

Japanese and American Perspectives on East Asian Regionalism

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Abstract

Regular convening of East Asian summits and rising concerns about the American dollar have heightened interest in Asian cooperation. Japan will necessarily play a central role in regional endeavors, and the United States must at least acquiesce if regional coordination is to progress. Among American accounts, the most theoretically elaborate and systematically comparative analysis is *A World of Regions*, while *Remapping East Asia* provides the most authoritative overview of recent developments. Japanese-language studies of East Asian regionalism agree that regional cooperation is far less institutionalized and rule-based in East Asia than in Europe, but they include a wider range of opinion about the desirability and feasibility of cooperation. Skeptics on the right warn that efforts to create a regional community would weaken the United States–Japan alliance, undermine universal values, and cede regional leadership to China. Optimists on the left counter that regional cooperation holds out the only hope for ameliorating nationalist conflicts. Most numerous are centrists arguing for active cooperation on economics and the environment, but only cautious moves on politics and security. Despite their caution, Japanese authors convey a sense that changes to the American-led global and regional order are occurring and likely will continue.

Over the past decade, interest in regional cooperation in East Asia has steadily grown, culminating in the first three East Asian summits, held in Malaysia in late 2005, the Philippines in January 2007, and Singapore in November 2007. If regional cooperation is to progress and deepen, Japan will have to play a

central role. Despite the increasing importance of China, only Japan combines political stability, a large, sophisticated, and mostly open financial system, a willingness to provide substantial aid, and bureaucratic, academic and professional expertise in all fields of potential cooperative effort. Conversely, American opposition would make regional cooperation difficult or impossible, not least because an American veto probably would pull Japan along with it. Evaluating the prospects for East Asian regional cooperation thus requires a careful review of attitudes in Japan and the United States.

Of recent works published in America on East Asian regionalism, Peter Katzenstein's *A World of Regions* (2005) provides the most theoretically ambitious and systematically comparative attempt to characterize, explain, and situate regional interactions in East Asia, whereas T.J. Pempel's edited volume *Remapping East Asia* (2005) provides the most authoritative English-language overview on the topic. Japanese studies of East Asian regionalism, though generally less theoretical and comparative, are far more numerous and often more detailed. The majority share the generally skeptical tone of the Katzenstein and Pempel volumes, though they include a wider range of opinion about the feasibility and desirability of cooperation. Japanese-language studies tend to cover a broader chronological range, simultaneously paying more attention to history and conveying a stronger sense that changes to the American-led global and regional order are occurring and likely will continue.

1 Katzenstein's porous regionalism

Katzenstein's widely lauded study possesses three great strengths: first, unlike virtually any other writer in the field, he develops an elaborate theoretical framework for understanding regionalism in East Asia (but among shorter works see also Webber 2001 for an extension of Mattli 1999, and for a more optimistic view, Stubbs 2002). Secondly, as a renowned expert on European politics, he provides a systematic comparison with the development of regionalism in Europe. Finally, his extraordinary energy and erudition enable him to unearth a myriad of interesting facts on both regions. It is difficult to imagine a reader who would not learn a great deal, for example, from Katzenstein's analysis of the ways in which Germany's cultural diplomacy, deeply grounded in civil society, differs from Japan's more economically oriented approach, or the differing roles of American popular culture in East Asia versus Western Europe.

Katzenstein starts with the important but oft-overlooked observation that even in a globalizing world, geography and geographic regions still matter a great deal (p. 12). Katzenstein quotes a European diplomat as saying that geography accounts for 50 percent of European politics (p. 77), and notes that the volume of trade between countries is strongly influenced by the geographic distance between them. At the same time, he does not shy away from the more

fashionable point that regions are in significant measure politically shaped and constructed. That is, a region is neither a completely arbitrary *tabula rasa* on which any identity can be inscribed nor simply a primordial gathering of like-minded peoples. Nor are region and globe mutually exclusive. Regions are porous entities constituting just one element, albeit a potentially important one, of a complex system of multi-level governance in which macroregions such as Europe interact with sub-national regions, nation-states, and the global order.

For Katzenstein, a crucial factor in shaping these porous, partly arbitrary regions is the influence of ‘the American imperium’—the combination of America’s overwhelming material, especially military, and ideational power. US hegemony alone, however, is insufficient. For regional cooperation to flourish, the United States needs a major regional ally or client, and such allies exist in only two regions—Germany in Europe and Japan in East Asia.

However, if both Europe and Asia have been deeply influenced by the United States, the extent and form of cooperation contrast sharply. Cooperation in Europe is both extensive and intensive, embodied in innumerable formal institutional mechanisms, and governed by legal norms and procedures reflecting both top-down political direction and a bottom-up search for common legal ground. Regional cooperation in Asia is far less extensive, and overwhelmingly informal in character.

Katzenstein’s schema is admirably ambitious and illuminating, but it is not without weaknesses. Because Katzenstein’s avowedly synthetic and eclectic account is not intended to produce or test specific hypotheses, or provide policy guidance, it suffers a paucity of systematic comparative data—the reader must work through 95 percent of the text to find the single table. The breadth of coverage, including economics, security, culture, and postwar political history, often makes the book feel like a rushed summary of the secondary literature. The discussion is sometimes thin, dated, or confusing, and the conclusions occasionally sound more definitive than the secondary literature allows. Nearly exclusive focus on the contrast between Asia and the minutely organized European Union flattens out developments in East Asia. Reading the book is like gazing at the Kansas prairie from a giant telescope on Mt. Everest. Katzenstein emphasizes the importance of legalism in Europe, but he does not examine in detail how necessary it is to cooperation, and often fails to distinguish between quite different forms of ‘informalism’. The author’s efforts to denigrate the importance of China ring hollow; it is telling that soon after publishing *A World of Regions* he co-edited a volume on the significance for Asia of China’s rise (Katzenstein and Shiraishi, 2006).

Two examples illustrate the weaknesses of the analysis. To the central question of why Europe is so much more amenable to cooperation than East Asia, Katzenstein provides four separate answers (see especially

Chapter 3). Most consistent with the overall argument of the book is the contention that the continuing US role has encouraged habits of regional cooperation and especially the growth of a security community within which the use of force is no longer conceivable. A second argument focuses on the way war and occupation destroyed and remade the German state bureaucracy and political alliances. In Japan, in contrast, Emperor Hirohito remained on the throne, the bureaucracy survived the war virtually unscathed, and even imprisoned and purged political leaders responsible for prosecuting Japan's campaign of aggression in Asia and the Pacific, such as former Prime Minister Abe's grandfather Kishi Nobusuke, eventually made their way back to power. This suggests that while the United States and its allies were crucial prime movers in defeating the axis powers and establishing the character of German and Japanese politics after the war, by 1948 the contrasting orientations of Germany and Japan toward regional cooperation were clearly set.

A third argument has nothing at all to do with the United States or the American imperium: 'The different institutional logics of Europe and Asia stretch back as far as the Holy Roman Empire and the Sinocentric world . . . The seventeenth-century Holy Roman Empire, at the center of Germany and Europe, was a fully institutionalized legal regime' and trade in both Europe and East Asia was largely regional rather than national or global (p. 89). After a long and violent transition through industrialization and war, Europe has returned to its seventeenth and eighteenth century legal roots, now in a peaceful mode. Finally, in an underdeveloped aside (p. 91) also unrelated to the United States, the author suggests that the creation of welfare states in Europe led to a degree of homogenization and protection of basic human rights that contributed to regional cooperation.

In contrast to these four explanations, only attentive readers will glean from Katzenstein's account the crucial significance of the peculiar postwar power balance. Disgraced and occupied, Germany had to abandon an independent approach to foreign policy and embrace Europe, while France, resigned after three defeats to its inability to confront Germany alone, shaped Europe into a vehicle to advance French ambitions. Needless to say, no such fortuitous balance obtained in Asia.

In short, while *A World of Regions* advances a number of interesting and plausible hypotheses about the origins of Europe's legalism and penchant for regionalism, it does little to help the reader choose among them, nor does it provide compelling evidence that the most preferred line of explanation—the influence of the postwar American imperium—was sufficient or even necessary to ensure European cooperation and especially the legalistic orientation it has taken. This failure to identify a single causal path, in turn, makes it harder to assess the prospects for regional cooperation in East Asia.

Similar problems dog the discussion of regional production networks. Katzenstein's primary contention is that regional networks in Asia have been closed and hierarchical, with America's key ally Japan at the top of the pyramid. At the same time, he notes recent research suggesting that regional production networks are becoming more open and diverse, as networks organized by overseas Chinese join Japanese-organized networks. The diversity of networks, he claims, strengthens the case for characterizing regional trade cooperation as 'informal'. The contrast with Germany, which makes much less use of regional production networks, is telling, but the arguments are likely to strike many readers as confusing and unfalsifiable: open or closed, Japanese or Chinese, regional production networks in Asia are taken to support the book's argument.

In fact, regional production networks vary greatly by region and industry, and none entirely fits Katzenstein's model. The networks producing Japanese automobiles in Southeast Asia and Taiwan come closest, but a regional network is only now emerging from an earlier pattern of nation-based import substituting industrialization, and is already opening up to include some Western suppliers and assemblers. Japanese auto firms remain a secondary presence in China and have been virtually shut out of Korea. In electronics, Japanese companies supply many important components, but the key players are American firms that set product architectures, and Korean- and Taiwanese-based assemblers that dominate markets in Korea and China and are making important inroads into Southeast Asia and even Japan itself.

2 Pempel's *Remapping Asia*: fuzzy regionalism and functional variation

Like Katzenstein, the authors in Pempel's fine edited volume take pains to note the low level of cooperation in East Asia. They duly record Asia's diversity in language, religion, level of economic development and political system. They acknowledge the dearth of formal institutions and the low level of legalization. Like Katzenstein, Pempel focuses primarily on political construction but insists that geography also matters: the boundaries of Asia may be fuzzy, but there is surprising agreement on the countries that constitute the core, particularly China. Pempel and his contributors emphasize political and territorial conflicts as obstacles to cooperation rather than focusing, as Katzenstein does, on the roles and strategies of Japan and the United States, and they are slightly more optimistic about the prospects for regional cooperation. As Pempel notes, East Asia is far richer, more influential, and peaceful than it was a generation ago, and as the chapter by Evans shows, regional elites, at least, share a widespread sense that Asia is an idea whose time has come.

Pempel's contributors also are more insistent than Katzenstein on variation across time and issue areas. In a comprehensive overview reminiscent of Katzenstein in its eclectic explanatory approach and close attention to the role of Japan, Tsunekawa argues that environmental issues have been the most amenable to regional cooperation, followed by economics, and then finance. Security, not surprisingly, has proved the most resistant. Even when it comes to the environment, however, Campbell cautions that cooperation has been limited, informal, and non-binding. Geography certainly matters. Trans-border pollution, such as haze from burning forests in Indonesia and acid rain from coal-powered factories and electricity generating plants in China, most strongly afflicts neighboring countries in East Asia, while leaving India and Australia almost untouched. Yet even within the region its effects are uneven. As a result, much environmental cooperation is sub-regional and voluntary. Similarly, MacIntyre and Naughton demonstrate that the old model of Japanese-led regional trade and investment networks embraced by Katzenstein has declined decisively, in large part because of the rise of China, making economic cooperation more difficult.

One chapter in the Pempel volume poses a direct theoretical alternative to Katzenstein. Solingen argues that a high level of legalization is not a prerequisite to cooperation, and that Europe, not East Asia, is the unusual region. Instead of emphasizing the role of the United States, she focuses on the political dynamics within leading regional states. Where inward-looking coalitions dominate domestic politics, cooperation is doomed, but where outward-oriented regimes predominate, prospects for regional cooperation are bright. The theory may help distinguish East Asian from, say, the Middle East, where inward-looking regimes dominate. But within Asia, hybrid regimes govern many of the key countries. In Japan, the ruling Liberal Democratic Party has balanced the interests of exporters such as Toyota and Sony with the far more numerous mass of construction companies and small retailers. China relies more on exports than any other large country in history, but its leaders must placate the military and pay constant attention to the countryside and far west. In a region dominated by hybrid regimes, such as those of Japan and China, Solingen's model seems to provide only limited guidance about the possibilities for region-wide cooperation.

3 Japanese debates: is regional cooperation desirable and feasible?

If East Asian regional cooperation has elicited a modest outpouring of books and articles in the United States, led by Katzenstein and Pempel, it has inspired a virtual torrent in Japan. Even more than usual in Japan, with its rapid publishing cycles and faddish glomming onto new topics, regionalism

has attracted a wide range of academics and policy analysts. Most of the books produced are less theoretical and rigorous than those of Katzenstein and Pempel, but they generally concur that the current level of cooperation is low, the obstacles to further cooperation considerable, and the distance from the EU immense. Compared with the American volumes, however, they are more likely to perceive weaknesses in the American-led global and regional orders: rather than contrasting dubious and quixotic efforts at cooperation to a practical and serviceable status quo that will persist for the foreseeable future, they are more likely to compare imperfect alternatives, and to concern themselves with handling a long transition to a regional and eventually global order in which China and Asia will loom increasingly large, and the American role will decline, particularly in East Asia. Katzenstein and the contributors to the Pempel volume are not oblivious to Asian history, of course, but the overwhelming bulk of their analysis focuses on postwar experiences and current events. Japanese-language volumes, in contrast, more frequently review the local historical record, sometimes in considerable detail, and consider trends that will not come to fruition until after the five- or ten-year horizon common in the United States.

Most of the Japanese studies fall roughly into three categories, depending on how the authors evaluate the feasibility and desirability of regional cooperation. Of course, this taxonomy is a simplification, ignoring variations over issue area, time span, and quality of cooperation. Nonetheless, it captures a surprising amount of the extant literature. One quadrant, though, is virtually empty: few if any authors regard cooperation as feasible but undesirable.

For conservatives, regional cooperation is neither feasible nor desirable. Little progress can be expected under the shadow of great power rivalry and the perceived threats from China and North Korea, with their communist governments and aggressive militaries. From this perspective, strained efforts to promote cooperative schemes would merely cede control over the agenda to China, infringe Japanese sovereignty, and undermine relations with the United States.

A recent example of the isolationist variety of the conservative position comes from the prolific Tsukuba University professor Nakagawa Yatsuhiko (2007). The cover of Nakagawa's book assails Prime Minister Abe for falling into a Chinese trap, and asks rhetorically if Japan should acquiesce in Chinese hegemony. Nakagawa warns that China's true aim is to destroy Japan's alliance with the United States and attack Japan's close neighbor and quasi-ally, Taiwan. Nakagawa claims that the prewar co-prosperity sphere actually reflected the baleful influence of Stalin and leftist ideology, and urges Japan to avoid unnecessary regional entanglements.

Similarly, Takushoku University's Yoshino Fumio asks *Is an East Asian Community Really Necessary* (2006). An iconoclastic economist, he answers 'no': free trade agreements (FTAs) have almost no measurable impact on macroeconomic performance, since myriad local regulations and varying rules of national origin on imports distort the allocation of resources and investment. Moreover, he claims, moves to institute a region-wide agreement on trade in manufactured goods inevitably would lead to demands for liberalization of the movement of labor. As the region's richest country, Japan would attract a tidal wave of immigration that would overwhelm social and economic systems, impoverishing its original inhabitants. Whether more modest levels of immigration would prove so disruptive is doubtful, though McNicoll's chapter in *Remapping Asia* notes (pp. 66–67) that only implausibly large and constantly increasing injections of immigrants could significantly ameliorate the economic and financial problems brought about by Japan's aging society. It is also true that the gains forecast for FTAs are remarkably small, in most cases paling in comparison with even modest improvements in domestic economic management (see Urata in Ito and Ken'ichi 2005: 172), but that is true of all trade liberalization, even at the global level. Economists are virtually unanimous on the benefits of free trade, but either their models are wrong, or, more likely, the models are remarkably inept at picking up the many indirect benefits of liberalization, so that free trade policies sold as virtually logical certainties have to be taken largely on faith.

More common, even among those opposed to regional cooperation, is the contention that cooperation on economic liberalization is desirable but should not be extended to other policy areas, especially security. A good example is the concluding chapter in Watanabe Toshio's edited volume *Japan's Policy towards East Asian Economic Integration* (2005). A prominent development economist and university president, Watanabe accepts that the limits to the informal cooperation highlighted by Katzenstein have been reached, and that Japan needs to pursue bilateral and regional economic partnership agreements (EPAs) promoting trade, investment, economic, and technical assistance to developing countries. Beyond that, he is unwilling to go. Calls for building an East Asian community imply a willingness to devise a roadmap for future cooperation in politics and security, and the elaboration of common values to underpin cooperation. Since common values could only be found in the diverse Asian region by appealing to a least common denominator, ignoring promotion of democracy and protection of human rights, Japan should resist these ill-conceived schemes for cooperation.

Writing shortly after the anti-Japanese demonstrations that broke out in Chinese cities in the spring of 2005 and before Prime Minister Abe's fence-mending trip to Beijing and Seoul in the autumn of 2006, Watanabe considers efforts at deeper cooperation utterly unrealistic, since relations between Korea

and Japan, Japan and China, and China and Taiwan, far from improving, are growing increasingly tense. Japan should not try to buck an unfavorable trend, he concludes, but should work to strengthen the US–Japan alliance. Responsibility for tensions he places solely on China and Korea, with nary a hint that Japan might bear some onus for strained relations. In China, he argues, strategic concerns (primarily fear of American containment) have overlapped with a patriotic education campaign since the early 1990s that has both attempted to shore up the legitimacy of the communist party in the face of rapidly advancing marketization, and appealed to a deeply held sense of Chinese superiority and nationalism, resulting in an ingrained hostility to Japan. Given the development of a stable democracy in South Korea, Watanabe cannot attribute anti-Japanese sentiments solely to elite manipulation and domestic politics, or even to memories of Japanese colonialism. Instead, he also blames the historical acceptance and even embrace by Koreans of a Sino-centric regional order that implicitly looks down upon Japan; a virulent nationalism springing from a strong sense of clan identity based on male descent; and attempts to appease the North that are leading to the ‘North Koreanization’ of South Korea. The emergence of a unified Korean peninsula with nuclear weapons, he warns darkly, would pose the gravest possible security threat to Japan.

On balance, though, books by conservative authors opposed to regional cooperation are in the minority, in part because conservatives tend to dismiss regionalism out of hand rather than write whole volumes about it. More common is the opposite contention that regional cooperation is feasible and desirable, though it is likely to take a long time. One positive variant comes from the dwindling remnant of leftist scholars. Leftist supporters of regionalism are more critical than Yoshino and Watanabe of the role of the United States, and more generous in their evaluation of the potential of China to transform itself into a reliable regional partner. Left-leaning authors do not deny the existence of knotty territorial and political disputes, but they see regionalism as a way to place conflicts in a broader institutional context that might make it possible to transcend traditional bilateral conflicts and rivalries and facilitate more comprehensive solutions.

After an extensive review of the history of cooperation in the European Union, Edogawa University sociologist Shindo Eiichi (2007), for example, argues that the presence of an external threat or enemy spurs internal cooperation—and opposition to American hegemony and unilateralism will provide that spur in Asia. Wada Haruki (2003), a longtime fixture at the University of Tokyo, though not uncritical of the United States and of Japan’s excessive reliance upon it (e.g. pp. 171, 187), accepts that a positive American role is crucial if the formidable obstacles to regional cooperation and the creation of a ‘common home’ in Asia are to be overcome. An expert on Russia

and Korea, Wada brings an unusual perspective to the issue of regional cooperation, highlighting the role of overseas Chinese but also the (much smaller) Korean diaspora and exploring the possibility of transcending the limits of nation-states by creating not only cooperative institutions covering all of East Asia, but also an array of sub-regional arrangements, particularly in Northeast Asia, which is less sprawling and diverse, yet contains the overwhelming majority of the people, money and bombs in the Asia-Pacific region. Similarly, the collection edited by Ristumeikan University economist Matsuno Shuji, Su Sung (a Korean-Japanese academic who spent many years in South Korean prisons as a suspected spy), and Chinese scholar Xia Gang (2006) focuses on northeast Asia, with particular attention to the knotty problem of promoting cooperation on the Korean peninsula.

If the right is actively hostile to regionalism and the left modestly optimistic that regional cooperation could help address long-standing security problems, the most common position in Japan, particularly in the business and bureaucratic communities, is a cautious centrism that sees the wisdom in pursuing regional cooperation, particularly on economics, but does not expect much from it in the short term. Centrists note the rise of intra-regional trade, the slow but steady relative decline of the United States in East Asia, and the growing importance of China. As a global trader, China has already surpassed Japan and the United States, and within a year or so will pass Germany. Japanese business executives, bureaucrats, and academics are acutely aware of trends barely mentioned by Katzenstein and Pempel: China has sharply increased spending research and development, accounts for a rapidly increasing share of publications in leading scientific journals, and graduates twice as many four-year science and engineering students as the United States and four times as many as Japan. For the Japanese business community, the United States remains vital for Japanese security, and if its role as a trader in East Asia is declining, its position as the leading player in many areas of global finance and technology continues to exert a deep influence on Asia. But rather than just depending on the United States, economists and business leaders hope gradually to increase the scope for regional cooperation.

Among the more aggressive examples of regionalism in support of economic liberalism is Taniguchi Makoto's contribution to the prestigious and popular Iwanami *shinsho* ('new book') series, *East Asian Community: Movement toward Economic Integration and Japan* (2004). A former foreign ministry official who served much of the 1990s as Deputy Secretary General of the Organisation for Economic Cooperation and Development (OECD), Taniguchi advocates an active approach to regional cooperation, highlights commonalities of interest between Japan and China in such areas as energy and pollution, and scolds the Japanese government for its reluctance to embark on a resolute process of agricultural liberalization. While not opposed

to Japan's ties with America, he focuses primarily on Asia, and urges Japan to refrain from excessive deference to the United States (p. 194).

An even more telling example appears in the volume edited by Watanabe Toshio (2005). Whereas the tone of Watanabe's Conclusion is xenophobic and his argument a sharp 'FTAs and no further', all of the other chapters, written by staff members at the Japan Research Institute, a think tank and consulting arm of the Sumitomo Mitsui Banking Corporation, accept as a starting point that economic and financial integration in East Asia is proceeding apace, and that Japanese corporate strategies and government policy must adapt to the region if Japan is to prosper. Takeuchi Junko's chapter on technological innovation and intellectual property rights argues that the rapid upgrading of R&D capabilities in Asia, particularly in China, means that Japanese firms will need to fend off increasingly insistent Asian rivals and cultivate Asian partners commanding increasingly valuable skills and assets. She calls on Japanese firms to make better use of Asian talent, and actively engage in regional development of technology and standards.

Similarly, Shimizu Satoshi's chapter searches for ways to enhance policy cooperation for reform of the foreign exchange system. With the growth of regional trade, East Asia increasingly qualifies as an optimal currency area (p. 54), making formal and informal pegs to the dollar counterproductive. Japan should lead the way to a new currency system for East Asia based on coordination around a basket containing the yen, dollar, and Euro, rather like the old European monetary system (EMS). Construction of a new system will require enhanced surveillance and strengthening of capital, bond, and foreign exchange markets in the region. Policy coordination should begin with cooperation among similar countries, then expand to cover the entire region. Nothing can be done, however, until China, by far the region's largest trader, abandons its peg to the dollar. Japan should support China's efforts at reform rather than pressuring it for an abrupt change of policy, and should move a bit away from reliance on the United States (pp. 59, 66).

The position of the Japanese business community regarding regional integration perhaps is best represented by Kohara Masahiro's *East Asian Community: Growing China and Japan's Strategic Choices* (2005). A mid-level official at the Ministry of Foreign Affairs, Kohara served in 1999 as the ghost-writer of the influential Okuda Report, named after Okuda Hiroshi, the former head of Toyota Motor and Keidanren, and based on a fact-finding mission to Southeast Asia and Korea by Okuda and a group of leading Japanese business executives and academics in the wake of the Asian financial crisis. An effusive blurb from Okuda graces the cover.

The most telling change between the original report and Kohara's book, published half a dozen years later, is the treatment of China. Whereas the word 'China' does not even appear in the original Okuda Report, Kohara's

book revolves around it, as the subtitle suggests. Kohara is surprisingly sympathetic to the developmental dilemmas facing Chinese leaders and respectful of the skill with which they have overcome previous challenges (pp. 182–83). He paints a more benign picture of the traditional Chinese ‘tributary’ system governing Asian trade and international order than is common in Japan. Tellingly, he refers not to the ‘rise’ of China, but to the recovery of Chinese power (*fukken*).

Kohara rebuts both the usual arguments that diversity renders cooperation difficult or impossible, and Watanabe’s contention that cooperation cannot gradually expand to include political and security topics. He affirms the central role of ASEAN +3, implicitly relegating Australia, India, and the United States to the role of ad hoc cooperators on the margin. Kohara also periodically criticizes the United States for its hegemony, unilateralism, and market fundamentalism. If Kohara tries to push Japan to take a more sympathetic approach to China and Asia and avoid simply adopting the stances of the United States, ultimately his policy conclusions are quite orthodox. He affirms the value of ‘open regionalism’ and the record of Japanese development assistance in making it economically and politically sustainable, and calls on Japan to take the leadership in promoting regional cooperation on the basis of universal principles of democracy and good governance, as articulated by Japan rather than China (pp. 82, 256).

If Kohara articulates the desire of the Ministry of Foreign Affairs and especially the business community to take a prudent but positive attitude to regionalism in light of the rise in regional trade, the approach perhaps most representative of the policy and academic establishment focuses not so much on preparing for a future in which the United States is less dominant as on the immediate task of avoiding appearing indifferent to the concerns of the region. The mainstream reverses the logic of the conservatives: for Japan to rely solely on the United States in a de facto policy of containing China would be to invite the rest of Asia, starting with ASEAN and South Korea, to rally around Chinese leadership and restructure relations with the United States without the mediation of Japan. In the mainstream view, it is possible to distinguish among policy areas, retaining close relations with the United States in some areas while promoting coordination within Asia on others.

The prominent political scientist Inoguchi Takashi, now at Chuo University, argues that while regional cooperation may be desirable and possible in the long run, the results of the ‘Asia barometer’ surveys he has conducted with funding from the education ministry and support from the foreign ministry cast grave doubt on the idea that a common sense of Asian identity exists or could be ‘socially constructed’ anytime soon (Inoguchi *et al.*, 2006). Particularly in the larger Asian countries, the proportion of respondents reporting that they are Asian (as well as citizens of their various nation-states)

is low—only about 25 percent in Japan and a mere 5 percent in China (though not highlighted by Inoguchi, the level of ‘Asian’ identity in smaller countries tends to be considerably higher, probably reflecting the realization that the power of small states to attain policy goals on their own is limited). Inoguchi *et al.* also cast doubt on the proposition that an urban middle class is emerging whose similar lifestyles could provide the basis for a pan-Asian identity. Outside of Japan and a few pockets such as Singapore and Hong Kong, middle classes remain small, and even presuming rapid growth continues, it will be decades before most Asian countries become predominantly middle-class societies. Thus, while economic trends and elite opinion may suggest that Asia is coming into its own, public opinion in most of the region remains far more parochial.

The single most important volume for understanding Japanese views of East Asian cooperation, *The East Asian Community and Japan's Future Path* (Ito and Tanaka, eds. 2005), shares this reserve, but highlights the need to avoid appearing negative. Ito Ken'ichi, former head of Southeast Asian affairs for the foreign ministry and President of the Japan Forum on International Relations, a think tank backed by the Yomiuri Shinbun and a host of major Japanese corporations, and Tanaka Akihiko, a Tokyo University specialist in Chinese foreign policy and international relations who contributes the pivotal opening and concluding chapters, lead a stellar cast from the academic and policy mainstream, many of whom have participated actively in regional dialogues. Like Pempel, Tanaka and his associates highlight the shift of Asia from import substitution to export led growth, and the expansion of regional production networks following the appreciation of the yen in the mid-1980s. Tanaka especially emphasizes the role of the Asian financial crisis and the Asia-Europe Meetings (ASEM) in stimulating regional cooperation.

In an implicit rebuke to conservative isolationists, Ito and Tanaka insist that Japan needs to respond to regional initiatives from South Korea and especially ASEAN, which in turn are responding to the rise of China and the alternately aggressive and dismissive policies of the United States under Clinton and especially Bush. As a member of the East Asian Vision Group, Tanaka himself played a key role in drafting an initial scenario for regional cooperation after the financial crisis, while Ito's preface reports a fascinating experience. Though he had been actively involved in regional activities for years, Ito was taken aback by the unexpected fervor he and three other Japanese representatives (including Tanaka) witnessed at a meeting on networking among regional think tanks in Beijing in 2003:

The enthusiastic atmosphere of the inaugural meeting made me think, ‘This must have been what the atmosphere felt like in Philadelphia in 1787 when 13 independent countries came together to devise a constitution for

the United States of America and form a federation.’ The participants all spoke not on behalf for their own countries, but on behalf of East Asia. I must admit, when I was asked to address the welcoming banquet that night as a representative of the visiting delegations, I also frankly gave expression to this deep emotion. ‘If things go on this way, Japan will be left out’—that was the common feeling we had after we returned home (Ito and Tanaka, 2005, p. 2).

Upon their return, the Japanese representatives quickly mobilized support for a new Council on East Asian Community (*higashi ajia kyoudoutai hyougikai* 東アジア共同体評議会) and worked out a compromise approach: (i) Japan would support the ultimate goal of building an East Asian community on condition that the rest of Asia accept the United States–Japan alliance as the bedrock of Japanese foreign policy; (ii) democracy, human rights, the rule of law, international law and norms, transparency, good governance, and other ‘universal values’ would replace the anodyne phrasing of the East Asian Vision Group (‘peace, prosperity, and progress’) as the basis for regional cooperation, but they would serve as goals for evolutionary development rather than initial pre-conditions for membership. The Japanese team succeeded in inserting this values clause into the report of the next meeting on East Asian think tanks, held in 2005.

As in the edited volumes by Watanabe *et al.*, a tension remains between the great wariness regarding political and security cooperation, and a much more positive approach toward economics. Whereas policy staffer Jimbo presents regional security cooperation as a positive but extremely limited complement to traditional hub-and-spokes ties to the United States, Waseda University economist Urata highlights the increase in regional trade and investment, and calls on Japan to take active steps to coordinate EPAs, FTAs, and other bilateral and regional initiatives so as to ameliorate the dreaded confusion of a ‘noodle bowl’ of conflicting rules of origin, and to compensate the losers from trade and investment in both Japan and the rest of the region in order to preempt political backlashes against liberalization. Similarly, Keio economist Shirai takes Shimizu’s call for an ‘Asian EMS’ a step further, insisting that the ultimate goal should be the emergence of a unified regional currency (for a similar argument by a Tokyo University economist and advisor to the Japanese finance ministry and the Asian Development Bank, see Kawai, 2005).

4 Conclusion

All of the Japanese authors reviewed here agree with Katzenstein’s influential *A World of Regions* that regional cooperation is far less institutionalized and rule-based in East Asia than in Europe, and unlikely to make much progress

in the short term. Skeptics on the right warn that efforts to move toward a regional community would not only fail, but would also constrain Japanese sovereignty, weaken the United States–Japan alliance, undermine universal values, and cede regional leadership to China. Optimists on the left, while acutely aware of the barriers to cooperation, counter that community-building took decades even in Europe, and that regional cooperation holds out the only hope for ameliorating nationalist conflicts and moving toward a solution to the tensions on the Korean peninsula.

The real battle for influence in Japan remains within the center. Ito and Tanaka (2005) best articulate the mainstream policy of watchful waiting to insure that any fledgling efforts at community building coming out of ASEAN, South Korea, or China remain compatible with the United States–Japan alliance and with Japanese defined values and policy frameworks. On the edges of the mainstream, however, economists and representatives of the business community advocate a more pro-active approach toward Asia that takes steps to deal with the ongoing regionalization of trade and investment and prepares for a day in which China looms even larger and the American dollar can no longer be relied upon as the sole international currency in East Asia.

While the overall record of regional cooperation remains modest, it varies considerably by issue, with economics and the environment leading the way. Interest also tends to surge after crises that reveal dangerous interdependencies, such as the Asian financial crisis or the regional transmission of SARS. Japanese business leaders and policy elites are intrigued by the idea of Asia, but regional publics, and political leaders in Japan and China, remain apathetic if not skeptical. The next crisis may remind denizens of this vast and porous swath of the world that they are simultaneously citizens of individual nation states, members of an interconnected global community, and residents of an increasingly interconnected region.

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