations, which are conceptualized and promoted by Japanese policy-makers, and in which function the socialization process of individuals, is to maintain Japanese

social order and cohesion. In postulating this, I intend to demonstrate in later chapters that the objective of the Japanese national pursuit of values and beliefs, while at the same time respecting Japanese social norms, was mainly to attain, and now to maintain, a given end: the recovery of Japan's industrial infrastructure and economy, and then to preserve and polish its economic performance and growth.

This chapter is divided into four sections. The first section examines the socialization process in Japan. The mode of influence of the Japanese social framework on Japanese ideas about national identity, interests, and roles in world affairs, constitutes my primary target of examination. Within Japanese institutionalized systems, I direct my attention to its initial stages of development: the family and school.[4] Although some other variables of influence will merit attention later, my focus will be on the contents of learning in the family and school.[5]

The second section focuses on Japanese ideas about national identity. This does not include the examination of the dual question of the affinities and differences between Japanese society and other societies, but primarily, the role

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[4] Here, I consider that these initial stages are followed by the socialization process within Japanese business organizations, among other social structures.

[5] My focus on the contents of learning as a variable of influence on the development process of infants' behaviour, values, and beliefs, is in no way to deny the notable importance of other factors of influence such as social status of the family in society, home environment, genetic endowment and physiological functioning of the infant, and the psychological characteristics of parents.

of representation in the construction of national identity. This examination will be based on an analysis of official publications and polls about the Japanese people's own perception of themselves within the global community.[6]

The third section examines Japanese ideas about national interests, with primary focus on Japanese officials (political leaders and state representatives) and mass beliefs.

Lastly, I explore the dominant traits of Japanese ideas about Japan's "acceptable" roles in world affairs. Here, the emphasis is placed on exploring Japanese decision-makers' foreign policy concerns, beliefs, and aspirations. Overall, this outlook will give us an appreciation of the importance in the eyes of Japanese policy-makers of national and global stability for the sake of Japanese economic security.

To conclude, I will resume my perspective of the objective of Japanese foreign economic policy, which is to maintain economic growth through non-military means. One of the salient features of this examination will be the relationship between information conveyed in Japan, historical experiences, social universe, and global conditions on the one hand, and Japanese opinion and preferences about the appropriate direction of Japan's foreign policy in world politics on the other hand.

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[6] This includes the perceived Japanese "national self-identity," "national self-interpretation," and "national self-understanding."

The Socialization Process in Japan

In Japanese society, as in other societies, socialization of the individual is a fundamental process, particularly for political leaders and representatives. Every society feels the need to nurture and socialize its population through a large variety of institutionalized systems. This socialization process is seen by the state's power-holders as beneficial for the performance of their country on the world scene, particularly at the economic level. From the authorities' point of view, discipline is not only seen as helpful for maintaining social order and cohesion, but is also seen as producing docile and productive bodies (Foucault 1972; 1979). This statement accords with the perspective of the present thesis—that, states engage in moulding individuals' behaviour, beliefs, values, and concerns.

> [States] govern what may be said, in what mode (scientifically or not), what is considered valid, what is considered appropriate to be circulated in the educational system or another public setting, and who may say what (Simons 1995, 24).

However, contrary to this view of the degree of people's subjection to dominant forces, I postulate that public masses have something to say about the orientation of government

policies. A political tendency cannot be maintained eternally without recognition of its merit on the part of public opinion.

In sum, the patterns of the social framework are analogous to the patterns which drivers follow. Like individuals in social milieus, drivers can only operate according to the means given them. Their itinerary is determined by the routes before them. On the road their options are limited and specific conditions have to be met. However, these rules (the driving codes) are governed by officials, are generally considered as appropriate for a given end, and cannot be maintained without social consensus. Subjugation needs a certain degree of consent on the part of the individual.

Within the framework of society, family and social institutions are designated to inculcate, by the powers that be, patterns of standardized behaviour, and to teach customary beliefs, values, and symbolic forms. Norms are shared expectations about appropriate behaviour held by individuals within society; values are what they hold in their heart and hold in high esteem; beliefs concern how they think their surrounding universe operates; and, symbolic forms are figurative representations of the significance of shared norms, values, and beliefs (Griswold 1994, 3). These social standards, unconsciously internalized and accepted as

valid at a given time, vary with the prior experiences of society, its social universe and context, and the global conditions surrounding it.

At the beginning of the postwar era, the Japanese government worked quickly to restore, centralize, and strengthen its power over education and social control in Japan. How children were "trained" to become full citizens of Japanese society became increasingly important to the central authorities. As stressed by Bernard Bernier (1995, 248), the Japanese state promoted the publication of psychiatry manuals prescribing the way the family should interact and the manner in which they should carry out their given functions, particularly the socialization and guidance of children. In these manuals, the image of the Japanese "ideal mother" is of one who is devoted to her infants' needs. According to this type of literature, the Japanese mother "is the best care-taker and educator...the mother-child bonding is the most natural and fundamental one in human relationships (*ningen kankei*), [and] no other job is better or more suitable for women than mothering" (Fujita 1989, 72).

The goal of the Japanese government's effort to standardize family education was to create the "ideal Japanese" for the state; that is, to make individuals, within

the social framework, productive in order to increase the state's wealth and strength.[7]

Influenced by social expectations, a Japanese mother is inclined to view the first few years of the life of her children as crucial for them. Accordingly, the development of one's values, attitudes, manners, and self-control is fundamental. In the children's education, the mother seeks their emotional maturity (suppression of emotion), their compliance to adult authority (respect for hierarchy by sex, age, birth order, and social status), and their courtesy in social exchange (the appropriate behaviour depending on circumstances).

In addressing these concerns, the first task assigned to the Japanese mother is to teach her child to integrate with others (i.e., to become social). On the one hand, the children's participation in the creation of harmony within groups is encouraged; on the other, the children's apprenticeship and understanding of the appropriate behaviour towards others is considered as the corner-stone of harmony.[8]

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[7] For a fuller discussion of this kind of learning process (a mixture of "technical learning" and "regulatory education"), see Kluckhohn, Clyde. 1985. *Mirror for Man: The Relation of Anthropology to Modern life*. Edited by Montagu, Ashley. *Classic of Anthropology*. Tucson: University of Arizona Press, p.126.

[8] It should be noted that harmony in social relations is cherished in Japan. The importance of working toward harmony within groups is rooted in Confucianism. Roughly speaking, the Confucian philosophy is a code of ethics and morals which emphasizes relationships among people and harmony with the environment (i.e., hierarchy, obedience, and respect of authority).

The second major task of the mother is to provide the child with physical satisfaction. This task is fulfilled by the continual presence of the mother beside her child. From this mother-child bonding, there is the child's initial identification with his mother on the one hand, and the growing link of dependency (*amae*) between the infant and mother on the other.[9] The devotion of the mother toward her children implies the reciprocal indulgence of the children toward their parents. This devotion in mutual relations within the family also implicates the children in an understanding of the importance of one's attitude and conduct in society.[10] As noted by Maureen Slonim (1991, 127), "Children are greatly indulged during the pre-school years [in Japan], but they are raised to be docile and obedient." This docility and obedience relates to the observance of rules, and respect toward authority.

The final major task of the mother is to draw her children's attention to the right way to interact with others in society. This is according to their sex on the one hand, and one's social position or level of responsibility to the person before them. In this perspective, the way in which people say or do something is more important than what they deliberately say or do. Moreover, an adequate environment in

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[9] For a good discussion of the relational patterns of dependency, see Doi, Takeo. 1973. *The Anatomy of Dependence*. New York: Kodansha International.

which to express a feeling is also in question. In this respect, love and affection, for instance, are learned to be restrictively expressed by adults. Thus, outward displays of emotion are discouraged.

Along with family education, there is the schooling process. In sending their infants to school, Japanese mothers believe that one of the principal responsibilities of schools is to train children to become familiar with social norms, including self-control and mutual respect. Accordingly, there is an emphasis on learning to become part of a small group in class. On par with this, children's participation in group activities is largely encouraged. In the socialization process, daily routines, such as cleaning the classroom, peer models of exemplary behaviour, and the growing sense of social responsibility through the alternate allocation of different tasks to children within a group, are used as agents of cohesion and order. Thus, there is a reliance on embedded parameters in groups, for the control of its members. The goal of socializing children in 'group living' (*shûdan seikatsu*) is, ultimately, to get them ready for their future social life in public or private organizations. For some, it might be conceived as being the first stepping-stone on the path to success.

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[10] This "reciprocal obligation" consists in the return of kindness, trust, attention, and helpfulness.

This overview of the Japanese education system leads to the exploration of a few analogous patterns of control within the Japanese social framework. As noted above, the fifties had witnessed the Japanese government's steps to centralize its power over the system of education. Firstly, the Ministry of Education held the right to approve all textbooks; then, it took power over the nomination of committee members of school districts. Afterwards, it made the school's adherence to the instruction guidelines compulsory (*gakushû shidô yôryô*). Among the recommendations of the Ministry, there is the register of confidential appraisals of students (*naishinsho*) held by the teachers. Overall, in all Japanese schools, the level of social control and the strictness of discipline is striking for outsiders. Supervision of children, and the mandatory uniformity of students' hair cuts and uniforms from kindergarten to university entrance, lend credence to this observation.

This social control in the education system is quite similar to some patterns of control that can be found in Japanese society. For instance, there is family and residential registration (*koseki and Jûmin torôko*, respectively) at the police station of the home environment (*koban* or *chûzaisho*); the consultation of personal and family records in decisions relating to marriage and employment; and, the striking fact of the per capita number of police

officers in Japan, compared to other industrial nations.[11] The impact of these institutionalized patterns on people's individuality and privacy, in the Western sense, may be of concern for outsiders.

In sum, for the state, social education is the cornerstone of understanding conformist principles, respecting authority, and maintaining harmony. This implies one's intellectual, psychological, and ethical disposition, the whole right way to behave and think, and the capacity to situate one's self with others (Bernier 1995, 261). In this respect, the educational patterns energetically promoted by the Japanese state may thus be seen as being advanced in order to produce a more uniform Japanese individual in conformity with the defined national interests. The adherence to social norms, values, and beliefs is thus coveted by the state. It represents not only the social consensus on norms, values, and beliefs, or national unity around a great design, but ultimately a first step toward national identity.

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[11] For a good discussion of the police community in Japan, see Ames, Walter L. 1981. *Police and Community in Japan*. Berkeley: University of California Press.

The Japanese National Identity[12]

Many writers and analysts have argued that Japan's national identity is a strong feeling of its uniqueness within the world community—undoubtedly forgetting that every society is somehow "unique." According to a survey by the Nomura Research Institute, extensive literature on Japanese uniqueness (known as *nihonjinron* or literally, discussion of the Japanese) was produced in the 1970s (as well as in the 1980s).[13] This literature suggests that the distinctiveness of Japanese society from others figures primarily in its homogeneity, harmony, purity, and its group orientation.[14] Unconsciously, this sense of identity encourages the Japanese to pay far more attention to how much their society differs from others than to whether it is true to itself or not.

For some authors, the Japanese social character evokes a stable sense of the distinctiveness of "Japanese identity." For others, it is instead the symbol of "Japanese pure blood" that generates the "national boundary." In keeping with this

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[12] In the present thesis, the term "national identity" is defined as a socially constructed and recognized body of characteristics and a form of social aspirations, and historical self-representation and understanding. Moreover, the whole body of the conventional wisdom of societies is assumed to be constructed in light of their perceived needs, historical memories, and circumstances.

[13] See, *Nomura Sôgô Kenkyusho*. 1978. (Nomura Research Institute) *Nihonjinron: Kokusai Kyôchô Jidai ni Sonaete* (Nihonjinron: For an age of international cooperation) A special issue of reference. No. 2.

[14] These social patterns are associated with social stability and order in Japan, whereas areas of mixed ethnic character, as in the United States, are regarded as areas of instability.

genetic perspective, a questionable "scientific" investigation by Tsunoda Tadanobu (1978) has also stressed that the genesis of "Japanese uniqueness" is located in the structural functions of the Japanese brain. The striking number of copies his book sold, and the many times it has been reprinted, shows to some degree the popularity of this genre of literature in Japan.[15]

The preoccupation with Japanese national distinctiveness has generated debates among scholars. Few do not recognize the foundation of the cited conventional wisdom of Japanese society.[16] However, reflection on the theoretical pillars of the social traits of Japanese society does not represent the concern of the present examination. I direct my attention instead to the representation of Japanese national identity on the world scene; that is, the role of representation in the construction of Japanese national identity in world affairs. I intend to demonstrate that the Japanese experience in World War II, and the widespread belief in the merit of Japan's economy-centered concerns measured by its economic

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[15] From the first publication in 1978 to August 1996, this book—*Nihonjin no No: No no Hataraki to Tozai no Bunka* (The Brain of the Japanese: Functions of the brain and Eastern and Western culture)—has been reprinted 36 times, and 91 480 copies have been sold. I gained this information by indirect contact with the publishing house via the intermediary of Nancy Moriyama. Accordingly, I am grateful to her for all the time she spent on this investigation.

[16] For a good idea on this debate, see Mannari, Hiroshi, Befu, Harumi, eds. 1983. *The Challenge of Japan's Internationalization: Organization and Culture*. New York: Kwansei Gakuin University Press and Kodansha International Ltd. Mouer, Ross, Sugimoto, Yoshio. 1986. *Images of Japanese Society: A Study in the Structure of Social Reality*. New York:

achievements, may be recognized as one of the major factors of influence on Japan's behaviour and stances in world politics.

A recent analysis of Japan's image on the world scene shows that most Japanese see their country essentially as a peace-loving nation and as a prosperous society (Macleod 1997, 100). This image of Japan on the world scene is representative of the Japanese sentiment about the legacy of the war, and the feeling of pride concerning the way Japan has developed from its lamentable state after the war.[17] As noted in different archives of Japanese survey data, from 1987 to 1994, a strong majority of the Japanese have agreed with the statement: "Japan is consistently pacific" and "Japan is an economically powerful nation."[18] In June 1990, for example, according to a survey conducted for the Japanese Prime Minister's Office, of eight statements about Japan's identity on the world scene, 87.6 percent of the share of

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Routledge & Kegan Paul Inc. And Dale, Peter N. 1986. *The Myth of Japanese Uniqueness*. New York: St. Martin's Press.

[17] Over two and a half million Japanese lost their lives during the war; its cities were destroyed; Nagasaki and Hiroshima were the targets of the atomic bomb; and for the first time Japan was conquered and occupied by a foreign power. For an original discussion of Japanese feelings and memories about the war legacy, see Dower, John W. 1993. *Japan in War and Peace*. New York: New Press, Chap. 7.

[18] See, *Kokuminsei no Kenkyû Iikai*. 1994 (Research committee on the study of the Japanese national character) *Kokuminsei no Kenkyû: Daikyûkai Zenkokoku Chôsa* (A study of the Japanese national character: Ninth nationwide survey) Tokyo: *Tôkei Sûri Kenkyûzyo* (Institute of Statistical Mathematics), p. 96. Japan, Ministry of Foreign Affairs. 1992. *Information Bulletin (1990-91)*. Tokyo: The Japan Times, Ltd., P. 89. And Ladd, Everett C., Bowman, Karlyn H., eds. 1996. *Public Opinion in America and Japan: How We See Each Other and Ourselves*. Washington, D.C: The AEI Press, P. 25.

respondents agreed that "Japan is an economically powerful nation," and 84.6 percent said that "Japan is dedicated to pacifism." (Japan, Ministry of Foreign Affairs 1992B, 89).[19]

The strong anti-war feelings among the Japanese population including the public masses, policy-makers, and economic elite, is notable in their reluctance to modify the peace clause of the National Constitution (Article 9) in any way[20]; to increase Japan's involvement in world politics for the resolution of conflicts; and to increase the country's military strength. According to a survey conducted by the *Asahi Shimbun* in June 1991, a notable proportion of the Japanese (56 percent) supports Article 9 (Ladd & Bowman 1996, 25). Moreover, a survey conducted by the *Yomiuri Shimbun* in January 1995 shows that 74 percent of the Japanese do not expect their country to become a military power in the foreseeable future (Ibid., 25). The desire to keep Japan's profile on defence and foreign policy issues as low as possible, is also manifest in the Japanese unwillingness to

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[19] Concerning Japanese feelings about the recovery of Japan's economy in the postwar era, the findings of Japanese surveys reveal that they were confident about Japan's economic standing in the world economy (up until the 1992 ongoing recession in Japan). Whereas 42 percent of the Japanese surveyed were feeling that Japan's standing in the world economy was "extremely good" in 1988 (82 percent "extremely" and "fairly" good), this feeling drops to 33 percent in 1993 (79 percent "extremely" and "fairly" good). However, on the whole, national confidence in Japanese economic security is widely spread in the Japanese populace. (*Kokuminsei no Kenkyû Iikai* 1994, 96).

[20] Article 9 of the Japanese Constitution stipulates that: "the Japanese people forever renounce war as a foreign right of the nation and the threat or use of force as a means of settling international disputes." Moreover, it is declared that: "land, sea, and air forces, as well as other war potential, will never be maintained" (Emmerson 1973, 116).

approve the use of force to resolve international disputes. According to a poll conducted by the Tokyo Broadcasting System (TBS) in 1991, whereas 70 percent of the Japanese surveyed felt it inappropriate to use military force to maintain international justice and order, only 26 percent felt it was appropriate (Ibid., 25).[21]

The Japanese attitude toward Japan's participation in UN peacekeeping operations also underscores their reticence toward Japan's military involvement in the international arena. Although in June 1992, the International Peace Cooperation Law (IPCL), which for the first time permitted Japanese Self Defence Forces (SDF) to participate in overseas peacekeeping activities, was enacted after long deliberation, a strong majority of Japanese only supports the dispatch of Japan's SDF to provide assistance abroad without any military involvement.[22] In March 1995, for example, a survey conducted by the *Nihon Hoso Kyokai* shows that 25 percent of the Japanese surveyed agreed with the participation of the SDF in UN peacekeeping activities, 23 percent said that Japan should supervise cease-fire agreements without carrying weapons, 35 percent that Japan should not participate in any military

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[21] Japan's lethargic response to the Gulf Crisis is a good example of the Japanese attitude toward the use of force to settle a dispute between nations.

[22] The body of rules of the International Peace Cooperation Law also illustrates Japanese reluctance toward this kind of involvement in world affairs. Under this legislation, the number of personnel dispatched overseas is limited to 2000; any mission requires Diet approval before its departure; the use of weapons by troops is prohibited except for self-defence; and the dispatch of Japanese personnel abroad is only possible in areas where there is already a cease-fire agreement between the belligerents (Berger 1993, 143).

actions abroad but should provide medical and infrastructure support, and 6 percent held that the Japanese SDF should not participate at all in these operations (Ibid., 32).[23] Thus, considering these findings, a notable proportion of those surveyed are of the view that Japanese participation in peacekeeping operations is now unavoidable in order to enhance Japan's contribution to the global community. However, as before the enactment of the peacekeeping law, such a contribution must be restricted to a non-military role in conformity with the Japanese pacifist Constitution.

On the issue of Japanese military strength, Japanese public opinion manifests a strong aversion to the growth of Japanese military strength. Five surveys conducted by, among others, TBS between 1985 and 1991, showed that about 60 percent of Japanese felt that their country's current military strength was at the right level. Over this length of time, fewer than 11 percent thought that Japan should increase its military strength (Ladd & Bowman 1996, 37). Thus, only 8.1 percent of the Japanese surveyed in July 1991 said that their Government should spend more on defence, while 55.6 percent supported relatively low spending on defence, and 26.1 percent wanted it to be reduced (Japan, Ministry of Foreign Affairs 1992B, 306-7).

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[23] Only operations such as monitoring elections, helping refugees, environmental cooperation, and disaster relief are largely favoured by the supporters.

Globally, in the light of the findings of the Japanese surveys, it cannot be denied that Japan's war experience, its defeat and devastation, and its subsequent occupation, have produced an aversion to military expenditures and commitments. The polls cited lend credence to the notion that anti-militaristic feelings have taken deep root among the Japanese people in the postwar era. If the war is past, its memory is still on the Japanese mind today. As pointed-out by John Dower (1993, 249), for the victims of the atomic bomb, any Japanese easily finds the strength to say "no" to the path of war. For those victims, the transmission of war memories ensures that neither new Japanese generations nor anyone else on earth will ever live such a trauma again. Thus, the Japanese government needs to be mindful of Japan's involvement in world affairs.[24]

Nation-building efforts in the postwar era have been demanding for the Japanese. In this respect, hard-work and dedication to organizations are regarded as the prerequisites success. Maintaining Japanese economic vitality—that is, for the sake of the Japanese economic security—is well grounded

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[24] For those who might have doubts about the constraint of the masses on the direction of a country's foreign policy, it should be noted that public opinion is important in setting the boundaries of acceptable policies for government. The difficulties that the ex-Prime Minister Nakasone Yasuhiro had to obtain some support from the public for changes in Japan's attitude and behaviour vis-à-vis global affairs a few years ago, or the long deliberation over the enactment of the peacekeeping law in 1992, are good examples. For an excellent discussion of the influence of public opinion in the foreign policy-making process of liberal democracies, see Risse-Kappen, Thomas. Public Opinion, Domestic Structure, and Foreign Policy in Liberal Democracies. World Politics. Vol.43, No.4 (July 1991): 479-512. I thank Professor Alex Macleod for pointing this reference out to me.

in the Japanese mind today. For these reasons, Japan's postwar economic standing in the world economy receives significant attention from Japanese decision-makers. Any risk of weakening national confidence in this regard is a major concern for Japanese policy-makers. However, beyond national reluctance to Japanese involvement in world affairs, Japanese leaders need to calculate carefully the repercussions of their foreign policy decisions on Japan's relations with its major trading partners. Thus, preserving stability and friendly trade relations in the regional and international environment is also taken into account. The basic motives behind national identity and current trade issues, therefore, form a major part of the guidelines for Japan's foreign policy behaviour. Economic viability depends increasingly upon maintaining trading stability between nations; and this is deeply recognized in Japan. As we shall see in the following section, the knowledge of "what we are" is not only essential to an understanding of "what we fear," but also to the determination of "what we want."

Japan's National Interests[25]

Generally speaking, the concept of national interest is used to describe, explain, or analyze the foundations or the adequacy of a national policy. However, as stressed by James Rosenau (1968), the conceptualization of national interests is complex. According to Rosenau, an amalgam of interests varying over time and in intensity, and depending upon a standard of thoughts, values, circumstances, leaders' personality or charisma, influences the formation of a "consensus" over the conception of national interests. Therefore, in some ways, any formulated national interest recognized as being "likely," involves subjective preferences that are compatible with the systemic environment, and national prior experiences and conditions.

In the present thesis, Japan's national interests are defined and shaped by both the Japanese policy makers' conceptions of their country's interests, and institutionalized societal norms, values, and beliefs. On the one hand, this implies that social norms, values, and beliefs

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[25] The "unknown" Japanese national interests and global strategies have generated virulent debates among scholars. The attitude toward the so-called "inscrutable" intentions of Japan in world affairs has enhanced Japanese leaders' desire to consider the importance of improving understanding of Japanese thinking on global issues by the rest of the world. Accordingly, several steps have been taken to correct the speculation and misunderstanding of Japanese intentions in this regard. One of the most explicit has been the establishment of a Committee for Japan's strategy in 1994, whose report is examined in the present section.

have an influence on the process of defining national interests, and that the advice of Japanese senior civil servants, intellectuals, and business leaders also have an influence on government policies. Thus, even if the perception of national interests by the Japanese policy-makers determines their decisions in foreign policy, they still need to undertake some significant effort to mobilize support for the appropriateness of their foreign policy goals, that is, if they need electoral funding on the one hand, and wish to favour their prospect of re-election.

The policy makers and social framework in Japan do not only define and shape national interests, they also have an influence on national identity. There is a symbiosis between national interests and identity. The feeling of complementarity between Japan's national identity and its national interests took deep root among the Japanese people in response to Western colonialism in the Meiji era. Accordingly, safeguarding national or traditional values from the influence of the "outside" world, became a major preoccupation for the Japanese elite. Thus, considering the present situation in this light, the tenor of Japanese national security maintains that Japanese national interest be defined in predominantly economic terms. As we will see, this is clearly displayed in Japanese official documents. However, given the wide selection of official documents on

Japanese diplomacy, I have singled out an important report on Japan's national interests and global strategies, which will help to understand the significance of trade issues for Japanese leaders.

According to the report *"Japan's National Interests Defined"* on Japan's national interests and global strategies, world peace and stability, particularly at the global economic level; maintaining the Japan-US Security Treaty; and, developing cooperation between countries within the Western and Asia-Pacific region in a manner which is acceptable to the United States constitute the central pillars of Japan's international interests (Japan, FAIR 1997).[26]

Firstly, according to the committee on Japan's strategy, preserving the stability of the global and regional economic system plays a pivotal part in Japanese economic vitality. The side-effects of major sources of instability are considered a concern for Japan's interests. In this regard, the members of the committee believe that adopting a preventive diplomacy for Japan would favour international stability and prosperity. Thus, a policy of preventing factors of political instability within a region is regarded

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[26] The pertinence of these aspects is consistently mentioned in the yearly *Diplomatic Bluebook* prepared by the Ministry of Foreign Affairs of Japan (see, from 1980 to 1995), and also in the *White Papers of Japan* prepared by The Japan Institute of International Affairs (see, from 1985 to 1995).

as positive progress in foreign policy. They regard keeping internal social order as essential for stability, and stress with eloquence, that insisting on such ideas as liberty—as preached by the United States—often destroy social control, cohesion, and order within a society.[27]

Along with this, they suggest that Japan should recognize and accept the importance of its participation in international affairs. As stressed by other observers, Japan must now accept a greater share of responsibilities in this regard (Johnson 1992, 1995; Ozawa 1994).

Secondly, members of the committee also found that a Japan-US Security Treaty remains crucial for Japanese economic security.[28] This stance toward the importance of Japan-US friendship is also supported by Japanese public opinion. As shown in Japanese surveys from 1969 to 1994, a strong majority of Japanese surveyed advocates maintaining a Japan-US Security Treaty (Ladd & Bowman 1996, 34).

The multi-dimentional presence of the United States around the world—particularly in Asia—is also recognized as a way of preventing instability. The committee insists that the Japanese people realize that Japan can no longer leave all

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[27] This conceptual representation of freedom denotes the importance of social order in the Japanese mind.

[28] As noted in most Japanese official documents, the Japanese alliance with the United States is the corner-stone of Japan's foreign policy. See Japan, Ministry of Foreign Affairs. 1980-95. *Diplomatic Bluebook*. Tokyo: InfoPlus. See also Japan, The Japan Institute of International Affairs. 1980-95. *White Papers of Japan: Annual Abstracts of Official Reports and Statistics of the Japanese Government*. Tokyo: The Japan Institute of International Affairs Editorial Section of English.

the military issues in world affairs to the United States. For this purpose, there is support for an increase in the Japanese role in the UN. In world affairs "the state must not only maintain its own capabilities but must also contribute to the shaping of a safer international environment" (Frankel 1970, 49). However, once again, this kind of involvement by Japan's SDF on the world scene needs to respect Japanese values if it is to get the support of public opinion.

Lastly, the members of the committee strongly support multilateralism. Mutual cooperation between countries in the Western and Asia-Pacific region is believed to be essential for Japanese interests, that is, for Japan's economic well-being. They see this approach as implying parity between world economic powers conducive to the promotion of cooperation between the Western and Asian economies for the sake of the development of the Asia-Pacific region on the one hand, and the compliance of Japan to the US leadership to avoid the clashes of interests on the other. Thus, this approach implies not only avoiding dividing the world into trade blocs, but also limiting US hegemony within the global economy. As pointed out, "the more multilateralism spreads..., the more difficult it becomes for the hegemonic country to take unilateral action" (Japan, FAIR 1997, 33).

For the committee, Japan, not only as a member of the "Western industrialized world," and as a member of the Asian

community, but primarily, as a front-line player of current patterns of world trade, must direct its attention to developing the Asia-Pacific region for the sake of its own security on trade issues.[29] For this reason, developing a regional economic framework in East Asia through cooperation is strongly believed to coincide with Japanese interests, as we shall see in the following section.

From the overview of this report, the ends of Japan's foreign policy support my argument about the importance of trade issues for Japanese leaders. As we have seen so far, the economic concern in Japan's foreign policy is largely asserted as being suitable for Japan's interests in the light of its projected identity. "Trade is what most of international relations are about, [and] for that reason trade policy is national security policy" (Schelling 1971, 737).[30]

For the Japanese policy-makers, Japan's foreign policy is for the sake of its economic security and prosperity. Generally speaking, Japanese civilians and policy makers are less preoccupied by the ongoing transition of the world order

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[29] This paradoxical sense of belonging to both regions is considered in Macleod's study (1997). In the present thesis, however, the predominance of the influence of the national interests over the construction of the state's conceptual representation is asserted. The fact that the variance of the emphasis of Japanese references to the Western or Asian region is largely relative to the situation of world trade, supports my position.

[30] For an excellent account of the overlap of trade issues and foreign policy, see Cooper, Richard N. Trade Policy is Foreign Policy. *Foreign Policy*. No.9 (Winter): 18-36.

than with present global economic trends and the respect of their values in the world community. This point brings us to the question of Japanese ideas about their conceivable role in world affairs. As I will argue in the following section, "what we should do" as a nation concords essentially with our own beliefs about ourselves, our aspirations, and our fears of the unforeseen.

Japan's National Role Conceptions

Japan's role conceptions in world affairs refer to attributed duties and responsibilities that the Japanese government perceives for itself in its relation to states in the international system as a whole. On the other hand, Japan's role performance refers to its position and behaviour in world affairs. This performance is inseparable from Japan's role prescriptions, which are the social norms, beliefs, and values, attached to particular attitudes. Thus, my position in this respect is that what matters analytically in Japan's role conceptions on the world scene are the sources of these conceptions held by Japanese policy makers; that is, Japan's social norms, values, beliefs, prior experiences, and circumstances in the regional and international milieus. These factors largely explain the patterns of Japanese foreign policy behaviour.

In the post-Cold War era, the four principal roles attributed by Japanese policy makers to their country are: *regional leader, leader in global cooperation, contributor to world peace,* and *defender of a universal value system* (Macleod 1997, 96). According to Macleod's findings, two roles figure as the most important for Japanese leaders: *regional leader* and *leader in global cooperation*. However, as noted in the aforementioned study, only the concept of the *regional leader* remains constant in the discourses of Japanese decision-makers in the postwar period.

The formal acceptance of these responsibilities and duties are frequently expressed in the discourse of Japanese officials (Japan, Ministry of Foreign Affairs 1990-96A). As presented in Japanese official documents, a country's "assistance," "cooperation," and "support" in the global system and international organizations, and with its trading partners, express its devotion to the well-being of the international community. In this respect, Japan's leadership in the development of aid in East Asia, in particular, is assumed to express Japan's great desire to accept some new responsibilities in world affairs. As pointed out earlier, for Japan, greater cooperation for economic development in the Asia-Pacific region not only strengthens the political stability of the area, but also that of the global system.

Thus, the side effects of instability on the world economic system is assumed.

This "non-military role" of Japan in the Asia-Pacific region is seen by Japanese decision makers as fostering relations of mutual understanding and trust for long-term stability in East Asia. Because of wartime memories in the Asia Pacific region, Japanese leaders are well aware of their country's need to be perceived by its neighbours as playing a moderate role. Therefore, assistance and cooperation for economic development in the Asia Pacific region are also the means that Japan will use to enhance mutual confidence among its regional trading partners.

With its leading role in the Asia-Pacific region, Japan also seeks to "sell" its image and "virtues" abroad. For some Japanese policy makers, the emulation of Japan's commercial practices—and its culture—by Asian nations can favour the blossoming of a sense of solidarity between Asian trading partners. This occurrence will enhance and facilitate commercial activity in the region.

Clearly, Japan's ambition in the development of a regional economic and financial network in East Asia is above all to bring security to its economy. It is for this reason that maintaining peace and stability in the Asia-Pacific region is of national interest for Japanese decision makers. As a later chapter will highlight, the formation of a

regional economic bloc with discriminatory treatment against extra-regional countries, is far from desired by Japan. This will be seen as putting all the eggs in the same basket. Any risk that might destabilize the existing global system is avoided by Japanese policy makers.

In retrospect, the Japanese decision makers' perceptions of their nation's principal roles in the global system, and particularly in the Asian sub-system, are clearly in accordance with the role suggested by Hanns Maull (1990) to Japan that it be a "civilian power."

As noted earlier, this concept implies:

> the acceptance of the necessity of cooperation with others in the pursuit of international objectives; the concentration on non-military, primarily economic, means to secure national goals, with military power left as a residual instrument serving essentially to safeguard other means of international interaction; and a willingness to develop transnational structures to address critical issues of international management (Maull 1900, 92-3).

The desire to become a so-called "normal country," i.e., to develop a military capacity commensurate with its economic power; implying the withdrawal of the American troops in East Asia, is still far from being widespread in Japanese minds (Japan, Ministry of Foreign Affairs 1980-95B; Maswood 1990; Japan, Ministry of Foreign Affairs 1990-96A; Nye 1995; Japan, FAIR 1997). This expresses the economic orientation of

Japan's foreign policy. Japan acts primarily as a regional leader in world politics. It is the Japanese's perception of the appropriate orientation or function of their state in world politics. There is no will in Japan to become deeply involved in international affairs at the military level.

The conceptual representation of Japanese roles in world affairs described above, therefore, shows that national role conceptions held by Japanese leaders are explicit in their country's foreign policy behaviour. My consideration is supported by Kalevi Holsti (1970, 1987), Naomi Wish (1977, 1980, 1987), and Stephen Walker's (1978, 1987) findings of the correlation between national role conceptions of political leaders and the foreign policy behaviour of their nations. For the sake of national convenience, a nation operates according to the means given it.

From the overview of the Japanese perception of the appropriate orientation or involvement of their state in world politics, it is clear that factors such as national norms, values, beliefs, and prior experiences, affect many aspects of the decision making process in this regard. In other words, national parameters shape policy making. For Japanese decision makers, maintaining stable and friendly trade relations with the United States is the keystone of Japan's economic security.

Conclusion

In this chapter, the mode of influence of the Japanese social framework on Japanese ideas about their national identity, interests, and roles in world affairs was my primary target of examination. It was postulated that Japanese opinions and preferences about the appropriate direction of their country's foreign policy is relative to the information conveyed in Japan within the institutionalized framework, historical experiences, and economic situation within the global economic system. The findings on the content of what is learned in the Japanese family and school, the role of representation in the construction of Japanese national identity, and Japanese ideas about their "acceptable" roles in world affairs, supported my arguments about the raison d'être of Japan's foreign economic policy.

Indeed, Japanese social patterns primarily constitute the guidelines and standards for Japan's foreign policy behaviour. As pointed out throughout this chapter, Japan's decisions and behaviour in world politics are essentially for the sake of its economic prosperity and security in the light of its national identity and interests. In this respect, the calculation of risks and costs in decision making is prerequisite to Japan's formal stance and action in

international affairs. Thus, prior economic concern in Japan lends credence to the defensive character of its foreign policy. As the following chapter will show, the importance of this concern for Japanese leaders figures prominently throughout the evolution of the Japanese politico-economic strategy in the postwar era.

3. AN OVERVIEW OF JAPAN'S POLITICO-ECONOMIC STRATEGY (1945-80)

Japan's foreign policy still follows the basic lines of the Yoshida Doctrine. Up to the present, Japan's economic condition has been a factor of prime importance for Japanese decision makers. Moreover, most Japanese officials and scholars stress the importance of the American military presence in East Asia for fostering regional stability. To sum up, in the eyes of the Japanese elite, Japan's economic growth and standing in the global economic system, its trade relations with the United States, and its protectorate status as a result of the Japan-US Security Treaty, are beyond question.

The evolution of Japan's economic growth via its politico-economic strategy can be divided into three different periods: the priority for economic recovery and growth (1945 to the 1960s); social development in terms of welfare measures, living standards, and the building of public infrastructures (1970s); and, the transition from a focus on development to maintaining in the face of new global economic trends (1980-96).[31]

The first two periods are the concern of the present chapter. An examination of the third period is undertaken in

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[31] Clearly, such a division is arbitrary. There are many other ways of dividing the phases of Japan's economic development in the postwar era.

the next chapter. The present chapter dwells on the conservative policies (*hoshu honryû*) followed by Japan's policy makers throughout the postwar era. I direct my attention to the evolution of Japan's politico-economic strategy to meet developments in the global economic system. I postulate that Japan's economic policy throughout the decades of rapid growth has been essentially defensive in character.

A national consensus favouring rapid growth has been explicit in Japan. However, to assert that Japan's economic success has been achieved only by its national consensus on rapid growth is a limited view of Japan's politico-economic patterns. Political stability in Japan needs to be considered as well. This stability has been achieved because of Japanese decision makers' comprehensive economic policies and priorities; that is, their remarkable ability to be flexible in response to changes in the national and international environment. Thus, taking into account Japanese leaders' pragmatism and flexibility in most circumstances, and the importance in Japanese eyes of the status of their country in the world economy, the present chapter contributes to an understanding of the orientation of Japan's foreign economic policy in the postwar era.

Policy of Economic Recovery and Growth (1945 to the 1960s)[32]

In the first period, Japanese prime ministers, inspired by Prime Minister Yoshida Shigeru and his beliefs, concentrated on Japan's economic reconstruction and growth. A formal alliance with the United States was seen as essential for this purpose.

The Yoshida Doctrine consists of four basic principals: 1) that economic growth should be the prime national goal of Japan. A close politico-economic relationship with the United States was necessary for this purpose; 2) the United States should remain a major ally of Japan, and provide most of Japan's defence. On a par with this, Japan should avoid involvement in international political-strategic issues; 3) economic management guided by the state is a necessity for social and political order; and, 4) maintaining of a strong political consensus on priorities is pivotal for economic growth, and then, a fortiori, for political stability (Muramatsu & Krauss 1987, 525-26; Pyle 1987, 247). These principles gave the rising Liberal Democratic Party (LDP) an

[32] In this section, my focus on the tenure of Prime Minister Yoshida Shigeru (1946-54), Kishi Nobusuke (1957-60), and Ikeda Hayato (1960-64), is in no way to deny the importance of Japan's economic recovery in the political objectives of other prime ministers in this period. The policies advocated by other prime ministers are omitted because of space. Suffice it to say that, Prime Minister Hatoyama Ichiro (1954-56) concentrated on the autarchy of Japan's economy, the economic plan of Prime Minister Ishibashi Tanzan (1956-57) included full employment and improved national life, and the Sato Eisaku cabinet (1964-72) advocated stable growth, price stability, and social development. For more details, see Hori, Shigeru. *Sengo Seiji no Oboegaki* (Notes on postwar politics) Tokyo: *Mainichi Shimbunsha*, 1975.

identity based on pragmatism, flexibility, and economic priorities.

Under the tenure of Prime Minister Yoshida, rebuilding the Japanese economy was considered the most urgent task for the government.[33] In order to fulfil this major task, priority was given to exports. For this purpose, key sectors were designated. Coal-mines, iron and steel industries, shipbuilding, petrochemistry, and heavy industry were the main sectors selected (Bernier 1995, 48). On the one hand, development of these strategic sectors was regarded as essential for securing increased productivity and efficiency of Japanese industries in a closed national market, and on the other, as a prerequisite for improving national competitiveness toward foreign industries in the global market.

Along these lines, promotional measures such as easy financing, tariffs or tax exemptions, price subsidies, R&D grants, and government contracts, were provided to favour exports. Methods such as the use of import quotas, control over the import of foreign capital, allocations of foreign currency to key sectors, guaranteed licences for the import of foreign technology, regulation of competition industries and coordination of investment among these firms, and loans

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[33] For a deeper presentation of Yoshida's politics, see Kosaka, Masataka. *Saishô Yoshida Shigeru* (Prime Minister Yoshida Shigeru) Tokyo: *Chûô Kôronsha, 1968*.

of government funds through institutions like the newly established Japan Development Bank or the Reconstruction Finance Bank to key industries, were also promoted to accelerate capital accumulation, the development of infrastructure, and the rate of economic growth (Johnson 1982, 236-7; Kosai 1997, chap. 4 passim). Finally, these measures and methods were directed by bureaucrats through so-called administrative guidance (*gyôsei shidô*). Noteworthy examples of this practice were the Japanese financial system under the guidance of the Ministry of Finance (MOF) and the Bank of Japan (BOJ), and Japanese industrial policy under the Ministry of Industrial Trade and Industry (MITI).

The conservative policy line also figures in Prime Minister Kishi Nobusuke's political priorities (1957-60). Maximization of economic growth, and reliance on the United States for Japan's defence in order to give full attention to economic growth, were the main objectives of the Kishi cabinet. Accordingly, the Kishi government concentrated on revision of the Japan-US Security Treaty. However, the Opposition and the general populace showed a marked antipathy to this ambition. As pointed out by Muramatsu and Krauss (1987, 523), Kishi's efforts to push through the Diet passage of a revised security treaty met with such striking opposition and demonstrations that he was forced to resign.

Under the leadership of Prime Minister Ikeda Hayato (1960-64), the Government's pursuit of a policy of rapid economic growth was even more explicit.[34] The Ikeda cabinet advocated the well-known National Income-Doubling Plan. However, in reality, this plan originated in the Kishi cabinet (as a wage-doubling plan), but had been side-tracked by the fight to renew the security treaty.

The basic objectives of the Income-Doubling Plan were to improve the social overhead capital and industrial infrastructure, and implicitly, to restore public order and deepen social stability. In this regard, the Income-Doubling policy reflected the pragmatism and flexibility of tenors of the conservative policy line in response to the fast-paced events.

Ikeda was cautious about his political strategy because of the Japanese masses' reception of Kishi's main priority: renewing the Japan-US Security Treaty. Political stability has been one important means for achieving the goal of economic growth for the LDP. The shift of emphasis on priorities in response to changes in political circumstances, and in order to keep up with social expectations, characterizes the modus operandi of Japanese conservative leaders. This facet of Japanese domestic politics figures

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[34] Ikeda Hayato and his successor, Satô Eisaku (1964-72), have been at the heart of the Yoshida Doctrine, but with even more emphasis on economic policies (particularly for Ikeda).

prominently in the next period of examination: that of social development.

Social Development (1970s)

In the second period, the Japanese leaders' pursuit of a policy of economic growth is explicit as well. The emphasis and content of the conservative line shifted in response to changes in domestic political pressures, and global economic circumstances. The adjustment of the party's modus vivendi to contextual factors was made in order to accommodate social expectations and beliefs. As noted above, the problem-solving conduct of the LDP's leaders reflects the mainstream line of the conservative strategy for political stability.

Under the tenure of the Prime Minister Tanaka Kakuei (1972-74), Japanese social development, in terms of promoting public investment and welfare, became a priority over other issues. This political program directly reflected the turn of events in the early 1970s in Japan. There were strident protests by the Japanese masses against pollution, and demands for improvements in living standards, urban environment, and social welfare services. To meet these demands, the Tanaka cabinet formulated the well-known "Remodelling the Archipelago Plan." Generally speaking, this plan gave support to social development in the process of

economic growth. According to Muramatsu and Krauss (1987, 529-30), the basic goals of this policy were:

> the redistribution of industry to rural areas to help solve the problems of high land cost for industry and the concentration of industry and population in large metropolitan areas, and the creation of social capital through the development of infrastructure and the improvement of social welfare.

To achieve these policy goals, several drastic anti-pollution laws were adopted. In addition, there was an increase of social capital and public spending related to living standards, social insurance programs, and public work infrastructures such as railways, parks, and housing development.[35] The labour and financial resources were directed to appropriate areas. In response to social demands, attention was directed to industrial and public development for the rural population, and improvement of living standards for the urban population.

The issue of social development was not the only concern for the Tanaka cabinet in the early 1970s. The oil crisis and the Nixon shocks also caught its attention. On the one hand, structural adjustments in the national economy were required to overcome "resource limitation" on oil in terms of

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[35] From the late 1970s to the early 1980s, 27 percent of the Government expenditures were allocated to Social Security compared to 17.8 percent in 1965. To date, social security includes social welfare, public health, public assistance, social insurance, and measures for the unemployed. Moreover, whereas public works occupied a 17.7 percent share of the budget in 1971, this grew to over 21 percent in the first year in office of the Tanaka cabinet (1972). For social security expenditures, see Japan, Management and Coordination Agency. 1960-80 *Japan Statistical Yearbook*. Tokyo: Statistics Bureau. For public work expenditures, see Japan, Ministry of Finance. 1996. *The Japanese Budget in Brief*. Tokyo: Budget Bureau.

consumption. On the other hand, adjustments were also required to circumvent galloping inflation. The importance of maintaining the rate of economic growth was highlighted by the oil crisis, the end of the Gold Standard, and the imposition of a 10 percent surcharge on Japanese imports to the United States. Japanese policy-makers realized that they could not presume reliable conditions which would guarantee economic growth. There was, therefore, no more doubt about the vulnerability of domestic economies to change in the world economy. The inflationary and recessive effects of oil price increases permeated every aspect of the economy.

Faced with this situation, the Tanaka government's efforts were devoted to promoting energy cost saving measures by industries and consumers, and the development and use of new types of energies. There was a shift away from heavy and chemical industries to knowledge-intensive and energy-conserving high technology industries. Reform of the old industrial structure and technological innovations were seen as the corner-stone for stability. At the same time, industrial leaders, supported by the government, sought workers' compliance with real wage reductions in return for long-term stability in employment. Thirdly, the government advocated a constant deflationary policy while, paradoxically, counting on bond issues.

Meanwhile, Japanese government expenditures on public works grew in tandem with the budget deficit. When Japan found itself running large annual budget deficits in the early 1970s, the fiscal imbalance became the central concern for the policy makers of the Ministry of Finance in the succeeding years. Rationalization and fiscal reconstruction have been seen consequently as unavoidable approaches, first, to circumventing the economic crisis, then to securing Japan's economic growth; policies followed by Tanaka's successors ensured Japan's economic security in the second half of the 1970s.

Under the regime of Prime Minister Ôhira Masayoshi (1978-80), priorities for Japan's economic security passed from economics to politics. Prime Minister Ôhira's tenure was the prelude to a new era. From the national perspective, the Government faced the side effects of the second oil crisis. This situation once more emphasized the importance of adjusting to economic changes, and maintaining stability in the world economy. As a countermeasure against Japanese economic vulnerability, the Ôhira cabinet, like its predecessors, promoted the introduction and development of alternative energy sources, and appealed to the general populace for a 7 percent reduction in oil consumption. With these policies, the cabinet was planning to lower Japan's dependence on imported oil from 75 percent to approximately

50 percent within 10 years (Japan, Ministry of Foreign Affairs 1980B, 39).

At the same time, Prime Minister Ôhira noted the need for review of Japanese administrative structures and practices. This approach was vigorously promoted by his immediate successors, Suzuki Zenkô (1980-82) and Nakasone Yasuhiro (1982-87). Known as the "administrative reform" (*gyôsei kaikaku*), this policy sought to reduce the mounting national debt, which was explained primarily by growing government expenditures on social welfare services, new patterns in the international economy, and the increasing responsibilities of Japan in world affairs.

The circumstances were problematic as well under international conditions. Faced with a relatively different political environment than his predecessors—that is to say, an increase in international political pressure on Japanese reluctance to assume greater roles and responsibilities in the global system—Prime Minister Ôhira advocated a more active contribution by Japan to world affairs in order to respect its responsibilities as an emerging economic superpower.

The tremendous development of Japan's economic capacity abroad intensified, among other things, trade friction with its commercial partners, attempts to open its protected economy and market, and complaints about its inadequate

participation in international relations. Considering the high level of global economic interdependence, and the asymmetries in states' mutual dependence, the bargaining capacity of Japan was judged to be limited. Thus, new international and national conditions forced the Ôhira cabinet to figure out ways through which Japan could secure its access to foreign markets without compromising its non-military principles. As we are all aware, for stability and growth in the world economy, some basis of international cooperation must be found (Gilpin 1987).

To maintain good relations with the United States—Japan's principal trading partner—the Ôhira cabinet elaborated a plan which opened the way for cooperation between both countries in terms of foreign aid, disaster relief, and debt relief for defence spending per se. For this purpose, the concept of "comprehensive security" (*sogo anzen hosho*) was launched in 1979. This concept includes the politico-economic stability of Japan and its close neighbours as components of Japan's own national security (Japan, Ministry of Foreign Affairs 1982B, 279). The objectives of this policy were to ensure Japan's economic security through financial contributions from the development of the international economy. To promote stability, countries "bordering areas of conflict" and "key areas" were the recipient of Japanese aid.

In retrospect, the comprehensive security policy was somehow an attempt to draw attention away from the purely military aspects of Japanese involvement in world affairs.[36] The Japanese public was far from willing to bear greater and more active international responsibility at the military level. The Yoshida principles were deeply ingrained in the Japanese mind on this point. Aid or disaster relief to developing countries corresponded much more with Japanese values. Providing help was an honour which reflected pride in Japan's economic achievements. The national belief in development by economic means has been regarded as the "engine of growth" in Japan. There was no need for special attention to defence spending. Japan's social development by economic means, and economic security, were beyond question. Given this situation, the capacity to adapt to changes in the world economic system, as well as socio-political stability in Japan, were assumed as the corner-stones of Japanese success.

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[36] This conceptual representation of the "comprehensive national security" follows the guide-lines of the Yoshida Doctrine. Also, the respect for national constraints concerning Japan's defence policy is explicit in the Three Non-Nuclear Principles and Three Principles of Arms Exports of Prime Minister Satô Eisaku (1967), and the One Percent Ceiling adopted by Prime Minister Miki Takeo (1976). The Three Non-Nuclear Principles held that Japan would neither produce, possess, nor permit the introduction of nuclear weapons on its soil; the Three Principles of Arms Exports held that Japan would not allow the export of arms to Communist bloc countries, and countries engaged in war or countries which could become involved in armed conflicts; and, the One Percent Ceiling constrained Japan's defence expenditures to less than one percent of the GNP (Pyle 1987, 247-8).

Conclusion

As we have seen throughout this chapter, Japanese leaders' priorities in politics have focused essentially on economic restructuring and growth, and social development. These leaders' concerns for rapid economic growth figured prominently in their approach toward changes in Japanese voters' expectations and demands, as well as the evolution of the structural patterns of the world economic system. This evidence supports my arguments about the orientation of Japanese foreign policy. That is, its defensive manoeuvres in foreign policy in the light of national interests, values, beliefs, and historical experiences.

In the eyes of the tenors of the conservative line, Japan's pro-growth policy, mutual cooperation and trade relations with the United States, together with social and political stability, as well as the national consensus favouring economic priorities, are the engine of Japan's economic performance in the world economy. These factors were the essence of the growing envy throughout the world of the Japanese capacity to adjust rapidly to changes in the world economic system throughout the 1970s. Japanese economic success, and the flexibility of the basic line of the LDP, favoured the political dominance of the LDP, and political stability in Japan.

Political flexibility and the concerns of Japanese conservative leaders represent the basic facets of their country's foreign policy in the postwar era. It should be remembered that these patterns are overshadowed by socio-political barriers. Such barriers are explicit in Japanese decision-makers' restricted methods of dealing with new circumstances in the world community.

4. JAPAN'S CURRENT POLITICO-ECONOMIC STRATEGY (1980-97)

As noted in the previous chapter, the early 1980s were marked by international pressure against Japan's passive attitude in world affairs. The relative decline of the economic power of the United States and its emergence as the number one debtor nation, and the concomitant rise of Japan's economic status in the world economy and its emergence as the number one creditor nation, increased the expectations for Japanese "burden-sharing" performances in world affairs. On the whole, Japan was criticized for its "free-riding" under the "American defence umbrella," and thereupon expected to increase its defensive outlay, and make greater international contributions.

In addition, the prelude to the post-cold war era was also marked by the Japanese outstanding current account surplus with, among others, the United States. Accordingly, the United States called for greater opening of the Japanese "protected market" to foreign goods and services.[37]

Finally, the emergence of movements toward economic "regionalism" and "protectionism" in the international economic system marked as well the turning-point of the cold war era. The creation of the European Union (EU), the signing

[37] The openness of the Japanese market has been debated throughout the 1980s. Some scholars tend to regard the Japanese market as more closed than it really is, while others tend to perceive this economy as a model of openness (Masswood 1989).

of the North American Free Trade Agreement (NAFTA), and the rise of protectionist measures in the American and European economies, prompted the Japanese government to promote trade adjustments securing their access to foreign markets and supplies of resources. This fear of political isolation and economic alienation from the Western world figured prominently in Japan's trading policies in the 1980s. Japan shifted its trade and foreign direct investment (FDI) to countries in the Asia-Pacific region. However, under this trade adjustment process, Japan did not cease its efforts to maintain close ties with the United States.

This chapter is divided into two sections. The first examines how Japan managed US pressure over the period from 1980 to 1997. In short, the Japanese response has been (1) making a greater commitment to its own defence as well as strengthening its defence cooperation with the United States, (2) expanding quantitatively and improving qualitatively its official development assistance (ODA) to developing countries, and (3) taking market-opening measures, and promoting the liberalization of its financial market. This perspective of Japanese foreign policy in relation to American pressure demonstrates the defensive character of Japan's political economic strategy in world affairs.

The second section examines Japan's trade adjustment to the changing framework of the world economy, and

particularly, the shift of its trade and foreign direct investment to countries in the Asia-Pacific region. In spite of the fact that the Pacific Rim was the most dynamic area of the world economy in the 1980s, it is postulated that the formation of an East Asian economic bloc as a countermeasure, has never been the optimal option for Japan. This has been seen as putting all the eggs in the same basket. The stability of Japan's political economic relations with the Western world—primarily, the United States—remains pivotal for its national and economic security.

The Japanese Response to US Pressure

With the accession of Prime Minister Nakasone Yasuhiro in 1982 began a new era for the Japanese commitment in world affairs. The Government re-oriented its perspective of Japan's responsibilities in various fields of international cooperation (Thayer 1993; Creighton Campbell 1993; Pyle 1996). However, given the mounting fiscal deficit in Japan, the fears of Japan's neighbours over the spectre of revived militarism, and Japan's pacifism and constitutional constraints, such "opening" of Japan to issues that require international involvement was not that easy.

The Nakasone cabinet offered a new vision of Japan's future: a Japan that would be guided by a "global policy" for "opening" Japanese society to the world community. To meet

this objective, it was considered imperative to strengthen Japan's own traditional values. In short, this internationalization can be summarized under four major principles: (1) Japan would no longer be a follower nation; (2) Japan would be prepared for global leadership by being upgraded into an international state; (3) Japan would assume an active role in global strategic affairs; and (4) a new liberal nationalism would be based on the concept of the country's national interests key and traditional nationalism (Pyle 1996, 89).

From these four guiding principles, special emphasis was laid on the following points: Japan's Self-Defence Forces (SDF), its aid assistance to developing countries, and its market-opening as well as financial liberalization. The main objective was to contain US pressure, and thereby secure the Japanese relationship with its main trading partner, the United States.

Japan also significantly expanded its military interaction with the United States in the 1980s, particularly during the Nakasone period (1982-87). In January 1983, Prime Minister Nakasone authorized the transfer of Japanese military technology to the United States (Japan, Institute of International Affairs 1984, 14). Given Japanese long-standing ban on arms exports, this agreement was interpreted by Japanese officials as a symbol of Japan's willingness to

increase its contribution to the alliance with the United States. As part of its defence effort, Japan also expanded its Maritime Self Defence Forces' (MSDF) participation in military exercises (RimPac) with the United States. In 1986, Japan even became the most active participant in RimPac exercises (Pyle 1996, 103).

The Japanese effort to meet US demands for greater contributions can also be perceived from the increase of its defence budget in the 1980s. The Japanese defence expenditures grew by 6.5 percent per year in that period, while the growth rates of most other budget items were severely curtailed in order to reduce the budgetary deficit (Japan, Defence Agency 1994, 282; Japan, Ministry of Finance 1980-96). Moreover, the Nakasone cabinet decision to exceed the 1 percent GNP limitation on defence expenditure for the 1987 budget demonstrated, at least to some extent, Japan's determination to assume a greater share of its defence burden.[38] Given the Japanese commitment to pacifism and constitutional constraints, the excess of the holy limit of 1 percent on the ratio of defence budget to GNP was held by the Japanese Government as of great significance for its intention of improving its defence capability on the one

[38] In fact, the Japanese defence budget exceeded the 1 percent limit by only 4 million ths of a point in 1987 (1.004 percent). Moreover, the ratio of defence budget to GNP only exceeded the 1 percent limit from 1987 to 1989 (1.013 percent in 1988 and 1.006 percent in 1989). These facts indicate that an increase of the Japanese defence budget by any significant level is not yet socially feasible. For statistics, see Japan, Defence Agency. 1994. *Defence of Japan*. Tokyo: The Japan Times, Ltd.

hand, and curtailing the Japanese people's reluctance in defence issues on the other. This action was regarded as paving the way for containing US pressure at the bargaining table.

In addition, the Japanese Government's acceptance of the American request for Japan involvement in the Strategic Defence Initiative (SDI) research program in August 1987, its decision favouring the construction of a modified version of the American F-16 over the construction of a Japanese design Fighter Support X (FSX) for Japan's Air Self Defence Force in September 1987, and Japan's agreement with the United States (1987) to increase its remarkable financial support to the US forces stationed in Japan—to the point where Japanese support totalled over $3 billion annually, which is the largest contribution ever made by a US ally—were further manifestations of the Japanese effort to expand its role in burden sharing (Fukui 1988, 27; Drifte 1990, 38-39; Levin 1993, 206).

For Japanese officials, the effort to reaffirm Japan's alliance relationship with the United States was crucial. Preserving the Japan-US Security Treaty was still held as the main pillar of Japan's security policy (Japan, Ministry of Foreign Affairs 1983, 18).

The paradigm of Japanese politics in world affairs has changed merely in the post-cold war era. On the one hand,

some leading supporters of Japan's internationalization were also claiming Japanese willingness to shoulder more responsibilities in various fields of international affairs, and cooperation with other nations in preserving world stability. On the other hand, Japan's historical past, budget deficit, and socio-political barriers remained considerations for an action in world affairs.

The main protagonist of Japan's "normalcy" in world politics, Ozawa Ichiro, played a crucial role in putting an end to thirty-eight years of Liberal-democratic rule in July 1993. With Ozawa manoeuvring behind the scene, a seven-party coalition government, excluding the LDP, came into being. He published the book entitled *Blueprint for a New Japan* (*Nihon Kaizô Keikaku*), which urged the Japanese to undertake a new international role and new responsibilities. Ozawa suggested that it was time for Japan to discard its passive stance in foreign affairs in order to make Japan a "normal country." He defined a "normal country" as a nation that "willingly shoulders those responsibilities regarded as natural in the international community, [and that] cooperates fully with other nations in their efforts to build prosperous and stable lives for their people." In his mind, a state's responsibilities are in direct proportion to its status on the world scene (Ozawa 1994, 94-95).

Nonetheless, Japanese socio-political realities moved Ozawa and other elite leaders "back on their seat." The degree to which Japan should play an active political-strategic role in international politics is still at issue in the post-cold war era. The first rejection of the UN Peace Cooperation Bill (1990) followed by the long deliberation before approval of the International Peace Cooperation Law (1992), the loss of Japanese life in one of the UN peacekeeping operations (1993), followed by the Japanese public's shock at this announcement, denoted the Japanese people's fair reluctance to support enlarging their country's involvement in such world affairs (Japan, Ministry of Foreign Affairs 1991A, 51; Pyle 1996, 155). Matters of concern such as Japanese pacifism, Article 9, lessons of history, and the fears of Japan's neighbours over a revived militarism on Japanese soil, cannot be disregarded by the Japanese Government in the decision-making process.

With this recognition in mind, the Japanese Government reiterated the importance of maintaining a strong public commitment to the US alliance, reaffirming Japan's dependence on the security treaty with the United States, and demonstrating its unwillingness to become an independent military power. Urged by Prime Minister Hosokawa Morihiro in 1994, an advisory council worked on the revision of the Japanese National Defence Program Outline of 1976. Issued in

August 1994, the report of the advisory council called for "further improvements in host-nation support and agreement to provide supplies (including fuel) and logistical service for US-Japanese military exercises, [and] recommended making the alliance more reciprocal by increasing financial support [for the US troops in Japan, expanding operations,] and [taking] further steps to enhance joint military exercises" involving both forces (Pyle 1996, 169).

Given the turn of events, the US Department of Defence—under the leadership of the Assistant Secretary of Defence for International Security Affairs, Joseph Nye—produced, in February 1995, a report asserting the American willingness to maintain their troops in Japan—as in East Asia—for the foreseeable future (Nye 1995, 90-102). In response to the Nye report, the Japanese Government stressed that Japan would continue to depend on the American security umbrella in the post-cold war era, while continuing to maintain tight restrictions on its own forces (Pyle 1996, 173).

To finalize this reciprocal engagement, Prime Minister Hashimoto Ryutaro and President Bill Clinton signed a Joint Declaration in April 1996, stating that the Japan-US Security Treaty of 1960 remains the cornerstone of peace and stability in the Asia-Pacific region (Japan-US Joint Declaration 1996, 1-5). In September 1997, the Japanese and American

Governments, agreed to strengthen their military ties by improving the "Guidelines on Japan-US Defence Cooperation" set in 1978 (Myers 1997, A7). From this viewpoint, it is no exaggeration to say that the stability of Japan's military relationship with the United States has always been considered fundamental to its national and economic security.

On the issue of its international contribution, US pressure led Japan to increase its share of financial assistance to developing countries over the course of the 1980s and early 1990s. As the backbone of Japan's "comprehensive security" policy—thus, by nature an integral part of Japanese foreign policy—foreign aid was used as a substitute for burden sharing by the United States (Orr 1988, 1990; Koppel & Orr 1993). Since the adoption of this strategy in foreign policy (1979), Japan has not only increased its participation in development aid in absolute terms, but has also improved its relative participation. From the respectable status of a moderate foreign aid donor at the end of the 1970s, Japan became sporadically the world's top foreign aid donor from 1989 to 1997.[39]

In 1980, Japan had an ODA close to $1.3 billion, compared to the $5.4 billion of the United States (Orr 1990,

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[39] However, as a percentage of nominal GNP, Japan's ODA performance over the period from 1990 to 1994 was lower (0.30 percent) than the Development Assistance Committee (DAC) average (0.32 percent), but after all exceeding that of the United States (0.17 percent) (Japan, Ministry of Finance 1996, 67).

50). In 1994, Japan's ODA increased to $13.2 billion, while the United States rose to $9.9 billion (Japan, Ministry of Finance 1996, 67).[40] Although the rise of the Japanese yen in the 1980s was a factor in this notable increase, the new attitude of Japan toward growing involvement in foreign aid cannot be dismissed. Moreover, it should be remembered that ODA and Defence were the only parts of the Japanese budget which consistently grew over the 1980s and early 1990s (Ibid. 1980-96). For instance, among the 1984 budget items, ODA was the one which received the highest increase (Toru 1985, 300).[41] As a result of this attitude toward ODA, Japan provided assistance to about 150 countries and regions in the early 1990s, and at the same time became the largest aid donor among over forty countries (Japan, Ministry of Foreign Affairs 1995C, 4-7; Japan, Ministry of Finance 1995, 65).[42]

However, even if Japan is today an active distributor of foreign aid in the world, significant criticism concerning Japan's international contribution via its foreign aid persists, particularly from the United States. First, some critics stress that Japan's ODA is mainly distributed to the Asian countries. Second, some scholars argue that Japan's ODA

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[40] Nonetheless, under conditions of financial stringency in recent years, the Japanese Government has had to reduce its expenditures in foreign aid. In 1996, Japan's ODA decreased to 9.4 billion, compared to 9.1 billion for the United States (Japan's ODA Summary 1997C).

[41] An increase of 9.7 percent in the ODA budget compared to a rise of 6.55 percent in Defence (Toru 1985, 300).

is an "overly commercial program," and that there is an "emphasis on loans over grants" in Japan's ODA. Third, some critics point out that there is an "overemphasis on infrastructural projects" in Japanese aid (Yasuhiko 1988; Ryôkichi 1988; Inada 1990; Orr 1993; Pharr 1994).

Saying that Japan's major ODA beneficiaries are the Asian countries, is a cliché. Japan's commitment in Asia was part of its reconstruction strategy over the course of the 1950s and throughout most of the 1960s. Thus, it is not an exaggeration to say that Japan's effort to reconstruct its economic relations with its Asian neighbours was part of its own reconstruction strategy at the same time (Koppel & Orr 1993, 342). Undertaken for the sake of the stability of Japan's foreign economic relations, and its domestic economic expansion, this strategy expressed the basics of Japan's aspiration in foreign economic policy: growth and economic security.

However, as pointed out by Bruce Koppel and Robert Orr (Ibid., 4), the first oil crisis of 1973 "turned out to be a seed of change" in Japan's regional distribution of aid. The oil shock called Japan's attention to its great resource dependence, and the risks in concentrating aid on a single location of resource supply. In the meantime though, foreign

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[42] Japan was the top donor among twenty-nine countries in 1987, while it became the top donor among forty-two countries in 1994 (Orr 1990, 94; Japan, Ministry of Finance 1996, 65).

criticism added pressure on the Japanese Government to strongly concentrate its aid in Asia. As a result, Japan made an effort to redistribute its aid beyond the Asia-Pacific region over the succeeding years. In 1994, 57.3 percent of Japan's ODA was sent to Asia, compared to 98.2 percent in 1970 (Japan, Ministry of Foreign Affairs 1995C, 11).

Before turning to the second type of criticism about Japan's aid, however, it is worthwhile to question the "singularity" of Japan's regional preference in aid. As it is argued in *The Emergence of Japan's Foreign Aid Power*:

> [The fact that] Japan has an ODA regional preference is not unusual for a donor nation. Almost 70 percent of British aid flows toward Commonwealth countries, while France designates roughly 90 percent of assistance for departments, territories, and former colonies. During the 1980s, the United States has extended roughly 40 percent of its ODA to just two countries, Israel and Egypt (Orr 1990, 69).

From this perspective, the concentration of Japan's aid in a specific region is not an unusual phenomenon. It should be added that Japan was also the top donor among such countries as Kenya, Ghana, Pakistan, India, and Brazil from 1992 to 1995 (Japan's ODA Summary 1997A).

The second argument criticizing Japan's international contribution via its foreign aid, concerns Japan's overly commercial aid program, and its emphasis on loans over

grants. In response to such critics, Japan made an effort to increase the untied portion of its ODA loans in the mid-1980s, which had systematically constituted the major part of its ODA since the 1970s.[43] According to a Ministry of Foreign Affairs report on Japan's ODA, the ratio of Japan's untied aid jumped from 50 to 60 percent in the early 1980s, and to 78.8 percent in 1992 (Japan, Institute of International Affairs 1986, 36; Japan, Ministry of Foreign Affairs 1995C, 8). In 1993, Japan's share of untied aid became the highest among the member of OECD's Development Assistance Committee (DAC), with a ratio of 86.7 percent, compared to an average of 69.2 percent (Japan, Ministry of Finance 1996, 66). Moreover, in 1997, the Ministry of Foreign Affairs reported that in fiscal 1996, 100 percent of Japan's ODA was untied (Japan's ODA Summary 1997B).

In the meantime, Japan also made an effort to improve the quality of its assistance to offset foreign criticism about the Japanese high proportion of loans as opposed to grants in its aid portfolio, by expanding the percentage of its grant aid, such as technical cooperation, and contributions to international organizations.[44] In 1994, Japan's grant share increased to 52.4 percent, which was way

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[43] Tied aid programs mean that the aid-recipient country is restricted to use and purchase of goods and services necessary for projects from the donor country; if there are no requirements made on the beneficiary country by the donor country on the project procedures, it is generally referred as an untied aid (Koppel & Orr 1993, 9).

up from the yearly average of the 1970s. However, this grant share ranked Japan at only second to last among the DAC countries, for which the average was 90.6 percent (Japan, Ministry of Foreign Affairs 1995C, 8).

The bedrock of these initiatives was the Japanese Fifth Medium-Term Target—a five-years plan—formulated in June 1993. This plan was articulated on the basis of the principles of Japan's ODA Charter launched in June 1992.[45] The plan expressed Japan's intention of disbursing from $70 billion to $75 billion in foreign aid over the period from 1993 to 1997. On the other hand, the plan called for increasing the amount disbursed in the form of grants. According to the plan, improving the quality of Japan's ODA was one of the main targets (Japan, Institute of International Affairs 1993, 53-59).

The Japanese present budget deficit gave impetus to the shift from quantitative to qualitative improvement of Japan's ODA. This argument is reinforced by the "Promotion of Fiscal Structural Reform" adopted by the Hashimoto Cabinet in June 1997. The policy stipulates that Japan's ODA budget "will be decreased during the reform period through a shift in emphasis from quantity to quality," and that the new Medium-

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[44] The grant ratio (grants versus loans) figures indicate the proportion of total ODA which does not require repayment.
[45] The basic philosophy of Japan's ODA Charter consists of humanitarian considerations, the recognition of the interdependence of the international community, and environmental consideration (Japan, Ministry of Foreign Affairs 1993D, 2).

Term Target will not entail quantitative targets (Japan's ODA Summary 1997C).

Finally, saying that there is an "emphasis on infrastructural projects" in Japanese aid, is true. Critics argued that a larger share of Japan's bilateral aid should be allocated to other types of aid, such as the area of basic human needs (BHN). According to figures from the Ministry of Foreign Affairs' report on Japan's ODA in 1994, aid disbursements for economic infrastructure (e.g. transportation, communications, and energy) were 41.2 percent of Japan's total bilateral ODA, as opposed to 33.2 percent allocated to the BHN category, which includes public health and medical care, sanitation, education, and emergency relief (Japan, Ministry of Foreign Affairs 1995C, 107). Compared to figures of previous years, the figures of Japan's bilateral ODA by sectors in recent years are not in accordance with the critics' demands. On the contrary, there was an increase in aid disbursements for economic infrastructure, from 31.7 percent in 1990 to 41.2 percent in 1994, and a relative decline in aid disbursements in the BHN field, from 34.3 percent to 33.2 percent (Ibid. 1991C, 67).

In response to criticism of Japan's "overemphasis on infrastructural support," however, Japanese officials pointed out that "developing countries frequently request such projects from Japan," and that it is after all through World

Bank loans for infrastructural projects that Japan's economy recovered from its lamentable state after the Second World War (Pharr 1994, 170). For the Japanese Government, improvement of the economic infrastructure is a requisite for development. An effort to improve the economic infrastructure of developing countries is required to maintain their political and economic stability. Moreover, the risk for (later) investments will be reduced through the development of these markets. Above all, the World Bank estimated that in the decade between 1995 and 2004, "infrastructure construction in East Asia and the Pacific will generate a demand for capital ranging between 1.3 and 1.5 trillion dollars" (Japan's ODA Summary 1997C).

On the domestic market front, the Japanese Government promoted the deregulation and restructuration of its market. These economic reform measures were implemented in order to address the trade imbalance with the United States, and thereby, avoid trade retaliation since Japan's economic prosperity depends on overseas markets and supplies of resources. The magnitude of this issue is undeniable. Data show that the US trade deficit with Japan during the 1980s was about half of its cumulative trade deficit, totalling $1 trillion (Schaller 1997, 255).

For more than a decade, Japan has made some "concessions"—the so-called "package of economic

measures"—to the United States. In 1981, Japan announced its first self-restraint on the exports of passenger cars to the United States (Japan, Institute of International Affairs 1982, 12). This measure designed to enable the American car industry to regain efficiency and adjust to changed demand patterns, became a routine procedure in the succeeding years.

In 1984, Japan announced its decision to internationalize the yen and to some extent liberalize its financial markets through the Yen/Dollar Agreement. A year later, the Japanese Government launched an Action Program consisting of (1) measures for better access to the Japanese market, including improvements in such areas as standards and certification systems, government procurements, and quotas for imports, (2) greater access for US firms to the Japanese telecommunications market, (3) the reduction of tariffs on wood products, and (4) the opening of the Tokyo Stock Exchange market to foreign securities houses (Ibid., 1986, 16-18).

Beyond these measures, Japan signed the Plaza Agreement in September 1985, followed by the Louvre Agreement in February 1987 and the Mackawa Report in April 1987. On the one hand, the Plaza and Louvre agreements resulted in a strong appreciation of the yen against the US dollar. On the other hand, the Mackawa Report promoted the expansion of domestic demand, and further deregulation and restructuration

of the Japanese industrial framework (Drifte 1990, 70; Buckley 1992, 146; Schaller 1997, 245-60).

The recommendations of the Mackawa Report were carried out with a series of measures aimed at opening the Japanese market. The Outline of External Economic Reform Measures of 1994 and 1995, and the Japan-US Joint Press Conference of 1997—both stressing the promotion of strong domestic demand-led growth, through the expansion of imports, facilitation of inward investments, and deregulation programs—denote this effort directed at the restructuration and deregulation process in Japan's economy (Japan, Ministry of Foreign Affairs 1995A, 66-7; Japan, Ministry of Finance 1996, 113-28; Japan-US Joint Press Conference 1997, 1-4).

In sum, over the past 15 years, a series of policy measures were undertaken by the Japanese Government to cope with its trade friction with the United States. Reform programs improving market access for American and other foreign firms, and stimulation of the Japanese domestic demand, were promoted to pre-empt protectionist measures by the United States. In this process, the Japanese Government reiterated the importance of Japan's trade and investment ties with the United States for the stability of not only both economies, but also for the world economy as a whole.

Unfortunately, the slow speed of recovery of Japan's economy from 1993 onwards neither enhanced the mood of

Japanese consumers and entrepreneurs, nor inspired consumption and investments. Accordingly, it was not expected that there would be any increase in Japan's surplus with the United States in the foreseeable future. In fact, even with the expansion of the Japanese "economic frontiers," there is no evidence of the stimulation of the Japanese demand for foreign products, and above all, American goods. In short- and mid-term perspectives, it is assumed that the Japanese current account surplus with the United States will persist.

Japanese Trade Adjustment to the Changing Framework of the World Economy

Since the 1980s, Japanese officials have promoted economic cooperation in Asia to promote Japanese exports and secure supplies of resources. Given increasing protectionism and regional trade arrangements among Western countries, the development of a regional economic base in the Asia-Pacific region was seen as inevitable for this purpose. However, the formation of an East Asian economic bloc has never been the given Japanese preference.

In addition, faced with a loss of international price competitiveness—mainly due to appreciation of the yen—Japanese firms began a major effort to relocate their production facilities abroad, in particular, in the Asia-Pacific region. Such a move was motivated primarily by the

desire to secure or enlarge a market in the host country or to defuse potential trade friction. The lower labour costs and the cheaper currencies in these countries were also seen as conducive to improving Japan's international price competitiveness.

Japanese trade adjustment to changing circumstances in the world economy has been viewed as crucial for its economic well-being. In short, the "survival strategy" adopted by Japan has led to three major actions: (1) more foreign direct investment (FDI) in manufacturing for Japanese firms in Asia than that in North America or Europe, (2) a shift of Japan's trade to Asian countries, and (3) an increase of offshore production in the manufacturing sector, in conjunction with an increase in reverse imports (Kojima 1997, 173-5).

The most significant change in the Japanese capital flow to the Asia Pacific region has taken place in foreign direct investments. Japan's FDI in the four newly industrial countries (NICs)—South Korea, Taiwan, Singapore, and Hong Kong—more than doubled from 1983 to 1988. In the so-called ASEAN four—Indonesia, Philippines, Thailand, and Malaysia—Japan's annual FDI also expanded. Data show that the most important increase in ASEAN countries occurred in Thailand and Malaysia. In Thailand FDI increased from $48 million in 1985 to $1.28 billion in 1989, and in Malaysia,

from $408 million in 1985 to $880 million in 1991 (Mochizuki 1995, 128-9).

However, in recent years, the direction of Japan's FDI has indicated an increasing interest in China. Foreign direct investment in China grew from about $579 million in 1991 to over $1.69 billion in 1993 (Ibid., 129). According to a survey on the outlook for Japan's FDI conducted in 1997, China will be favoured in the next decade (JEXIM Survey 1997, 1-4).

In retrospect, Japanese FDI in the Asia-Pacific region increased from about $2 billion in 1985 to a peak of about $7.5 billion in 1989, dropping to about $7.3 billion in 1993, with the collapse of the "bubble economy" (Ibid., 129). But, in fiscal 1994, the Asia-Pacific region became one of the leading targets of Japanese industries for investments, surpassing the amount invested in Europe ($9.7 billion versus $6.2 billion). This trend was sustained in fiscal 1995. According to the FAIR report on Japan's global strategies, the total of Japan's FDI that year exceeded the total invested in Europe by about ¥400 billion, and amounted to more than half of the total spent in North America (Nagatomi 1997, 131).

Meanwhile, the share of Japanese FDI in Asian manufacturing has risen, while that in North America has fallen. The Asia-Pacific region has been an attractive

location for investment in manufacturing for Japanese firms. According to one analysis, Japan's FDI in Asian manufacturing was more profitable than that in North America or Europe.

Thus,

> [b]etween 1991 and 1993, the ratio of operating profits to sales on Asian operations—at 4 percent to 5 percent—has even been a little higher than on operations in Japan itself. By contrast, investments in North America and Europe have been a license to lose—or at least fail to make—money (Wolf 1996, 18).

This benefit was an incentive for Japanese investors. In effect, the Asia-Pacific region has been the world's largest recipient of Japanese FDI in manufacturing since 1994. According to a GATT report, whereas in the Asia-Pacific region the share of Japan's FDI in manufacturing was well over 40 percent, in both Europe and North America the share of Japan's FDI accounted for some 20 to 30 percent (GATT 1995, 28).

Like investment, Japanese trade also shifted to the Asia-Pacific region. Sixty-one percent of the increase in Japan's export between 1985 and 1995 went to Asian economies. In 1985, the share of Asian developing economies in Japan's exports was a mere 19 percent, while 26 percent of Japan's imports came from them; in 1995, 40 percent of Japanese exports went to these economies, and 37 percent of Japan's imports derived from them (Wolf 1996, 18).

In recent years, Japan's trade with economies in the Pacific Rim has been almost as large as its trade with both as one the United States and the European Union. Indeed, East Asia is today Japan's largest trading partner. Data show that Asian economies, accounting for 31 percent of Japan's merchandise exports, overtook the United States (29 percent) as the major destination of Japanese goods in 1991. Japan's imports from the NICs and the ASEAN-4 rose from about $9.8 billion and $16.7 billion respectively in 1985, to over $26.9 billion and $29 billion in 1993 (Mochizuki 1995, 133). In 1994, Japanese trade in the Asia-Pacific region (including the NICs, ASEAN economies, and China) amounted to about $2.5 billion, compared to $1.7 billion with the United States (Watanabe 1997, 168).

At the same time, the share of manufactured goods in Japan's overall imports rose as well. During the 1990-95 period, the share of manufactured goods in Japan's overall imports jumped from 44.1 percent to 60 percent. Among the manufactured imports, more than 40 percent came from the Asia-Pacific region (GATT 1995, 10; Wolf 1996, 18). Thus, it is clear that Japan imports more capital-intensive manufactured products from Asian countries than from the United States and illustrates the trend toward increasing imports by Japan of final goods assembled overseas by Japanese affiliates in the Asia-Pacific region. In this

regard, the relocation abroad of part of Japanese industrial operations can be viewed as a significant factor contributing to the increase of Japanese imports from Asia. Ironically, this act of "self-defence" by Japanese companies was criticized by the Japanese people as weakening employment security and opportunities, particularly in the manufacturing sector (Nagatomi 1997, 130-2; Kojima 1997, 173-5).[46]

Overall, trade statistics show that intraregional trade in the Asia-Pacific region has grown significantly since the early 1980s. From 1992 to 1994 alone, Japan's total trade (exports plus imports) with the rest of Asia rose by more than 23 percent, or $66 billion. Compared to the increase in Asia's intraregional trade, the increase in Western Europe or North America's intraregional trade has been minimal or negative (Carlisle 1996, 119).[47]

However, this tendency in the Pacific Rim does not suggest that the establishment of a regional arrangement is in progress or coveted by Japan. As pointed out throughout the FAIR report on Japan's global strategies, co-existence with the global economy (including harmonious external economic relationships, multilaterism and cooperation,

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[46] In fact, however, it should be noted that the rate of deindustrialization in Japan is relatively low compared to the rate abroad. During the early 1990s, the average of "hollowing out" (*kudoka*) in Japan did not exceed 6.4 percent of the industrial production, compared to 27.5 percent in the United States (Gipouloux 1995, 117).

[47] In Asia, the share of intraregional trade in total rose from 41.6 percent in 1973 to 49.7 percent in 1993 (+8.1%). In Western Europe it rose from 67.7 percent to 69.9 percent (+2.2%), and in North America it decreased from 35.1 percent to 33 percent (-2.2%).

respect for diversity in market economies, and contribution to the global economy) is one of the central objectives of Japan's foreign economic policy (Nagatomi 1997, 125-49; Sato 1997, 95-105; Yamakage 1997, 90-4).

In this respect, the Japanese economy is seen as too large to be sustained only by Asian economies. The global level of development of the Asia-Pacific region, the frailty of its economic structure (in terms of cohesion and stability), socio-economic disparities, and the diversity of political systems within the region, leave a lot to be desired for such an option. Ultimately, for any country it is beneficial to have access to different markets.

Conclusion

This chapter examined how Japan handled US pressure over its involvement in world affairs, and responded to the changing framework of the world economy from the 1980s to the 1990s.

First, it was argued that a series of policy efforts were undertaken by Japan for reducing its passivity in world politics on the one hand, and coping with its trade friction with the United States on the other. The Japanese response was to make a greater commitment to its "given" defence burden, expand its share of aid assistance to developing countries, and restructure its economy to improve market

access for foreign goods and services, and liberate its financial market. These containment measures were considered as sine qua non for maintaining a good bilateral economic relationship with the United States.

Second, it was maintained that Japan's trade and investment moved toward the Asia-Pacific region. The rise of economic protectionism, regional trading arrangements, and alliances among corporations in the western hemisphere, were serious concerns for Japanese officials and business leaders. Japanese trade adjustment to the changing framework of the world economic system was regarded as an act of "self-defence" to secure its access to foreign markets and supplies of resources. Overall, Japanese economic growth and security, and the strength of its alliance with the United States, were viewed "as moving as one."

5. SUMMARY AND DISCUSSION

The objectives of this thesis were to (1) improve conceptualization of the nature of Japan's foreign policy since the prelude of the post-cold war era, (2) evaluate the domestic sources of Japanese behaviour and decisions in world politics, and (3) assesses how Japan has managed US pressure and world economic patterns in order to maintain its close ties with the United States, and secure its economic stability and growth. It was postulated that Japan's behaviour and stances in international politics is influenced by domestic factors, primarily its national identity, national interests, and role conceptions.

Japan's strategy in foreign policy has been essentially defensive in character. Throughout the postwar era Japan has pursued a nationally accepted strategy which stresses the importance of Japanese economic growth and security. This design was supported by a long-standing consensus favouring the economic priority. As demonstrated throughout the thesis, Japanese social norms, beliefs, and values, are shadowing Japan's behaviour and decisions in world affairs. In this respect, either the realist approach or the "reactive state" thesis largely dismisses the central point of the present thesis. The influence of social factors and preferences on the orientation of Japan's foreign policy, and on its role

and responsibilities in world politics is, in fact, undeniable. There is a mesh formed by national and international constraints which shape the development of Japan's foreign policy. This recognition is relevant to constructivism.

When one closely examines the evolution of Japanese socio-economic pursuit in the postwar era, one finds that Japanese national identity, national interests, and "given" roles in international relations, are the essence of Japan's behaviour in world affairs. What is relevant about Japan's response to US pressure and changing patterns of the world economy from the eve of the post-cold war era up to the present is the degree to which this nation has followed and proposed policies that conform to its own social concerns and constraints in the light of its aspirations in foreign policy: economic security and growth under the Japan-US alliance.

On the whole, the findings of the thesis shed light on the question concerning the "nature" and "goals" of Japanese foreign policy. The examination of the influence of social factors and preferences on the evolution of Japanese foreign policy is essential for the understanding of its character; that is, "how" and "why" Japan behaves as it does in world affairs. This understanding is a step forward in research on Japan's foreign policy, and hopefully it will leave one with

fewer illusions about Japan's foreign policy, its goals and the realities involved.

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