

small pool of scholarship in existence that examines Japan–EU relations. They also provide an excellent outline of the areas in which much more, empirically driven and theoretically grounded, research is needed to investigate the contemporary challenges facing Japan–EU today.

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Economic Diplomacy: Japan and the Balance of National Interests

Maaïke Okano-Heijmans

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Okano-Heijmans's *Economic Diplomacy* powerfully presents how regional and global strategic factors have formulated Japan's economic diplomacy, while also considering how domestic business interests have impacted it. In particular, the book analyzes continuity and changes in Japan's economic diplomacy since the 1990s. The major cases – 'green' environmental and energy policies and Japan's diplomacy toward North Korea – are drawn from the two extremes on the spectrum of economic diplomacy between the 'business end' and the 'power-play end'. The former involves cooperative efforts by business and government to maximize business opportunities, and the latter involves the strategic goals of a government. The analysis is based on the theories of economic diplomacy and related fields, as well as an extensive survey of empirical materials related to the selected case studies of Japan, including both English-written and Japanese-written ones, thus contributing to the understanding of economic diplomacy in general and that of Japan in particular.

In Chapter 1, Okano-Heijmans makes it clear that 'economic diplomacy is defined in terms of means' (p. 26), which includes not only coercive economic instruments but also non-coercive ones. In general terms, the author defines economic diplomacy as 'the use of political means as leverage in international negotiations, with the aim of enhancing national economic

prosperity, and the use of economic leverage to increase the political stability of the nation' (pp. 29–30) and places various strands of economic diplomacy on the aforementioned spectrum between the 'power-play end' and the 'business end'. Moreover, the author presents an analytical framework to focus on four essential elements in economic diplomacy: the *context* in which economic diplomacy is pursued, the *tools* to employ, *theatres* as negotiation forums, and the *process* by which economic diplomacy is constructed.

Chapter 2 describes the characteristics of Japan's economic diplomacy and its recent shift. Okano-Heijmans states that economic diplomacy has been particularly important for Japan due to its centralized approach to industrialization as a developmental state, Japan's so-called 'peace constitution', which renounces an act of war, and the security guarantee provided by the United States. Therefore, Japan has been very reliant on economic and diplomatic means rather than on military means. The author further argues that Japan recently shifted its diplomacy toward a more power-oriented approach, driven by the changes in the strategic environment, such as the relative decline of the United States and the growing strength of China.

In Chapter 3, Okano-Heijmans argues that the Japanese government's effort to promote 'green' environmental and energy policies can be regarded as 'activism on the "business-end" of economic diplomacy' (p. 82). Japan's 'green' economic diplomacy is in fact combined with a targeted industrial policy, especially in water business and nuclear power industries (p. 92, Figure 5). Through a series of bilateral agreements with East and Central Asian and Latin American countries, Japan secured the imports of natural resources needed for electronic cars and nuclear plants in exchange for technology transfer and aid packages, while promoting package deals that benefited Japan's exporting industries (pp. 98–99). In addition, the author argues that increasing tensions with China over territorial issues and China's subsequent restrictions on exports of rare earth minerals to Japan pushed Japan toward such diversification of imports.

Chapter 4 examines Japan's economic diplomacy toward North Korea, categorized on the 'power-play end', and investigates the background of Japan's recent 'negative economic diplomacy', which is punitive, conditional, postponing, and obstructionist behavior (p. 113). The author points out that Japan became increasingly tough toward North Korea, especially since late 2002: making progress on the issue of the abduction of Japanese nationals by North Korea a precondition for the normalization of diplomatic relations, obstructing the progress of the Six-Party Talks (SPT), and

implementing sanctions and restrictions on trade and dealings with North Korea. The author attributes Japan's negative economic diplomacy in part to a growing rivalry with China and states that 'in adopting an obstructionist policy, Japan has furthermore been assured that China – chair of the SPT – is not granted foreign policy success' (p. 136).

In Chapter 5, building on these findings, Okano-Heijmans assesses continuity and change in Japan's economic diplomacy since the 1990s and concludes that 'Japanese policies have moved from an emphasis on the "business end" of economic diplomacy to include also a more outspoken and visible element of power play' (p. 160). Regardless, the author questions Christopher Hughes's account that Japan is retreating from the use of economic power for security ends and argues that 'its diplomatic practice still emphasizes economic means' (p. 162).

In spite of the book's invaluable theoretical and empirical contribution to the fields of economic diplomacy and Japan's foreign policy, several issues remain to be addressed. First, the book states that economic diplomacy in Japan and other Asian countries differs from that in Western countries but does not provide concrete examples to validate this point. The dichotomy between the East and the West can easily become a pitfall of oversimplification. Therefore, a careful comparative case analysis by country is required to make this point. Second, the analysis of what *should not* be called economic diplomacy would be useful to clarify the author's stance related to the recent shift in Japan's economic diplomacy. Third, the author states that the Japanese government's obstructionist behavior at the SPT and its adherence to the abductee issue was due to Japan's reluctance to grant China a diplomatic success but again provides few concrete pieces of evidence to support this controversial account. Further study is needed to examine, for instance, whether the timing of Japan's policy shift can specifically explain the influence of its enhanced rivalry with China; why alternative policies under discussion at that time, if any, were dismissed; and whether there is any alternative hypothesis that could explain the situation better.

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