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Japan's full diplomatic calendar for 2005

By MASAKI Hisane

As 2005, the Year of the Rooster, approaches, Japan faces a host of foreign-policy challenges. Without a crystal ball, it is impossible to predict exactly how these challenges will play out. Nevertheless, here is a bird's-eye view of Japan's diplomatic landscape for the coming year.

Iraq and Terrorism

Prime Minister Junichiro Koizumi has been one of the world's staunchest supporters - along with British Prime Minister Tony Blair - of U.S. President George W. Bush's anti-terrorism campaign, launched in the wake of the Sep.11, 2001, terrorist attacks on the World Trade Center and the Pentagon. Opposition parties and critics of his policy have launched a barrage of attacks on the premier for "just following the U.S." But unlike Blair, who has often been ridiculed as "Bush's poodle," the lioness-haired Koizumi has been spared any such nickname.

The Koizumi government enacted two new controversial laws to enable the Self-Defense Forces (SDF) to assist U.S.-led military operations in Afghanistan and Iraq. Under the first law, enacted in October 2001, only weeks after the 9/11, SDF naval vessels were sent to the Indian Ocean to support U.S.-led operations in Afghanistan, where the Islamic fundamentalist Taliban regime was ousted from power. Al-Qaeda remnants harbored by the Taliban, including the terror network's leader, Osama bin Laden, eluded the military dragnet and are still on the run. Under the second law, enacted in August 2003, the Koizumi government approved a plan to dispatch several hundred ground troops to Iraq at the end of that year. Several hundred Ground SDF troops have been deployed in Samawah, southern Iraq, on a humanitarian and reconstruction mission, including the purification of water and repair of schools and other infrastructure. And on Dec. 9, 2004, the government decided to extend the dispatch for another year. The decision came despite strong objections from opposition parties and amid growing concerns about the safety of the troops. Opinion polls released by news media have shown a majority of Japanese are against the extension.

The SDF camp has already become a target for guerrilla attacks, although there have been no casualties to date. Another factor fueling safety concerns is the Dutch government's plan to withdraw troops keeping the peace in Samawah and its surrounding areas in March. Iraq constitutes the most dangerous overseas mission for the 50-year-old SDF. Critics claim it clearly violates the post-war pacifist Constitution.

Elections for a new Iraqi national parliament, which will draft a new constitution, are scheduled for Jan. 30, 2005. Yet it remains uncertain whether the elections - a significant step in the U.S.-envisioned political process of bringing a viable, democratic government to Iraq - will be held on schedule. That's partly because of the deteriorating security situation and also because of an anticipated boycott by the bulk of the Sunni Muslim minority, which fears dominance of Iraqi politics by the Shiite Muslim majority. Sunni Muslims make up about 15 to 20 percent of Iraq's 23 million people. Any delay of the vote would deal a serious political setback for the Bush administration. Insurgent attacks against U.S. forces and Iraqi security forces as well as against those Iraqi people who are considered to be their collaborators are ongoing in many parts of the country. Until an Iraqi government that is capable of ensuring security is established, which the Bush administration hopes will happen by the end of 2005, the U.S. has no "exit strategy." The security condition in Samawah has so far been relatively stable, but any deaths among SDF personnel would certainly put Koizumi in the deepest political crisis of his nearly four years in office.

Japan-U.S. relations

The current state of Japan-U.S. relations is one of the best in history, backed by a personal friendship between Koizumi and Bush. Their chemistry seems really good. As Bush secured a second four-year term, which begins Jan. 20, 2005, by defeating Democratic challenger John Kerry in November's hotly contested presidential election, there will be no basic change in bilateral relations. But the departure of Secretary of State Colin Powell, a moderate, and Powell's deputy, Richard Armitage, an expert on Japan, could have subtle ramifications.

On the political and security front, the biggest and most-pressing task facing Japan is to reach an agreement as early as this coming spring on the realignment of U.S. military bases in Japan. The U.S. is reviewing the role of these bases as part of its military's worldwide "transformation." Perhaps, the role that the U.S. expects Japan to play will be that of a strategic hub to ensure stability in an "arc of instability." The arc stretches from Northeast Asia to the Middle East via Southeast and South Asia. Prime Minister Koizumi has advocated two principles for negotiating the realignment issue - maintaining the U.S. deterrent and easing of the burden on locals living near U.S. bases, especially

on the island of Okinawa. Nearly three-fourths of the 47,000 U.S. service members deployed in Japan, mostly Marines, are stationed in Okinawa.

But the Koizumi government needs to look beyond the bilateral facet of the realignment issue and take into consideration new threats such as terrorism and the proliferation of weapons of mass destruction, or WMD, if Japan is to maintain and strengthen its security alliance with the U.S. In December 2004, the Koizumi government adopted a new National Defense Program Outline to replace one adopted in 1995. It calls for a "multifaceted" and "flexible" SDF and upgrades overseas peacekeeping activities to one of the SDF's primary missions, along with defense against invasion by foreign forces and terrorist attacks. At the same time the Koizumi government eased a decades-old ban on arms exports, enabling Japan to export parts and components needed for the joint development and production of a missile defense system with the U.S. Contacts between the two countries on the MD system have been limited to technological research to date, but they are to be upgraded to development and production stages in the near future.

For a major trading nation like Japan, worldwide peace and stability is essential for its own growth, peace and prosperity. So what to do about terrorists, who are not bound by any national or geographic borders and do not care if their attacks claim the lives of innocent children and other civilians? Let's stop imagining what if these rogues acquire nuclear, chemical or biological weapons. The thought is too horrible. There must not be any "if" about the question of WMD. What the international community must do now is to work closely together to reduce the possibility of a nightmare scenario to zero.

On the economic front, bilateral relations are expected to remain generally stable as well. Trade wars between the world's No. 1 and No. 2 economies, against the backdrop of huge trade surpluses in Japan's favor, are now a thing of the past.

The focus of U.S. attention has clearly been shifted from Japan to China, an increasingly ascendant economic power already ranked as the world's seventh in terms of gross domestic product and racking up an annual trade surplus with the U.S. of well over 120 billion dollars, about double the Japanese surplus with the U.S. Perhaps, the only trade dispute to be resolved in 2005 will be over American beef. Japan has imposed a ban on imports of American beef since the first discovery of mad-cow-disease case in the U.S. Although Japan agreed in the autumn of 2004 to resume imports of beef from American cows 20 months old or younger, which are believed to be safer than the older ones, as early as the spring of 2005, technical problems remain to be solved.

To be sure, Japan's share of the overall U.S. trade deficit is much lower than in the 1980s, when it stood at well over 50 percent. But it is still the second only to China's. Therefore, if Japan resumed a

round of yen-selling and dollar-buying to support domestic export-reliant companies, as it did from 2003 to early 2004, it would undoubtedly draw fire from U.S. industry, even though the primary target of U.S. ire over currency issues will continue to be directed at China's undervalued yuan.

Middle East

For Japan, which is dependent on the Middle East for nearly 90 percent of its oil, peace and stability in the volatile region is crucial for its own economic growth.

The "road map" worked out by the so-called quartet - the U.S., the European Union, Russia and the United Nations - to achieve the peaceful coexistence of Israel and Palestinians has hit a snag. But the November 11 death of Palestinian leader Yasser Arafat generated fresh hopes for a breakthrough in the stalled peace process. The Bush administration and the Israeli government of Prime Minister Ariel Sharon deemed Arafat as the biggest obstacle to progress, accusing him of backing terrorist attacks against Israel. Elections to choose a successor to Arafat is planned on Jan. 9, 2005. Interim Palestinian leader Mahmoud Abbas, a moderate, is favored to win the elections. The Bush administration has failed to win much support among the Arab world for its war in Iraq and for its program to bring democracy to the Middle East because of the perceived lack of progress in settling the Israeli-Palestinian conflict.

An international conference proposed by British Prime Minister Blair for the Middle East peace will be held in London in early March 2005. Japan should seize the moment to play a role, too. Foreign Minister Nobutaka Machimura plans to visit the region sometime in January, immediately after the Jan. 9 Palestinian vote. It is a good sign that Japan is now committed to the Middle East peace process more firmly than ever before.

North Korea and Iran

In his State of the Union address in early 2002, President Bush labeled North Korea part of an "axis of evil," along with Saddam Hussein's Iraq and Iran. The U.S.-led forces toppled the Hussein regime only a few weeks after the start of the Iraq War in the spring of 2003 and captured him at the end of that year. Hussein's Iraq is already gone. So, which of the other two "evils" will be next?

At least for now, it seems very unlikely that the Bush administration will take a similar military action against North Korea or Iran anytime soon. The Bush administration is too preoccupied with Iraq and therefore has given a multilateral approach a chance to work. But it's anybody's guess what

will actually happen. There is growing speculation that hardliners, including Defense Secretary Donald Rumsfeld, will gain more power in the second Bush administration following the departure of Powell and Armitage, both moderates who advocate international cooperatism over unilateralism or preemptive strikes. Powell reportedly said on Dec.17 that diplomacy appears to be making headway toward ending the nuclear weapons programs of North Korea and Iran, lessening the need to repeat the use of force that toppled Hussein in Iraq. The outgoing secretary of state said he did not know of any American military action being contemplated against Iran. "Obviously, at the Pentagon they are always thinking about the unthinkable, but there are no military plans," he said in an interview with the Associated Press.

Three rounds of six-nation talks involving the U.S., China, Japan, Russia, South and North Korea have so far been held in Beijing since the summer of 2003 to defuse tensions over Pyongyang's nuclear ambitions. But the fourth round, initially scheduled for September, 2004, has been delayed, apparently because North Korea was waiting to see the results of the U.S. presidential election and the makeup of the second Bush administration. Kerry, the Democrat, advocated direct talks between Washington and Pyongyang, something Bush has vehemently rejected. If the reclusive communist state led by Kim Jong Il continues to drag its feet on dismantling its nuclear weapons program, then the Bush administration would more likely give up on the six-nation talks and seek to take Pyongyang to the United Nations Security Council for possible sanctions. Although the five countries in the six-way talks other than North Korea say they want a nuclear-free Korean Peninsula and that they hope for an early resumption of the talks, there are sharp differences among them. While China, a primary Cold War ally of North Korea, and South Korea insist on settling the dispute peacefully through dialogue, the U.S. and Japan stress the need for the combination of dialogue and pressure.

As for Iran, a regional power in the Middle East that has been controlled by clerics since the 1979 Islamic revolution and another country suspected of engaging in nuclear weapons development, a temporary deal was struck in November 2004 between it and the "big three" European countries - Britain, Germany and France. The agreement called for Iran to suspend the enriching of uranium. But Tehran insists that the freeze is voluntary and temporary. The Bush administration still wants to refer the Iranian case to the United Nations Security Council for possible sanctions. Depending on a turn of events, Japan's 2-billion-dollar Azadegan oil development project in Iran, struck in early 2004 despite strong U.S. discontent, may be affected.

Aside from nuclear issues, Japan has yet to resolve the issue of Japanese nationals abducted by North Korean agents. Prime Minister Koizumi made two whirlwind trips to Pyongyang - first in September 2002 and again in May 2004. During his first summit with Koizumi, Kim admitted that North Korean agents had abducted some Japanese in the 1970s and 1980s. Pyongyang continues to

insist that of the 13 Japanese it abducted, eight later died. But it has failed to provide convincing proof of these deaths. Japan suspects that some of the eight may still be alive. The other five abductees were allowed to return to Japan shortly after the first Koizumi-Kim summit.

Calls for sanctions against Pyongyang have been further fueled by the case of Megumi Yokota, one of the eight abductees whom Pyongyang claims already died. North Korea handed a Japanese delegation what it claimed to be the remains of Yokota in November 2004, but Japanese DNA analysis found that they are not Yokota's. She was a 13-year-old junior high school student when kidnapped in 1977. The findings that Pyongyang handed over someone else's ashes stirred an outcry in Japan, with a newspaper opinion poll showing about three-fourths of Japanese people now favor sanctions. While showing understanding of Japan's anger over the abduction issue, South Korean President Roh Moo Hyun told Koizumi in a meeting in Kagoshima Prefecture on Dec.17, 2004 that Japan should be cautious about resorting to sanctions. There are concerns in South Korea - and even in the U.S. - that if Japan slaps sanctions on North Korea, Kim would use the act as a pretext for refusing to hold a new round of six-way talks.

China

Sino-Japanese relations have ebbed and flowed since being normalized in 1972. Now they are said to be "hot in business but cool in politics."

On the economic front, two-way trade is booming, with volume breaking record highs every year. Japanese investment in China has also been on the increase, especially since the Communist party-ruled country of nearly 1.3 billion people acceded to the World Trade Organization at the end of 2001. China, already the world's seventh-largest economy in terms of gross domestic product, is continuing to grow at a breakneck pace. China has already replaced the U.S. as the largest exporter to Japan. Now it is just a matter of time -- probably several years -- before China supersedes the U.S. as the largest importer of Japanese goods. China is already a main engine of Japanese economic growth, along with the U.S.

But on the political front, bilateral relations remain frosty, with no sign of thaw on the horizon, even after Koizumi met separately with Chinese President Hu Jintao and Premier Wen Jiabao in November on the fringes of international conferences. There have been no mutual visits by top leaders of the two countries since the autumn of 2001. Among other irritants is Koizumi's repeated visits to Tokyo's Yasukuni Shrine, where 14 World War II Class-A war criminals, including former Prime Minister Hideki Tojo, are enshrined along with the country's 2.5 million war dead. Another is a Chinese gas project in the disputed waters in the East China Sea near the so-called median line,

which was drawn by Japan but has not been recognized by China. The line is meant to separate the two countries' exclusive economic zones, or EEZs. The disputed Senkaku Islands, or the Diaoyu Islands in Chinese, are located on the Japanese side of the median. Only days before Koizumi's talks with Hu and Wen, a Chinese nuclear submarine intruded into Japanese territorial waters. Anti-Japanese sentiment among ordinary Chinese is also growing, as illustrated by the outburst of such sentiment during the Asian Cup soccer tournament in China in the summer of 2004. For many years, China has increased its military spending at a double-digit pace and stepped up naval and research activities in the waters around Japan. According to a survey released by the Cabinet Office on Dec. 18, 2004, the percentage of Japanese people who have friendly feelings toward China plummeted to a record low of 37.6 percent, while the percentage of those who do not climbed to 58.2 percent. Against this backdrop, calls for an end to China-bound Japanese official development assistance, or ODA, have been growing in recent years. On Dec. 16, Japan announced a decision to issue an entry visa to former Taiwan President Lee Teng-hui, who is scheduled to make a sightseeing trip to central and western Japan from the end of the month through the New Year's holidays. Beijing, which regards Lee as a leader of Taiwan's independence movement, protested to Tokyo over the decision.

It remains to be seen whether the two countries will make headway toward having at least a little bit warmer political relations, if not hot ones like in business. Holding the key to the development of bilateral ties in 2005 is the Yasukuni issue. Koizumi is expected to visit Yasukuni Shrine again. He will no doubt carefully choose the timing for the visit out of consideration to Beijing. The question is whether he will take any steps aimed at minimizing an anticipated Chinese anger, such as changing the style of the shrine visit.

Russia

Russian President Vladimir Putin is expected to make an official visit to Japan sometime this coming spring, his first since the autumn of 2000. The trip is to be preceded by mutual visits by their foreign ministers. The long-standing territorial dispute over islands off northeastern Hokkaido has prevented Japan and Russia, both members of the Group of Eight (G-8) major countries, from concluding a peace treaty formally ending World War II hostilities. The islands in question are the Etorofu, Kunashiri and Shikotan Islands plus the Habomai islet group, which were all seized by Soviet troops in the closing days of World War II.

Putin and Koizumi met in late November on the sidelines of the Asia-Pacific Economic Cooperation summit in Santiago, Chile. But they failed to narrow their differences over the territorial row. Any

breakthrough in the deadlocked negotiations on the islands dispute appears very unlikely during the Russian leader's planned Japan visit.

Putin has drawn international criticism recently for his increasingly autocratic governing style. He has stepped up his drive for centralization of power by changing legislation to enable him to effectively appoint local government leaders, who previously had been directly elected. He has cracked down on businesses deemed to be supporting anti-Putin forces, like oil company Yukos, which is now on the brink of bankruptcy. He also has muzzled media organizations that are not considered to be pro-Putin.

Putin's hard stance has extended across the Russian border and reached as far east as Japan. Since shortly before meeting Koizumi in Santiago, Putin has made it clear that Russia will seek an early conclusion of a peace treaty with Japan by returning only the Shikotan Island and Habomai islet group - the two smallest of the disputed four islands - based on its own interpretation of the 1956 Joint Declaration, a document that normalized bilateral diplomatic ties 48 years ago. This new stance sparked resentment in Japanese political circles. Previously the Russian leader, who took office in early 2000, had held onto the position of his predecessor, Boris Yeltsin, that the territorial dispute should be resolved based on the 1993 Tokyo Declaration, which calls for a settlement to the dispute based on the principles of "law and justice." The 1993 document names all the islands in question and states that a peace treaty should be signed after the sovereignty issue over them is resolved.

The apparent hardening of Russia's stance may require Japan to conduct a sweeping review of its hitherto conciliatory Russia policy. At the 2005 annual G-8 summit, to be hosted by Britain in the summer, the environment and assistance for Africa are expected to top the agenda. In 2006, Russia will host a G-8 summit for the first time. It may be necessary for Japan to try and join hands with the U.S. and European G-8 members to urge Russia to reverse course and pursue true democracy that fully understands and respects international norms. Freedom House, the U.S.-based nongovernmental organization, said in its annual study, Freedom in the World 2005, on Dec.20, 2004 that Russia has restricted rights to such an extent that it has joined the countries that are not free for the first time since the 1991 fall of the Soviet Union. "This setback for freedom represented the year's most important political trend," it said. The G-8 countries are supposed to be bound together by common values of democracy, freedom, respect for human rights and market economy.

UNSC reform

Japan will serve a two-year term as a nonpermanent member of the United Nations Security Council starting in January. Japan is not unhappy with the post, which it has held eight times before, the most

among U.N. members, of course. But what the country really wants is permanent council membership.

Debate on reform of the council will come to a head in the autumn of 2005 when the U.N. commemorates its 60th anniversary and a special summit of U.N. member countries is planned. The following year marks the 50th anniversary of Japan's admission to the world body. Of the 15 council members, five are permanent members with veto power -- the U.S., Russia, Britain, France and China. The remaining 10 seats are held by nonpermanent members and allotted regionally. Reform of the council has been discussed since 1993 by a special task force set up under the U.N. General Assembly. But there has been no significant progress to date. Japan is the second largest contributor to the U.N. budget after the U.S., shouldering nearly 20 percent, a percentage higher than that of the combined financial contributions of the other four permanent council members. Any change in the makeup of the UNSC would require revisions to the U.N. Charter, a difficult process that can be realized only after getting the green light from a two-thirds majority of about 190 U.N. member countries. It would also have to get by the veto-wielding five permanent members.

The High-Level Panel on Threats, Challenges and Change, an advisory panel to U.N. Secretary General Kofi Annan, released a report at the end of November, 2004, that contains two options for expanding the UNSC. One calls for increasing the number of permanent members to 11, from the current five, and also the number of nonpermanent seats to 13, from the current 10. Japan is not 100 percent happy with the proposal because it would not grant veto power to new permanent council members. But it is better than the other proposal, which would only create eight new semi-permanent seats -- also with no veto power -- and increase the number of nonpermanent seats by one. The total number of council members would be the same, 24, under either proposal.

FTA and WTO

Bilateral and regional integrations, especially in the form of free-trade agreements (FTAs), have popped up all over the world since the early 1990s. They include the North American Free Trade Agreement (NAFTA), the European Union (EU) and Mercosur. The Free Trade Area of the Americas (FTAA), encompassing all 34 Western Hemisphere countries but Cuba, is to be launched at the end of 2005. In East Asia, too, many countries are now actively pursuing FTAs with countries in and outside the region. Japan is no exception. It concluded its first FTA, with Singapore, in 2002. It signed its second FTA, with Mexico, and also reached a basic FTA deal with the Philippines in the autumn of 2004. FTAs with Thailand, Malaysia and South Korea are also expected to be reached in 2005. Japan is to open FTA negotiations with all of ASEAN in April 2005. There is even talk of forging an FTA encompassing "ASEAN Plus Three" -- the 10-member Association of Southeast

Asian Nations plus Japan, China and South Korea -- sometime in the future. The ASEAN Plus Three agreed at a summit in Vientiane, Laos, in late November 2004 to hold the first "East Asian Summit" in Malaysia in December 2005, a significant first step toward creating an East Asian Community with a communitywide FTA as one of its main pillars. Japan needs to take the initiative to further accelerate this new development in the region while at the same time playing a greater role in bringing a successful conclusion to the current round of global trade liberalization talks under the WTO at an earliest possible date.

(MASAKI Hisane is Director of Research at The Japan Forum on International Relations)