ASIA'S ODD MEN OUT:
AUSTRALIA, JAPAN, AND THE POLITICS OF
REGIONALISM

Mark Beeson and Hidetaka Yoshimatsu

CSGR Working Paper Series No 196/06

March 2006

Asia's Odd Men Out: Australia, Japan, and the Politics of Regionalism

Mark Beeson and Hidetaka Yoshimatsu

Abstract:

Australia and Japan have frequently had difficult relationships with their neighbours. This paper suggests that when seen in their specific historical contexts, the fact that Australia and Japan have become 'Asia's odd men out' is unsurprising. The central argument of this paper is that the consolidation and institutionalisation of regions is in large part a political exercise that reflects, and is informed by, discrete national conversations. Until and unless such national discourses align with wider transnational developments, regional processes are unlikely to prosper. An examination of Japan's and Australia's respective attempts to engage with and define their region reveals just how problematic this process can be.

Key Words: Australia; Japan; East Asia; regionalism; foreign policy.

Address for Correspondence:

Mark Beeson
School of Political Science & International Studies
University of Queensland
Queensland 4072
Australia
Email: M.Beeson@uq.edu.au
Tel: (+61 7) 3365 7530
Mob: 042 383 3843
Fax: (+61 7) 3365 1388
Web: http://www.polsis.uq.edu.au/

Hidetaka Yoshimatsu, Ph.D.
The College of Asia Pacific Studies,
Ritsumeikan Asia Pacific University,
Japan

1-1 Jumonjibaru, Beppu
Oita, 874-8577 Japan

Tel: 81-977-78-1242
Fax: 81-977-26-0863
Email: yoshih@apu.ac.jp

> Despite [its] economic connections, the Australian Asian ploy appears unlikely to meet any of the requirements for success for a civilisation shift by a torn country (Huntington 1996: 152)

> Many Asians view Japan not only as nationally selfish but also overly imitative of the West and reluctant to join them in questioning the West's views on human rights and on the importance of individualism. This Japan is perceived as not truly Asian by many Asians, even as the West occasionally wonders to what degree Japan has truly become Western (Brzezinski 1997: 176-67).

Introduction

Australia and Japan have frequently had difficult relations with their neighbours. Whether this is measured by Australia's often frustrated attempts to gain entry to new regional forums, or Japan's notoriously difficult relationships with China and Korea, both countries suffer from problems of acceptance and identity. In Australia's case, other countries in East Asia —notably Malaysia—have questioned whether it is a 'genuine' member of the region. While Japan is unambiguously 'of' East Asia, its leadership ambitions and good relations with the region have been undermined by its inability to come to terms with its historical role in the region. Such issues have made the day-to-day conduct of relations in the region problematic for both countries, and raised fundamental questions about national identity and the enduring impact of each nation's history. In both countries the question of where each 'belongs', and to which other countries they should be most closely aligned, continue to be central parts of their respective national policy debates.

In this context, it is significant and revealing that Japan and Australia were the prime movers behind the Asia Pacific Economic Cooperation (APEC) forum, an organisation that was explicitly designed to tackle narrowly conceived economic issues. APEC's diverse membership —which included both countries' key ally, the United States—was drawn from the broadly conceived 'Asia-Pacific' region. It might have been expected that APEC's broad membership and technocratic agenda might have diluted issues of regional identity and allowed both countries to play an active, unproblematic role in regional affairs while maintaining crucial, 'external' relationships. However, APEC's declining importance and visibility suggests that both its agenda and its identity have failed to resonate with many members. The emergence and apparent consolidation of 'ASEAN+3', a regional grouping predicated on the notion of an East Asian, rather than an Asia-Pacific identity, by contrast, appears to be gaining increased momentum. If it continues to do so, it will provide a major challenge for both Australia and Japan and their foreign policy priorities.

The central argument of this paper is that the consolidation and institutionalisation of regions and regional identities is essentially a political exercise that reflects, and is informed by, discrete national conversations about foreign policy and national identity. Unless such national discourses align with wider transnational developments, however, regional processes are unlikely to prosper. An examination of Japan's and Australia's respective attempts to engage with and define their region reveals just how problematic this process can be. Consequently, we initially provide a brief theoretical introduction which spells out why regions — and the definition of regions — are potentially important, before looking in more detail at the experiences of Japan and Australia. These countries are especially important and illuminating, we suggest, because of their historically problematic relationships with East Asia. Their ability to reconcile the tensions between strategic obligations, economic imperatives and cultural preferences will be the defining test of their own capacity to be effective regional citizens, and of the success of the East Asian regional project more generally.

The Significance of Regions

Regions have become important parts of both the theoretical and practical dimensions of international relations. There have been a number of 'waves' of scholarly interest

in regional processes in the post-war period, especially as a consequence of the rise of the European Union (EU) (Mansfield and Milner 1999). This has been replicated at a policy level, as governments around the world have become conscious of the potential advantages that regionally-based modes of cooperation might generate (Fawcett 2004). The successful realisation of the EU project, its recent travails notwithstanding, has provided a powerful exemplar for other parts of the world and a direct spur to further regional cooperation: countries elsewhere have been rightly concerned that they might be at a disadvantage relative to regionally integrated competitors, or excluded from the increasingly pervasive economic groupings that have consolidated over the last few decades. In short, despite all the — frequently imprecise — talk about 'globalisation', regions look like they are here to stay. Indeed, regional cooperation may offer a way for individual states to respond more effectively and proactively to both the challenges posed by intensifying international economic competition (Oman 1994), and to the strategic uncertainties of the post-Cold War era (Buzan and Waever 2003). The only real question seems to be what form they will take and what forces are likely to shape them. To understand the constraints and opportunities that potentially face Japan and Australia, it is useful to revisit briefly some of the theoretical literature in this area.

There are a number of basic distinctions that can be made about the way regions are conceived and about the dynamics that encourage their realisation in different parts of the world. Most fundamentally, perhaps, it is increasingly commonplace to distinguish between regionalism and regionalisation. Regionalism is primarily associated with self-consciously undertaken political efforts to create regional institutions and place cooperation on an increasingly formal basis. This is invariably accompanied by what Hettne and Soderbaum (2002: 34) describe as the 'ideology of regionalism', or the discursive justification of the regional project. Regionalisation, by contrast, is taken to refer to the empirical manifestation of trans-border economic integration and is principally driven by the private sector. For both Australia and Japan regionalisation has never been a problem. On the contrary, it is what has compelled greater cooperation with and attention to the region. But the precise political form this has taken —regionalism—has always been much more fraught and problematic.

Despite the underlying structural basis for regional development provided by economic linkages or sheer geographical contingency, Japan and Australia have found it difficult to embrace the apparent advantages of regionalisation. There are, as Andrew Hurrell (1995: 38) points out, no 'natural' regions: '. . . it is how political actors perceive and interpret the idea of a region and notions of "regioness" that is critical: all regions are socially constructed and hence politically contested'. The created and politically-contested nature of regions has been at the heart of Australia's and Japan's difficulties in coming to terms with East Asia. In this regard, Western Europe, has some major advantages: broadly similar political practices, levels of economic development and similar cultural traditions facilitated the transition to an increasingly coherent regional political community in the post war period. Even more importantly, the United States used its economic, political and strategic leverage to encourage greater European integration in a way it did not in the 'Asia-Pacific' region (Beeson 2005; Hemmer and Katzenstein 2002). Consequently, it made the very idea of a readily-identifiable, more or less coherent region like Western Europe's much

less likely in either 'East Asia' or the much more broadly conceived Asia-Pacific region.

This brief outline of the more important ways of conceptualising regional processes suggests a number of possibilities. First, regional cooperation offers potential benefits to states and businesses in an increasingly competitive international environment. Consequently, we are likely to see a continuing — possibly growing — interest in regionally-based projects. Second, the definition of regions is crucial, but far from self-evident. The increased use of the term 'East Asia' and the comparative decline of the 'Asia-Pacific' provides a telling illustration of what a fluid, open-ended and ultimately political process regional definition can be (Beeson 2006). The enormous potential political and economic diversity of the Asia-Pacific, to say nothing of its vast, imprecise geographical scope, meant that it was always going to be difficult to provide the requisite 'idea of region', that has become such an important part of the effective realisation of regional forms (Breslin and Higgott 2000: 335). As we shall see, both Australia and Japan invested a good deal of political capital in trying to promote the Asia-Pacific idea and now find themselves scrambling to come to terms with an emerging regional order that is coalescing around 'ASEAN+3', rather than the APEC forum they so assiduously promoted. These organisations have come to epitomise the wider fates of the East Asian and Asia-Pacific regions, and the difficulties Australian and Japanese policy-makers have faced as a consequence. Simply put, it has proved very difficult for both countries to reconcile their underlying economic relations with their political and strategic relations. As a consequence of a revealing mixture of domestic and external imperatives, they remain Asia's odd men out.

Australia: Alienation, Alliance, and Engagement

One of the most important prerequisites for the realisation of any wider regional project is the inculcation of a more widely based sense of regional identity and its acceptance at a national level. In both Australia and Japan, and arguably in East Asia more generally, the correspondence between national and regional projects has been limited (He 2004). To understand why relations with East Asia have been so problematic for Australia, it is necessary to sketch the evolving historical and geopolitical context in which they are embedded.

The weight of history

One of the most important potential bases for regional development is brute geography. It is no coincidence that most regional groupings occur between adjacent countries. Neighbours are more likely to have historically established trade relations that make political cooperation more attractive. It is precisely this sort of pragmatic response to contingency that gave much early theorising about regions a distinctly 'functionalist' flavour (Haas 1964). Clearly, regionalisation *does* provide a potentially powerful spur to regionalism, a possibility that has been apparent in Japan's more active participation in ASEAN+3, and the emerging consensus that some sort of regional forum was necessary to tackle distinctively regional problems (Terada 2003). In Australia's case, however, while economic regionalisation has provided a major impetus for political engagement with the region over the last few decades, this has not always been so. On the contrary, for much of Australia's history

a combination of imperial economic structures and hegemonic strategic relations have made authentic 'engagement' with its northern neighbours problematic if not impossible.

As a former British colony Australia's trade relations were skewed toward Europe. Indeed, it was not until 1966 that Japan finally replaced Britain as Australia's major trade partner (Pinkstone 1992: 183). Coincidently, it also marked the beginning of the end of the 'White Australia policy', in which successive Australian governments had, since formal independence from Britain in 1901, excluded some potential migrants on the basis of race. Although these events were not directly related, they were emblematic of a rapidly changing international economic and political order to which Australian policymakers were having to rapidly adjust: not only was East Asia's increasingly rapid and widespread industrialisation creating important new markets for Australian raw materials, but the changing international political climate meant that racist public policy was becoming unsustainable. In such circumstances, a combination of normative and pragmatic considerations provided the impetus for a major reorientation of Australian public policy. Despite the seemingly overwhelming economic and political imperatives, however, it was a highly contentious process and one that remains incomplete to this day.

One of the key obstacles inhibiting a major economic and political reorientation toward East Asia and Australia's rapidly growing economic partners, was Australia's distinctive history. The sense of isolation and vulnerability this engendered in the minds of generations of Australian policymakers continues to influence strategic thinking (Burke 2001). That this should have been the case in the earlier phases of Australian history is unsurprising, perhaps: Australians considered themselves a long way from 'home', adjacent to a continent about which they knew little and generally cared less. Asia was uniformly seen as an immediate strategic danger and a more generalised threat to Australian living standards. Ironically, this latter idea has been completely overturned and East Asia is now seen as central to Australia's continuing prosperity. East Asia's potential menace has not dissipated as far as strategic planners are concerned, however. The Second World War and the threat of invasion by Japan may have effectively ended Britain's capacity to underwrite Australia's security, but this only led Australian policymakers to cultivate a new 'great and powerful friend' in the United States.

The US has remained the cornerstone of Australian security ever since, a relationship enshrined in the ANZUS Treaty, and regularly reinforced by Australian participation in wars in Korea, Vietnam, Afghanistan, and Iraq. The intention here is not to explore the merits of any of those conflicts — although it is worth noting that none of them posed a direct threat to Australia — but to highlight the difficulties that close strategic ties with first Britain and latterly the US have had on potential relations with East Asia. Clearly, direct involvement in regional conflicts precluded any possibility of closer ties with a number of regional powers and their ideological allies. It was not until the early 1970s, for example, that Australian relations with mainland China were finally normalised. Even then it would take the ending of the Cold War to reconfigure the wider geopolitical context in East Asia to a point where a genuinely region-wide form of Asian regionalism was finally possible in area that had been deeply divided by the Cold War. Despite this dramatic re-ordering of the international system, Australia's strategic relations remained centred on the US rather than the region to its

north, something that has made deeper engagement with the region problematic, and led to a compartmentalising of Australian foreign policy as a consequence.

Asian engagement and its aftermath

Although there has been a good deal of retrospective debate in Australia about which side of politics — the Australian Labor Party (ALP) or the Liberal-National coalition — is primarily responsible for reorienting Australian foreign policy toward East Asia (Gurry 1995), the ALP has been responsible for the most tangible and important changes. The governments of Bob Hawke and his successor Paul Keating did more than any others to promote 'Asian engagement' — even if it was not always clear what this term might actually mean in practice. At one level, though, this was clearly a pragmatic response to the increasingly recognised economic importance of East Asia, a reality highlighted by Ross Garnaut's (1989) influential, eponymous report prepared for the Hawke government. At another level, it marked a more fundamental attempt to re-position Australia as a bona fide part of the region to its north. At times these efforts became somewhat farcical. Former Foreign Minister Garreth Evans, for example, literally tried to re-draw the map to include Australia as part of a putative 'East Asian hemisphere' (Hiebert 1995). Nevertheless, the recognition that Australia's economic and perhaps strategic future was intimately bound up with, and dependent upon, its northern neighbours saw one of the most intense and productive periods of Australian diplomacy.

At the centre of this diplomatic effort was the creation of APEC. It is important to note that as originally conceived by Australia APEC was a trade grouping that offered a way of institutionalising and stabilising Australia's relations with its East Asian trade partners and ensuring it was not locked out of any possible regional trade bloc. Consequently, it did not include the US. As such it was of little interest to Australia's Asian neighbours who remained dependent on access to North American markets. As one of APEC's other major sponsors, Japan represented a widespread desire for a mechanism that ensured continuing access to American markets (Funabashi 1995). Not only was Australia's original vision significantly redrawn to suit East Asian preferences, as a result, but its modus operandi also reflected the sort of consensual, voluntarist approach that characterised the ASEAN grouping's operations (Acharya 1997). While this style of policy-making was not conducive to realising the sort of regional trade liberalisation APEC was primarily designed to promote, an even more fundamental problem revolved around the highly diverse nature of APEC's membership. Not only was the US included, but so were a number of Latin American nations and eventually even Russia[1] — something that completely undermined the idea that APEC represented a coherent regional identity or project, and which helps to explain its subsequent demise (Ravenhill 2001).

At the same time that Paul Keating in particular was becoming preoccupied with promoting closer ties with the region, a domestic debate was unfolding between supporters and opponents of close ties with the region. On the one hand were those who argued that Australia's future lay with East Asia, and who advocated much closer ties and greater 'Asia literacy' as a consequence (Fitzgerald 1997). On the other were, high profile critics who claimed that Australia was being 'swamped' by Asians, and who were concerned about the nature of Australian identity and values as a consequence. At its most virulent, this tendency culminated in the rise of Pauline

Hanson's One Nation Party, which promoted a barely coherent amalgam of protectionist economics and racial exclusivity, but which achieved remarkable — if short-lived — prominence (see Leach et al 2000). One Nation prospered on the back of a widespread rejection of everything Keating and the ALP stood for – something that contributed to the demise of the Keating government and its replacement by John Howard's coalition government. Significantly, the current Prime Minister, John Howard unapologetically campaigned on domestic issues and explicitly rejected the 'big picture' of Asian engagement that Keating had championed (Williams 1997). The key point to emphasise here is that a debate about Australia's place in the region and the nature of its relationship with East Asia led to a major transformation of *domestic* politics and a repudiation of the idea that Australia's future was inextricably dependent on, or ought to privilege, ties with Asia — an idea the crisis of 1997 helped to confirm.

The Howard era

 In this transformed international and domestic environment, the Howard government was able promote a new style of foreign policy. A number of aspects of the Howard government's approach merit emphasis as they highlight just how complex balancing Australia's relations with the region and other key allies has proved to be. First and most importantly, perhaps, from the outset Howard was intent on 'reinvigorating' the relationship with the US, which he claimed had been neglected in favour of links with Asia (Beeson 2003). While the degree of neglect of Australia-US relations might have been overstated,[2] the recalibration of Australian foreign policy gelled with a second aspect of Howard's foreign policy: an emphasis on bilateralism rather than multilateralism. Not only did this new approach lead to a further downgrading of APEC as a consequence, but it would ultimately be replicated within the US itself. The election of George W Bush and the US's own post-S11 policy overhaul has seen the most powerful country in the world display a similar scepticism about multilateralism, and a preference for bilateral or even unilateral policy as a consequence (Daadler and Lindsay 2003). The difference between the US and Australia, of course, is that the US has the political, economic and strategic leverage to make such a strategy feasible — whatever its impact on the overall international system may be.

However, the intention here is not to explore the merits of multilateralism versus bilateralism, but to consider policy in relation to regionalism. In this context a couple of further points are worth making. First, Howard has been at pains to emphasise that just because Australia is geographically adjacent to Asia, this does not mean that it should choose to downgrade ties with other non-Asian countries as a consequence. Indeed, on Howard's (1996) first overseas trip after winning office he declared to a somewhat bemused Indonesian audience that 'We [Australians] do not claim to be Asian . . . I do not believe that Australia faces a choice between our history and our geography'. This is especially true of the US which, from Howard's perspective is especially crucial as a guarantor of Australian security. Equally significantly, Howard's (2004: 7) high profile identification with, and championing of, the US relationship is predicated on what he considers the 'shared values and common interests' that bind the two countries together.

The idea that close ties between nations can only be achieved on the basis of shared values has become a feature of the Howard government's foreign policy. Foreign Minister Alexander Downer's (2000) claim that Australia could never be culturally integrated into the Asian region suggested that the Howard government had little enthusiasm for becoming more intimately connected to the region or part of any putative regional identity. On the contrary, the Howard government has developed an approach Howard describes as 'positive realism', which is an essentially pragmatic foreign policy response driven by the need to deal with neighbours like China, which are economically and strategically of central importance to Australia's future, but which subscribe to values that are so alien as to preclude the sort of close ties that characterise relations with the US and Britain (Wesley 2005). It is an approach that has inherent tensions and which may make Australia's future relations with the region problematic.

The increasing interest in, and potential importance of, ASEAN+3 has highlighted Australia's marginal place in East Asia's emergent institutional architecture. Belatedly the Howard government has recognised the potential importance of such developments and succeeded in getting an invitation to the East Asian Summit — but not before it was obliged to abandon its opposition to signing ASEAN's Treaty of Amity and Cooperation (Kelly 2005) . While this has been portrayed as a relatively insignificant incident by the Howard government, it reveals a potentially irreconcilable tension at the heart of its policy toward East Asia: Australian policymakers are reluctant to commit fully to regional bodies that may compromise strategic ties with the US, and the obligations this has traditionally implied. Not only has this fundamental, non-negotiable allegiance with the US led to a series of ill-judged comments by Howard about Australia's 'deputy sheriff' role in the region and his preparedness to mimic US policy and contemplate pre-emptive strikes in Southeast Asia (Fickling 2002), but it continues to make the nature of Australia's Asian engagement uncertain, partial and politically contentious. In such circumstances, the prospects for achieving insider status as an authentic part of the region's institutional and political activities remain uncertain.

Japan: History, Identity and Unfulfilled Expectations

Given Japan's economic importance to East Asia and the fact that it is unambiguously 'of' the region —geographically, at least—in an way Australia is not, its uncertain position is surprising. Yet Japan's problematic relationship with Asia is long-standing, overlaid with conflict, and contains major tensions between its political and economic elements. Many of these issues have their roots in Japan's identity problems, which began with the Meiji Restoration, when *Datsu-A nyu-O* ("get out of Asia into Europe") became one of the major slogans of the era. This objective was realised — albeit it an unexpected manner—with Japan's victory in the Russo-Japanese War in 1905. Subsequently, Japan directed its military ambitions towards its neighbours, in a process that culminated in the Second World War. The occupation of Korea, the conflict with China and the invasion of Southeast Asia may have occurred generations ago, but they continue to affect relations to this day. Japan's occasionally 'insensitive' behaviour frequently alienates its neighbours and makes good relations inherently problematic.

This is not necessarily for a want of effort on Japan's part, however. After the war, Japan sought to reintegrate into Asia through the payment of reparations to Southeast Asia. Tokyo also attempted to take the initiative regionally by proposing the establishment of several institutions for Asia. When Prime Minister Nobusuke Kishi visited Southeast Asia in 1957, he proposed an idea of establishing an Asian Development Fund, an idea that did not materialise mainly due to the lack of the US and Asian support (Sudo 1992: 45-46). Japan also took the lead in establishing the Asian Development Bank in 1966, and in hosting the first Southeast Asian Ministerial Conference for Development in Tokyo in 1966. But Tokyo was unable to secure the ADB headquarters (Wan 2001: 152-53), and the Development conference was not held after 1975. Thus, despite its best efforts, Japan's attempts at regional leadership were not supported by Asian countries.

From the 1960s onwards, Japan put emphasis on regional cohesion under the 'Asia-Pacific' framework. Concrete institutions were launched at the private sector level in collaboration with Australia to promote the Asia-Pacific idea.[3] Japan's attempts to shape the region and its identity were manifest in the Ministry of Economy, Trade and Industry's (METI) efforts to pursue the Asia Pacific Cooperation concept, which culminated in the creation of the APEC. METI aimed to achieve two strategic goals through APEC. The first was to respond to new trends in US trade policy. In the late 1980s, the US government intensified unilateral and North America-oriented trade policies. METI hoped to enmesh the US in a regionally-based multilateral framework in order to reduce the effects of these policies. The second was to promote a shift from 'development relying on the United States' to 'development based on the division of roles according to each country's economic capability' (Yamakage 1997: 229). APEC was to be the vehicle to promote the alignment of economic development and economic interdependence in the framework of the Asia-Pacific. At the same time, the foundation of APEC was potentially a seminal achievement of identity creation for Japan, a 'liminal nation' that had not become a core member of any regional groups and had an anxiety about unstable identity (Oba 2004). APEC was a place where Japan could play a distinctive role through Asia Pacific diplomacy that combined Japan's position as a member of the western group and a nation in Asia.

When moves to develop a new East Asian grouping began in the early 1990s, Japan stayed aloof and continued to support the Asia-Pacific model. When Malaysian Prime Minister Mahathir proposed the East Asian Economic Caucus (EAEC) concept in 1991, Mahathir expected that Japan would take the lead in its development.[4] But, the Japanese government did not support the concept. At a press conference at the ASEAN-PMC in August 1995, a senior MOFA official declared that Tokyo 'firmly believes that the EAEC should be launched with the blessings of all APEC countries. Any attempt to divide APEC countries should be avoided' (Leong 1999: 16). Consequently, despite the fact that the ASEAN economic ministers invited China, Japan and South Korea to an informal meeting in April 1995, the Japanese government continued to push for the participation of Australia and New Zealand, with the result that this expanded economic ministers meeting eventually did not take place (Yamakage 2003: 22).

The Asian financial crisis and the reorientation of 'Asia'

A critical incident that influenced Japan's stance on Asia was the Asian financial crisis in 1997-98. The Japanese government provided huge financial support for crisis-hit countries,[5] but its efforts to play a decisive leadership role were frustrated by US and IMF opposition. More recently, however, various government agencies have positively committed to the formation of regional mechanisms designed to foster closer cooperation under the ASEAN Plus Three Framework. In this regard, Japan has been deeply involved in the development of the Chiang Mai Initiative (CMI) and relevant financial architectures in East Asia.[6] The CMI was the first achievement of APT cooperation and has developed substantial institutional frameworks. Although it was unclear who took the lead in creating the CMI, Tokyo played a decisive role behind the scenes. Japan had already concluded bilateral swap agreements with South Korea and Malaysia as a part of the New Miyazawa Initiative, and proposed to expand and combine agreements among East Asian countries (Kishimoto 2001: 305). Significantly, the Japanese Ministry of Finance (MOF) undertook informal negotiations to gain explicit support from the United States.

While the US government adamantly opposed the Asian Monetary Fund in autumn 1997, it did not object to the CMI. This was partly because Washington recognised the need for regional facilities as measures to prevent the recurrence of the disruptive 1997 financial crisis, and partly because the CMI was not a threat to International Monetary Fund's authority or preferred practices (Henning 2002: 61). However, the MOF must take some of the credit, too, as it successfully lobbied Washington about its merits,[7] and has subsequently made efforts to create feasible surveillance mechanisms in East Asia. When the APT finance ministers agreed to exchange data on capital flows bilaterally in May 2001, Japan concluded an agreement for this objective with five countries (Indonesia, South Korea, the Philippines, Thailand and Vietnam). In order to facilitate this process, the MOF established the Japan-ASEAN Financial Technical Assistance Fund at the ASEAN Secretariat in September 2001. The fund aimed to assist ASEAN members to improve their monitoring, collection and reporting systems on capital flows. The MOF sent its bureaucrats and other specialists in finance to several Southeast Asian countries under the New Miyazawa Initiative.

METI's policy reorientation towards East Asia was also notable. METI took the lead in shifting Japan's trade policy from multilateralism to bilateralism. In 1999, METI began internal discussions about new trade policy, and revealed its policy orientation in its 1999 White Paper (Munakata 2004). Afterward, METI made public 'Japanese Policy to Strengthen Economic Partnership', and has revised it every year.[8] METI's decisive commitment was a driving force in concluding an FTA with Singapore, the Philippines, Thailand, and Malaysia. What METI envisioned in the FTA policy was the formation of the East Asian business zones where common standards and rules in addition to tariff cuts would be institutionalised and help to expand business operations and improve industrial competitiveness (METI 2003).

It is no coincidence that Japanese economic ministries took the lead in promoting cooperation programs with East Asia. Production networks that were formed in the early 1990s developed further through sophisticated division of labour in entire East Asia. Linkages through FDI contributed to the rise of trade, a large portion of which was conducted as intra-firm trade. East Asia as a group surpassed the US in overall trade in 1997, and China including Hong Kong surpassed the US as Japan's primary

trade partner in 2004. The recovery from the decade-long recession was largely sustained by the 'China boom', which stimulated demands in various manufacturing products such as manufacturing and steel. These growing economic linkages, mixed with strong pressure from business associations, have left the economic ministries with little option other than to promote regional cooperation.[9]

Clearly, therefore, Japan *ought* to be well placed to become a major, effective and valued actor in East Asia's emerging regional architecture. After all, it is still the largest economy in the region, a major source of aid and investment, and a potential source of economic and even strategic stability for the rest of the region. Yet despite efforts to promote regional cooperation in narrow functional issue-areas, Japan remains incapable of fulfilling its promise and exploiting its advantages. To understand why, we have to consider Japan's sense of itself and the powerful undercurrents of national identity that continue to make regional relations problematic.

Japan's identity as an Asian nation

Japanese foreign policy is characterised by some striking tensions that help to explain both Japan's importance, but also its inability to play a major leadership role in the region or to establish close relations with many of its neighbours. On the one hand, Japan's massive trade and investment has made it the principal engine of East Asian regionalisation for many years, an economic weight the Japanese government has tried to turn into political leverage and influence in the region with some success (Hatch and Yamamura 1995). On the other hand, however, processes of regionalism, or political attempts to institutionalise regional cooperation, are ultimately socially constructed; in this context Japan's identity and history has made its integration with East Asia more problematic. The question of whether Japan belongs to 'Asia' or 'the West' is still unresolved.

Some scholars argue that 'the common cultural zone' is emerging in East Asia (Shiraishi 2004: Aoki 2005), which ought to benefit Japan and enhance its 'soft power' in the region,[10] making closer ties more feasible. The zone has been formed as a consequence of the enhanced exchange of pop cultures and the advent of the urban middle class. The middle class in big cities in East Asia has adopted similar life styles and enjoyed common cultural products such as Hong Kong movies and Korean soap operas. The Japanese culture represented by J-pop, animation and comics has also contributed to the formation of the common cultural zone. Similarly, East Asian cultural booms, especially the so-called the *hanryu* boom (Korean wave), became a social phenomenon in Japan.[11]

Yet growing cultural linkages between Japan and Asia have equivocal influences on the Japanese people's perception of Asia. A recent Japanese government survey revealed that the ratio of Japanese people that hold either some or strong feelings of warmth towards South Korea rose from 43.4 % in 1993 to 55.0 % in 2003 and 56.7 % in 2004. The high ratios in 2003 and 2004 corresponded with the *hanryu* boom in Japanese society. This rise was influenced by the *hanryu* boom in Japanese society. However, the corresponding figure for Southeast Asia remained almost unchanged (35.4 % in 1993 and 36.2 % in 2003), while that for China actually *declined* from 53.8 % in 1993 and 47.9 % in 2003. But even the 2003 figure for South Korea was far below positive feelings about the US (75.8 %), and almost same level as that for

'Australia and New Zealand' (54.8 %). This implies that the Japanese people's perception of its neighbouring countries has not improved significantly, while they still have strongly positive feelings about western countries in general and their security guarantor, the US, in particular.

For a long time, Japanese political elites defined Japan's role as a bridge between the West and Asia. As an underlying idea, Japanese policymakers portrayed Japan's relationship with the rest of Asia in the context of 'Japan and Asia', not 'Japan *in* Asia'. A recent comparative study of identity shows that the Japanese still consider themselves only as Japanese, with only a weak identity as 'Asians'. [12] Not only is it apparent that Japanese people have yet to develop a broader sense of Asian identity that might underpin closer ties with the region, but it becomes easier to understand why narrowly conceived national issues remain so important and enjoy so much domestic support despite the obvious damage this does to Japan's international position.

Historical legacies and the alliance

The intersection of national and international issues, and the impossibility of keeping them separate in the contemporary era, is clearly evident in the Japan's continuing struggles to come to terms with the historical legacy of its war record. Two issues are especially contentious in this context: the glossing over of Japan's war-time record in history textbooks and Prime Ministerial visits to the Yasukuni Shrine — both of which have attracted increasingly heated criticism from South Korea and China. For a while in the late 1990s, these criticisms had actually diminished: the Japan-Korea Joint Declaration in October 1998, Prime Minister Obuchi acknowledged the fact that historically Japan had caused tremendous damage and suffering to the Koran people through its colonial rule, and expressed his 'deep remorse' and 'heartfelt apologies' for this fact. At the same time, the declaration proclaimed that Japan and South Korea were building a relationship of trust and mutual understanding, and looking towards the next century. Likewise, in making a formal visit to Japan in October 2000, Chinese Premier Zhu Rongji stated that 'the Chinese side has no intention of provoking the Japanese people over historical issues. It is important that the Japanese side also must not forget that phase of history'. There is evidence that Japan is gradually addressing the issue of its history of aggression to its neighbouring countries. This was typically shown in the controversy over school history textbooks. In 2001, Ministry of Education gave official approval to a controversial history textbook of a right-leaning publisher, but various civil groups organised opposition to the adoption of this textbook, and the eventual ratio of adoption was a minuscule 0.039 % in the whole junior high school.

Despite this, the Koizumi administration that began in 2001 reversed much of the progress that had been made in improving relations with Korea and China. When Koizumi first visited Yasukuni Shrine in August 2001, China's and Korea's responses were relatively muted. Koizumi even made a one-day visit to China and South Korea respectively in October in order to try and improve relations with its two neighbours. Chinese Premier Zhu stated at a trilateral summit the following month that Japan's relations with the two countries were becoming frank due to Koizumi's initiatives to improve them. [13] However, despite this apparent good will, relations have deteriorated dramatically of late following repeated visits to Yasukuni Shrine by Koizumi (April

2002, January 2003, January 2004, and October 2005). Given the strength of national feeling about these issues in both Korea and China their reactions have been unsurprisingly hostile. It is indicative of how much relations between Japan and its neighbours have soured that, although the leaders of Japan and China have had meetings on the sidelines of international conferences, there have been no direct meetings since Koizumi's visit to China in October 2001.

Japan's position in this context is remarkable when compared to Australia's. Australia, it needs to be remembered, has been involved in every major conflict in East Asia since the Second World War, and yet it has not faced criticism of its military record in Asian. This differential treatment is a consequence of Japan failing to confront its historical role, the conventional wisdom has it, (Wang 2002: 126), but it is also clear that China in particular has skilfully exploited Japan's discomfort for its own purposes.[14] The reason Japan has found it so difficult to resolve this issue despite the political damage it has caused it is because domestic attitudes have been deeply rooted parts of national identity since the Meiji era. While the Japanese admit that the Pacific War was a mistake and that they were guilty of causing great suffering in the region, they still have ambivalent feelings about the war. Modern history since the Meiji restoration has seen Japan successfully achieve western-style modernisation while simultaneously keeping a distinct national identity. Consequently, and despite the fact that this process finally led to a disastrous war, many Japanese find it difficult to renounce some of the positive aspects of the earlier period as it would be tantamount to denying the national identity (Inoguchi 2004: 33-35).

In many ways, therefore, this historical legacy is a uniquely Japanese problem, but in other regards Japan faces similar dilemmas to Australia when it comes to establishing foreign policy priorities and relations with the region. Japan's relationship with the US has, like Australia's, been the central pillar of Japan's postwar international relations and security. In Japan's case, though, the US-Japan alliance was 'political' first and strategic second.[15] Because of its overall importance in Japan's foreign and domestic policies, the end of the Cold War did not lead to the termination of a security treaty whose prime objective was to defend Japan from the communist threat. Tokyo and Washington sought to redefine their security relations. The new National Defence Program Outline, formulated in November 1995, reaffirmed the centrality of the Japan-US Security Treaty to Japan's security policy (Sakanaka 1997; Muroyama 1997). The completion of such attempts was the enactment of the 'Law on Emergencies around Japan' in 1999.

Thus, the bilateral relationship with the US has become the centrepiece of Japan's foreign policies and a potential constraint on other relationships. Even after the Japanese government intensified Asia-oriented policies in the late 1990s, its diplomatic posture continued to oscillate between Asia and the US. In the new millennium, Japan's MOFA has launched several initiatives designed to enhance linkages and cooperation with East Asia. However, most of them were vague and indecisive, reflecting the continuing centrality of the alliance with the US and the reluctance of Japanese officials to jeopardise it. For example, when Prime Minister Koizumi made a formal visit to Southeast Asia in January 2002, he proposed the 'East Asian Community' concept. But what was most significant about this vaguely defined proposal, perhaps, was that it contained Australia and New Zealand: the inclusion of

Australia and New Zealand was designed to assuage American concerns about the possible emergence of exclusionary East Asian countries groupings.

The same sort of contradictory dynamics could be seen when the APT summit was held in Bali in October 2003. The ASEAN members encouraged China and Japan to accede to the Treaty of Amity and Cooperation (TAC), the grouping's framework for peace and stability adopted at the first ASEAN summit in 1976. Five out of the ten ASEAN leaders strongly urged Japanese Prime Minister Koizumi to join the TAC at the summit.[16] While China acceded to the treaty at the summit, like Australia, Japan was far more ambivalent and non-committal as a consequence of considerations about, and commitment to, the US-Japan alliance and American sensitivities. Eventually, Koizumi signed a document expressing Japan's intention of joining the TAC at the Japan-ASEAN summit two months later. At this summit, Japan and ASEAN issued the Tokyo Declaration that referred to the East Asian Community. Yet, the declaration did not define the scope of the proposed East Asian Community. Japan's stance continued to reflect US concerns about possible participants, and when an informal APT Foreign Ministers meeting was held in May 2005, Japanese Foreign Minister Machimura suggested that the US be invited as an observer. As far as Japan was concerned, its bilateral the US continued to constrain the development of more independent relationship with the region.

Concluding remarks

Both Australia and Japan have had difficulty in establishing themselves as authentic and effective members of an emerging East Asian community. In Australia's case, this is not entirely surprising: although the definition and scope of regions is inherently artificial, some are more 'natural' or likely than others. The members of the ASEAN+3 grouping reflect a number of common East Asian historical experiences and patterns of development which, while still diverse, display a good deal more commonalities than the more expansive Asia-Pacific region does (Beeson 2006; Stubbs 2002). Indeed, the momentum that has developed behind these two visions of regional order accounts for their relative success and the growing consensus that East Asian regionalism is an idea whose time has come. Australia's 'outsider' status in this context may have been a consequence of brute geography, but it has been compounded by a number of historical, political and strategic factors that have made close ties with East Asia more problematic: generations of policymakers have tended to identify with, and align themselves to, extra-regional forces. In such circumstances, ties with 'Asia' have often assumed a slightly awkward and instrumental quality.

Japan's awkwardness is more surprising. Japan's economic weight and the powerful role it has played as a force of regional*isation*, should have made it a powerful force for, and actor in, processes of regional*ism*. That it has not been able to play such a role must be attributed to its own inability to come to terms with its problematic historical legacy, and the constraining nature of the ties that historical legacy has generated. On the one hand, relations with key neighbours remain poisoned by war-time grievances and resentments. On the other hand, Japan's continuing ties to the US mean that —as in Australia's case—close relations with the region are made more difficult because of the desire not to jeopardise relations with its 'great and powerful friend'. It is striking that the one area in which Japan has been able to play an effective role has been in monetary cooperation — an arena in which its economic power and technocratic

competence may prove decisive, and where questions of identity and history are less likely to intrude.

If a distinctly East Asian form of regionalism continues to gain momentum both countries will face difficult challenges. At best, this will involve skilful diplomacy and finessing relations with East Asia on the one hand and the US on the other.[17] At worst, the emergence of a more politically coherent East Asia —especially one that is increasingly China-centric and less dependent on a declining American hegemon— may force a painful and contentious recalibration of national priorities and allegiances that is more in keeping with economic realities. Somewhat ironically, therefore, regionalisation my ultimately come to define Japan's and Australia's orientation to processes of regionalism as both countries are forced to come to terms with a region in which they mat not feel comfortable, but which they cannot do without.

References

Acharya, A (1997) 'Ideas, identity, and institution-building: from the "ASEAN way" to the "Asia-Pacific way"', *The Pacific Review*, 10 (3): 319-46.

Aoki, T. (2005) 'Higashi ajia kyodo tai no bunkateki kiban' (The cultural basis of the East Asian Community", *Kokusai Mondai* 538: 56-64.

Beeson, Mark (2006) 'American hegemony and regionalism: The rise of East Asia and the end of the Asia-Pacific', *Geopolitics*, 11 (4).

Beeson, Mark (2005) 'Re-thinking regionalism: Europe and East Asia in comparative historical perspective', *Journal of European Public Policy*, 12 (6): 969-85**.**

Beeson, Mark (2003) 'Australia's relationship with the United States: The case for greater independence', *Australian Journal of Political Science*, 38 (3): 387-405.

Breslin, S. and Higgott, R. (2000) 'Studying regions: Learning from the old, constructing the new', *New Political Economy*. 5(3): 333-52.

Brzezinski, Zbigniew (1997) *The Grand Chess Board: American Primacy and Its Geostrategic Imperatives*, (New York: Basic Books).

Burke, Anthony (2001) *In Fear of Security: Australia's Invasion Anxiety*, (Annandale: Pluto Press).

Buzan, Barry and Waever, Ole (2003) *Regions and Powers: The Structure of International Security*, (Cambridge: Cambridge University Press).

Daadler, Ivo H. and Lindsay, James M. (2003) *America Unbound: The Bush Revolution in Foreign Policy*, (Washington: Brookings Institution).

Dirlik, A (1992) 'The Asia-Pacific idea: reality and representsation in the invention of regional structure', *Journal of World History*, 3 (1): 55-79.

Downer, A. 2000. 'China: Asia Leaders' Forum – Opening Speech 23 April Beijing.' URL: <http://www.dfat.gov.au/media/speeches/foreign/2000/000423_alf.html>.

Fawcett, Louise (2004) 'Exploring regional domains: A comparative history of regionalism', *International Affairs*, 80 (3): 429-46.

Fickling, David. (2002) 'Australia's new "hairy-chested" attitude riles its East Asian neighbours', *The Guardian* December 4.

Fitzgerald, S (1997) *Is Australia an Asian Country*?, (St Leonard's: Allen & Unwin).

Funabashi, Y (1995) *Asia Pacific Fusion: Japan's Role in APEC*, (Washington: Institute for International Economics).

Garnaut, R. (1989) *Australia and the Northeast Asian Ascendancy,* (Canberra: AGPS).

Gurry, M (1995) 'Identifying Australia's "Region": From Evatt to Evans', *Australian Journal of International Affairs,* 49,1:17-31.

Hatch, Walter and Kozo Yamamura (1996) *Asia in Japan's Embrace: Building a Regional Production Alliance,* (Cambridge: Cambridge University Press).

Haas, E.B. (1964) *Beyond the Nation State: Functionalism and International Organization,* (Stanford: Stanford University Press).

He, Baogang (2004) 'East Asian ideas of regionalism: A normative critique', *Australian Journal of International Affairs*, 58 (1): 105-25.

Hemmer, Christopher and Katzenstein, Peter J (2002) 'Why is there no NATO in Asia? Collective identity, regionalism, and the origins of multilateralism', *International Organization*, 56 (3): 575-607.

Henning, C. Randall (2002) *East Asian Financial Cooperation,* (Washington: Institute for International Economics).

Hettne, B. and Soderbaum, F. (2002) 'Theorizing the rise of regioness', *New Regionalisms in the Global Political Economy*, Breslin, S et al (eds.), (London: Routledge): 33-47.

Hiebert, M. (1995) 'Wizard of Oz', *Far Eastern Economic Review*, August 17, p 26.

Howard, J. (1996) Speech at official banquet, Jakarta, September 16.

Howard, John (2004) Address to the Australian Strategic Policy Institute, June 18, Sydney. Available at: <http://www.pm.gov.au/news/speeches/speech921.html>

Huntington, Samuel P. (1996) *The Clash of Civilizations and the Remaking of World Order*, (New York: Simon & Schuster).

Hurrell, A (1995) 'Regionalism in theoreitcal perspective', in Fawcett, L & Hurrell, A (eds) *Regionalism in World Politics: Regional Organization and International Order*, (Oxford: Oxford University Press): 37-73.

Inoguchi, T. (2004) 'The evolving dynamics of Japan's national identity and foreign policy role in', S. N. Katada, H W. Maull, T Inoguchi (eds) *Global Governance: Germany and Japan in the International System*, (Aldershot, Hants, England): ??

Keating, P. (1998) 'The perilous moment: Indonesia, Australia and the Asian crisis', Public Lecture at the University of New South Wales, March 25.

Kelly, Paul (2005) 'Howard taught a lesson in Asia', *The Australian*, April, 27, p 13.

Kishimoto, S. (2001) 'Ajia kinyu senryaku no tenkai' (The evolution of financial strategies for Asia), in S. Akira and S. Yamakage (eds). *Ajia Seiji Keizai Ron: Ajia no Nakano Nihon wo Mezashite* (*The Theory of Asian Political Economy: Searching for Japan in Asia*), (Tokyo: NTT Shuppan): ??

Mansfield, ED & Milner, HV (1999) 'The new wave of regionalism', *International Organization*, 53 (3): 589-627.

METI (2003) *2003 nen Tsusho Hakusho* (*White Paper on International Trade 2003*), (Tokyo: Okurasho Insatsukyok.

Nye, Joseph S (2002) *The Paradox of American Power,* (Oxford: Oxford University Press).

Oman, C (1994) *Globalisation and Regionalisation: The Challenge for Developing Countries,* Paris: OECD).

Keating, Paul (1998) 'The perilous moment: Indonesia, Australia and the Asian crisis', Public Lecture at the University of New South Wales, March 25.

Leach, M., Stokes, G. and Ward, I. (2000), *The Rise and Fall of One Nation*, (St Lucia: Queensland University Press).

Leong, S. (2000) 'The East Asian Economic Caucus: "Formalised" Regionalism Being Denied,' in Bjorn Hettne, Andras Inotai and Osvaldo Sunkei (eds) *TITLE/PUBLISHER??*: ??.

Munakata, N. (2004) 'Nihon no FTA senryaku' (Japan's FTA strategy), in Y. Soeya and M. Tadokoro (eds) *Nihon no Higashi Ajia Koso* (*Japan's Vision for East Asia*), Tokyo: Toyo Keizai Shinposha.

Muroyama, Y. (1997) 'Reisengo no nichibei anzen hosho taisei' (Japan-U.S. security structure after the Cold War), *Kokusai Seiji* 115: 126-45.

Oba, M. (2004) *Ajia Taiheiyo Chiiki Keisei heno Dotei (The transitional process on the way toward the formation of the Asia Pacific Region)*, (Tokyo: Mineruba Shobo).

Pinkstone, B. (1992) *Global Connections: A History of Exports and the Australian Economy*, (Canberra: AGPS).

Ravenhill, J (2001) *Apec and the Construction of Pacific Rim Regionalism*, Cambridge.

Ravenhill, J (2003) 'The new bilateralism in the Asia Pacific', *Third World Quarterly*, 24 (2): 299-317.

Sakanaka, T. (1997) 'Reisen no shuen to anzen hosho seisaku no sai hensei' [the end of the Cold War and the reformulation of the security policy] in A. Watanabe (ed.) *Gendai Nihon no Kokusai Seisaku (External policy of contemporary Japan)*, Tokyo: Uhikaku.

Schaller, Michael (1982) ' Securing the Great Crescent: Occupied Japan and the origins of containment in Southeast Asia', *Journal of American History* 69 (2):392-414.

Shiraishi, T. (2004) *Teikoku to sono Genkai: Amerika, Higashi Ajia, Nihon (The empire and its limits: America, East Asia, and Japan)*, (Tokyo: NTT Shuppan).

Sudo, S. (1992) *The Fukuda Doctrine and ASEAN: New Dimensions in Japanese Foreign Policy*, Singapore: Institute of Southeast Asian Studies.

Terada, T (2003) 'Constructing an "East Asia" concept and growing regional identity: From EAEC to ASEAN+3', *Pacific Review*, 16 (2): 251-77.

Wan, M. (2001) *Japan between Asia and the West: Economic Power and Strategic Balance,* Armonk, N.Y.: M.E. Sharpe.

Wesley, Michael (2005) 'Howard's way: Northerly neighbours and western friends', Griffith Review, Edition 9, *Up North: Myths, Threats and Enchantment*.

Williams, P. (1997) *The Victory: The Inside Story of the Takeover of Australia*, (St Leonards: Allen & Unwin).

Yamakage, S. (1997) *ASEAN pawaa: Ajia taiheiyo no chukaku he (ASEAN Power: Toward a Centre of the Asia-Pacific)*, (Tokyo: Tokyo Daigaku Shuppankai).

Yamakage, S. (2003) 'Nihon/ ASEAN Kankei no Shinka to Henyo' (The Deepening and Transformation of Japan-ASEAN Relations) in S. Yamakage (ed.) *Higashi Ajia Chiiki Shugi to Nihon (Japan and Regionalism in East Asia)*, (Tokyo: Nihon Kokusai Mondai Kenkyujo). ??.

---

[1] Russia was included in APEC at the insis tence of the US which was this as useful leverage in encouraging Russia's acceptance of NATO's eastward expansion, and which was indicative of the lack of importance the US attached to APEC – despite its significant to its two key 'Asia-Pacific' allies, Australia and Japan. Keating described the US's behaviour as 'an act of economic vandalism'. See Keating (1998).

[2] Bipartisan support of close ties, especially strategic ones, has been a non-negotiable staple of policy for both the ALP and colation parties. The current leader of the ALP, Kim Beasley, is one of the US's strongest supporters in Australia.

[3] Foreign Minister Takeo Miki referred to the 'Asia-Pacific Diplomacy' idea in 1967, and Prime Minister Masayoshi Ohira proposed the 'Pacific Basin Cooperation' concept in 1980. The major private driven institutions are the Pacific Basin Economic Council (PBEC) in 1967, the Pacific Trade and Development Conference (PAFTAD) in 1968, and the Pacific Economic Cooperation Council (PECC) in 1980.

[4] The EAEC was to comprise the ASEAN countries, Japan, South Korea, and China, excluding Australia and New Zealand as well as the United States.

[5] In October 1998, Finance Minister Kiichi Miyazawa announced the New Miyazawa Initiative. The initiative aimed to provide packages of support measures totalling US$30 billion, of which US$15 billion would be made available for the mid- to and long-term development while another US$15 billion would be used for the short-term capital need during the process of implementing economic reform. The total amount that the Japanese government provided for assistance reached US$80 billion, US$70 billion of which was implemented by December 1999 (MOFA 2000).

[6] At the second APT finance ministers meeting in May 2000, finance ministers announced the Chiang Mai Initiative (CMI). The initiative aimed to provide liquidity support to member countries that would face short-run balance of payment deficits, through an extension of the existing ASEAN swap arrangements and the development of a network of bilateral swap agreements (BSAs) that included Japan, China and South Korea.

[7] A senior MOF official recalls that it was tough to convince Washington that the initiative would be completely different from the AMF (*Nikkei Kinyu Shimbun*, 12 May 2000: *Asahi Shimbun*, 24 May 2000).

[8] METI, "External Economic Policy," [Online, cited 17 March 2005]. Available from <http://www.meti.go.jp/english/policy/index_externaleconomicpolicy.html>

[9] Nippon Keidanren (Japan Business Federation) called that the East Asian Free Economic Zone should be formed by 2015 under joint leadership by Japan and China (Keidanren 2005).

[10] 'Soft power' refers to nation's ideational and cultural influences that 'coopt rather than coerce', and which can be significant in allowing it to shape the international order and the behaviour of others. Given Japan's repudiation of offensive military power, this sort of influence becomes even more important. See Nye (2002: 8-12).

[11] *Hanryu* means fad for all things South Korean, urged by popular Korean movies, dramas, and pop music. In particular, 'Winter Sonata' romantic television drama of Bae Yong Joon provoked the 'Yong-sama' boom among Japanese women.

[12] A comparative study of identity in 18 East Asian nations in 2000 revealed that although most East Asians continued to define their identity primarily on the basis of nation, religion or race, their views of transnational sources of identity were more expansive than Japan's. When asked if they felt part of a supranational group, and given the choice of 'Asian,' 'Chinese,' 'Islamic,' 'Other supranational identity,' or 'Do not think of myself in this way', South Koreans, Thais and Filipinos were positively 'Asians', registering 88.6%, 81.9% and 75.1%, respectively. As for the Japanese, 26.4 % selected 'Asian' and 70.9 % chose the last category, refusing to think themselves in any supranational fashion (Inoguchi 2002: 269).

[13] *Japan Times*, November 6, 2001.

[14] Chinese authorities appear to have used anti-Japanese sentiment to undermine Japan's attempts to secure a UN seat, for example. See 'UN power play drives China protests', *International Herald Tribune*, April 12, 2005.

[15] From the perspective of the US, of course, Japan's significance was primarily strategic as a bulwark against Soviet expansionism in Asia. See Schaller (1982).

[16] *Asahi Shimbun*, 11 December 2003: 19 November 2003.

[17] At the time of writing Australia, Japan and the US have established a three-way security forum that excludes China and appears intended to counter the latter's growing influence in East Asia. See 'China snubbed as Australia, Japan, US discuss security', *Sydney Morning Herald*, January 6.

CSGR Working Paper Series

169/05, May	G. Morgan and S. Quack 'Institutional legacies and firm dynamics: The growth and internationalisation of British and German law firms'
170/05, May	C Hoskyns and S Rai 'Gendering International Political Economy'
171/05, August	James Brassett 'Globalising Pragmatism'
172/05, August	Jiro Yamaguchi 'The Politics of Risk Allocation Why is Socialization of Risks Difficult in a Risk Society?'
173/05, August	M. A. Mohamed Salih 'Globalized Party-based Democracy and Africa: The Influence of Global Party-based Democracy Networks'
174/05 September	Mark Beeson and Stephen Bell The G20 and the Politics of International Financial Sector Reform: Robust Regimes or Hegemonic Instability?
175/05 October	Dunja Speiser and Paul-Simon Handy The State, its Failure and External Intervention in Africa
176/05 October	Dwijen Rangnekar 'No pills for poor people? Understanding the Disembowelment of India's Patent Regime.'
177/05 October	Alexander Macleod 'Globalisation, Regionalisation and the Americas – The Free Trade Area of the Americas: Fuelling the 'race to the bottom'?'
178/05 November	Daniel Drache and Marc D. Froese The Global Cultural Commons after Cancun: Identity, Diversity and Citizenship
179/05 November	Fuad Aleskerov Power indices taking into account agents' preferences
180/05 November	Ariel Buira The Bretton Woods Institutions: Governance without Legitimacy?
181/05 November	Jan-Erik Lane International Organisation Analysed with the Power Index Method.
182/05 November	Claudia M. Fabbri The Constructivist Promise and Regional Integration: An Answer to 'Old' and 'New' Puzzles: The South American Case.
183/05 December	Heribert Dieter Bilateral Trade Afreements in the Asia-Pacific: Wise or Foolish Policies?
184/05 December	Gero Erdmann Hesitant Bedfellows: The German Stiftungen and Party Aid in Africa. Attempt at an Assessment

185/05 December	Nicola Maaser and Stefan Napel Equal Representation in Two-tier Voting Systems
186/05 December	Gianluca Grimalda Can Labour Market Rigidity Lead to Economic Efficiency? The Technological Change Link
187/06 January	Leonardo Ramos Collective political agency in the XXIst century: Civil society in an age of globalization
188/06, January	Mustafizur Rahman and Wasel Bin Shadat NAMA Negotiations in the WTO and Preference Erosion: Concerns of Bangladesh and Other Regional LDCs
189/06, January	Amrita Dhillon, Javier Garcia -Fronti, Sayantan Ghosal and Marcus Miller Bargaining and Sustainability: The Argentine Debt Swap
190/06, January	Marcus Miller, Javier Garcia -Fronti and Lei Zhang Contradictionary devaluation and credit crunch: Analysing Argentina.
191/06, January	Wyn Grant Why It Won't Be Like This All The Time: the Shift from Duopoly to Oligopoly in Agricultural Trade
192.06, January	Michael Keating Global best practice(s) and electricity sector reform in Uganda
193/06 February	Natalie Chen, Paola Conconi and Carlo Perroni Does migration empower married women?
194/06 February	Emanuel Kohlscheen Why are there serial defaulters? Quasi-experimental evidence from constitutions.
195/06 March	Torsten Strulik Knowledge politics in the field of global finance? The emergence of a cognitive approach in banking supervision
196/06 March	Mark Beeson and Hidetaka Yoshimatsu Asia's Odd Men Out: Australia, Japan, and the Politics of Regionalism

Centre for the Study of Globalisation and Regionalisation
University of Warwick
Coventry CV4 7AL, UK

Tel: +44 (0)24 7657 2533
Fax: +44 (0)24 7657 2548
Email: csgr@warwick.ac.uk
Web address: http://www.csgr.org