

Citation for published version

Lopez Vidal, L. [Lluc] (2022). Beyond the Gaiatsu Model: Japan's Asia-Pacific Policy and Neoclassical Realism. *Journal of Asian Security and International Affairs*, 9(1), 26-49. doi: 10.1177/23477970221076641

DOI

<http://doi.org/10.1177/23477970221076641>

Handle

<http://hdl.handle.net/10609/147569>

Document Version

This is the Accepted Manuscript version.

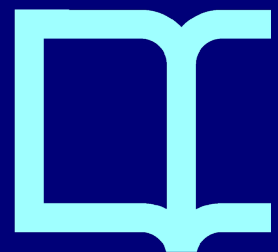
The version published on the UOC's O2 Repository may differ from the final published version.

Copyright and Reuse

This manuscript version is made available under the terms of the Creative Commons Attribution Non Commercial No Derivatives license (CC-BY-NC-ND) <http://creativecommons.org/licenses/by-nc-nd/4.0>, which allows others to download it and share it with others as long as they credit you, but they can't change it in any way or use them commercially.

Enquiries

If you believe this document infringes copyright, please contact the UOC's O2 Repository administrators: repositori@uoc.edu



Beyond the *gaiatsu* model: Japan's Asia-Pacific policy and Neoclassical Realism

Lluc López i Vidal¹

Abstract

Literature has tended to characterize Japanese foreign policy as primarily reactive to US interests, with many analyses focusing on aspects such as the *gaiatsu* or US pressure on Tokyo. Some analysts go further and depict Japan as a “reactive state” with a foreign policy characterized as passive, risk-avoiding, ineffective and lacking of assertiveness. Accordingly, changes in Japanese diplomacy occur as a response to international stimuli rather than to domestic needs. However, while outside pressure is crucial in accounting for Japan's foreign policy, approaches based solely on the *gaiatsu* “reactive state thesis” fail to provide a full explanation of Japan's behavior, particularly, in the promotion of regional initiatives. This article studies Japan's post-Cold War Asian regional policy and shows that its Asia-Pacific strategy cannot be explained as merely a reactive policy with a tendency to concede to US pressure. We aim to fill this gap by adopting a Neoclassical realist approach that incorporates *gaiatsu* and their interplay with intervening variables at the individual and domestic levels. We demonstrate that domestic political actors have played a primary role in defining Tokyo's Asia-Pacific policy choices, and argue that Japan has pursued a relatively independent regional strategy vis-à-vis the US in the post-Cold War period.

Keywords

Gaiatsu; Japanese foreign policy; American pressure, Neoclassical realism.

¹ Associate Professor at the Department of Law and Political Science, Universitat Oberta de Catalunya, Barcelona, Catalonia, Spain;

Introduction

In its foreign relations, every nation is constrained by the pressure or demands that other actors -states, international organizations, alliances and markets- exert on its politics, economics, trade or security. In some cases, this external pressure produces evident changes in a nation's foreign policy; in others, it is the origin of major resistance for change within the domestic arena, and national alliances are formed to resist (or accommodate) those external demands. This has been the case of some middle powers like Norway, Finland, Taiwan, South Korea or Austria that have pursued a reactive strategy towards other great powers such as the US, China or Russia. Paradoxically, it is also the case of Japan. Considering the size of its economy, its demographics and its nature as a trading union, Japan possesses all the traits of a great power, yet it behaves like a middle power with elements of a reactive foreign policy. Japan's foreign (and domestic) policy have been highly influenced by outside pressure to the extent that some observers state that changes in Japanese politics occur as a response to the international community rather than to domestic stimuli (Hirata, 2001, p. 92). As pointed out by Mulgan (1997), this behavior is the result of the historical legacy of war, Japan's subsequent sensitivity to foreign criticism, and fear of isolation for an economy dependent on external markets. Beyond a historical approach, how can we understand the relevance of foreign pressure in the Japanese context?

Scholarly debates (Blaker, 1993; Calder, 1988; Mikanagi, 1996; Orr 1990; Schoppa, 1993 and 1997; Yasutomo, 1995) have focused on the concept of *gaiatsu* (or "foreign pressure"),² a recurring term used to describe a tendency within Japanese policymaking process to blindly react to external pressure, particularly to that of the US. The asymmetric economic and security dependency of Japan to the US (Miyashita, 1999) justifies some decisions under the "Americans made us do it" argument, bypassing Tokyo's agency and responsibility (Cooney, 2006, p. 134) in a vast array of issues from trade, economic diplomacy, foreign-aid and its Asia-Pacific regional policy. According to this model, foreign pressure is treated as a structural determinant conditioning Japan's choices on major domestic and foreign policy matters.

In one of the first attempts to elaborate an accurate approach to the *gaiatsu* model, Calder (1988, p. 519) incorporated international and domestic variables³ and proposed the so-called "reactive state thesis". This approach suggests that Japan does not undertake independent initiatives in foreign policy, rather, it merely reacts to pressure exerted by foreign powers, and particularly to the US requests for change. As stressed by Calder (1988, p. 518), "the impetus to policy change is typically supplied by outside pressure, and reaction prevails over strategy". Despite disagreements regarding whether the "reactive state thesis" should be applied to explain Japanese economic foreign policy or to the field of politics and security (Hirata, 2001), the model stresses the absence of

² The Japanese word *gaiatsu* (外圧, a compound formed from 外 *gai* meaning "outside" and 圧 *atsu* meaning "pressure") refers to the pressure exerted on Japan by external actors, and the *beitsu* (米, *bei* meaning "the US") to conceptualize the specific US pressure. Nevertheless, we use its more well-known form *gaiatsu* to refer to the pressure exerted by the US in particular, since it is the concept generally accepted by academics and the media. In this article, we use the former to refer to "foreign pressure" or "American pressure" as a *gaiatsu*.

³ For Calder (1988), Japan's singularity, beyond its nature as "defeated" country, lies in its domestic system, particularly the factionalism within the Liberal Democratic Party, the strong role of bureaucracy and a weak executive authority. For further study on the topic, see Berger et al. (2007).

initiatives and assertiveness, and points at changes in Japanese foreign policy occurring as a response to the international community rather than to domestic needs. As stated by Hirata (1998) for reactivists, Japan's foreign policy is depicted as a passive, risk-avoiding, ineffective and flexible⁴ diplomacy. Blaker (1993) goes even further by claiming that Japan's foreign policy is "minimalist", and following a "coping approach has become jarringly inappropriate to Japan's vastly expanded, international presence today". Not unlike karaoke, the US writes the lyrics of the music, and Japan can only opt to sing a determined background music (Inoguchi, 2016).

Regarding Japan's Asia-Pacific policy, *gaiatsu* is the primary driver of change in Japan's choices regarding the promotion of regional initiatives in the region. Japan, as a reactive state whose policymaking is highly influenced by the US, makes decisions on regional cooperation by systematically aligning itself with Washington's interests. Some scholars go even further and argue that the US has employed a strategy of maneuvering Japan's Asia-Pacific regional policy to its own interests (Terada 2011, p. 141). The Japanese Government hence does not act, but instead reacts to Washington's pressure, subordinating its own national interest to that of the US (Black, 2017).

Although we do not deny the relevance of foreign pressure in explaining changes in Japan, with few exceptions (Samuels, 2003; Sherrill, and Hough, 2015; Zakowski et al. 2018), analyses of Japan's foreign policy have overestimated the relevance of the *gaiatsu* as determining changes in Japanese foreign policy. As we will demonstrate in this article, empirical evidence shows that in the last 30 years Japan has undertaken some initiatives in its Asia-Pacific policy that manifest a more independent attitude toward the international community, and specifically, vis-à-vis the US. With the lessening of ideological hostilities by the end of the Cold War and the consequent spread of economic liberalization, Japan has shown a growing interest in establishing regional cooperation initiatives in which Tokyo could reap the benefits of the region's economic dynamism, take a leadership role and, not less importantly, either advocate or refuse US participation. Accordingly, in this article we will attempt to answer whether the *gaiatsu*/"reactive state thesis" offers a comprehensive account of Japan's current foreign policy. Can external pressure be said to be the independent variable that explains Japan's Asia policy? And to what extent are Japan's Asia policy decisions determined by the *gaiatsu*/"reactive state thesis"?

In this article, we argue that analyses framed within the *gaiatsu* and the "reactive state thesis" fail to capture the full complexity of the variables that underpin the choices made by Japan in its involvement in certain projects, particularly in the region of Asia-Pacific. To do so, we will appraise Japan's Asia-Pacific policy using an analytical approach based on the tenets of Neoclassical realism and utilizing the concept of *gaiatsu*. Through a careful case-study analysis of Japan's regional policy, Neoclassical realism will allow us to consider both systemic factors and their interplay with intervening variables at the individual and domestic levels, and we will show that Japan has, in fact, pursued a relatively independent regional strategy vis-à-vis the US in the post-Cold War period.

This article begins by proposing a framework of analysis based on Neoclassical realist tenets and goes on to assess the period from the creation of Asia-Pacific Economic Cooperation (APEC) in 1989, to the proposals to establish the Trans-Pacific Partnership (TPP), and finally, Trump's decision to withdraw from that agreement in 2017. In doing

⁴ For Calder it is precisely its flexibility what explains Japanese ability to accommodate outside pressure (Chang, 2014, p. 36).

so, the role of *gaiatsu* is re-evaluated through the intervening variables developed in the model. The article concludes with some final considerations.

Limitations of the “reactive state thesis”: A Neoclassical realist approach to Japanese foreign policy

Analyses of the factors that account for states’ foreign policy decisions have typically been formulated within the agency–structure debate, a dichotomy found in International Relations and other Social Sciences that divides authors into two camps, embracing either domestic agency or international structures (Wendt, 1987; Carlsnaes, 1992 and Bynander and Guzzini, 2013). On the one hand, for most neorealists (Waltz, 1993; Schweller, 1992; Walt, 2002, and Mearsheimer, 2001), foreign policy is driven exclusively by external shocks and by states’ relative material capabilities within the structure of the international system. Domestic variables are regarded as subordinated to systemic factors. At the other end of the theoretical spectrum, neoliberals (Keohane and Nye, 1977, and Moravcsik, 1997) and constructivists (Wendt, 1992; Katzenstein et al., 1996) contend that agency factors are critical to explanations of states’ foreign policy behavior. Whereas neoliberals emphasize the institutions in which states are embedded and acknowledge the role of ideational factors, constructivists stress the role of the latter, mainly norms, political values, and the intersubjective construction of meaning.

Following this debate, one of the fundamental questions posed in the literature on Japanese foreign policy concerns precisely the impact of the international system on domestic actors. In seeking to determine the extent to which external pressure has brought about changes in domestic politics, the term *gaiatsu* has been widely used in both academia and the media from the 80’s to describe the reactive nature of Japanese foreign policy and the country’s dependence on the US (Calder, 1988; Orr 1990; Mikanagi, 1996; and Schoppa, 1997). Although foreign pressure might be assumed to be a common variable in any state’s foreign policy, in the case of Japan, US pressure is considered to be the independent variable that underpins all major foreign policy decisions. In other words, for some analysts, *gaiatsu* is the only important *explanans* of Japanese foreign policy, the overarching factor that determines most decisions.

In 1988 Calder developed the concept of “reactive state”, an approach based on the argument that Japanese Foreign Policy tends to react to external pressure, and specifically to the demands of the US, which are considered the most influential source of foreign policy making. As a consequence of this reactive behavior, Calder noted that Japanese foreign policy tends to be erratic, unsystematic, and often incomplete. Albeit having the capacity to become a major power, Japan has been a reactive state, and especially deferential to US *gaiatsu* (Hirata, 1998: 5). However, trying to escape the agency–structure debate, Calder attributed Japan’s reactivity to features of Japan’s domestic politics, which he examined in considerable detail, such as a decentralized decision-making mechanism, weak premiership, the role of a strong bureaucracy.

While the “reactive state thesis” is helpful in explaining the relevance of the *gaiatsu* and it captures the idea that the US is a major variable influencing Japan's foreign policy, it presents some weaknesses, which have been described by some authors as a lack of “methodologically rigorous analysis” (Hirata, 1998, p. 6). We can identify at least five major weaknesses. Firstly, the “reactive state thesis” tends to consider the *gaiatsu* from the US as constant in their relationship, ignoring the fact that the US does not exert pressure “where there are no high stakes for Washington” (Hirata, 1998, p. 7). As it will be explained in detail in the second part of this article, those theses simply disregard some initiatives lead by Japan during the period. Secondly, and in an opposite perspective from

the previous one, Japan has been accused by Washington during the Cold and Post-cold War of being a free-rider on security issues. The US's complains about Japan relative inaction in the security realm in cases such as the Vietnam War or the first and the second Gulf Wars differs from the idea that Japan was acting following the imperatives of the US. Thirdly, the "reactive state thesis" was conceived to understand the Cold War period, a time where the *gaiatsu* was especially intense due to the role of the US as a security provider. However, in the post-Cold War era, Japan has launched and sponsored cooperation projects which occasionally excluded the US, as we will see when we look at the ASEAN Plus Three, ASEAN Plus Six or RCEP (Regional Comprehensive Economic Partnership). Fourthly, although Calder takes into account the domestic elements of foreign policy, *gaiatsu* has been understood as a result rather than a process. The Neoclassical realist model is an attempt to understand the *gaiatsu* as an element of a complex process. Finally, Calder does not systematize the "reactive state thesis", remaining at the end an underdeveloped concept. Therefore, further operationalization of the concept and methodologically rigorous analysis are needed. To this end, neoclassical realism is a powerful tool, as it will be explain in the following section.

Neoclassical realism: a new approach to interpreting Japanese foreign policy

An accurate assessment of the role of *gaiatsu* in determining Japan's Asia-Pacific regional foreign policy requires a framework of analysis that, beyond attributing explanatory value exclusively to either international or domestic factors, is capable of gauging the degree of influence emanating from both these dimensions. The tenets of Neoclassical realism prove useful when assessing the factors that constrain Japan's foreign policy behavior and help overcome the shortcomings of neorealist analysis. The term Neoclassical realism was coined by Gideon Rose in an article published in *World Politics* (1998, p. 146) to designate an approach to foreign policy analysis that aimed at overcoming the limitations of structural realism, which in the last decade of the century had failed to explain major international events driven primarily by domestic factors, including the end of the Cold War (Kitchen 2010, p. 118). Within the interparadigmatic debate that sought to reconcile neorealist tenets with the realm of domestic politics, proponents of Neoclassical realism argued that neither purely structural (Waltz, 1993) nor liberal or constructivist approaches (Moravcsik, 1997 and Wendt, 1999) — *Innenpolitik* theories— were able to fully explain the bulk of world politics. In this regard, Rose (1998, p. 152) considers Neoclassical realists to "occupy a middle ground between pure structural theorists and constructivists." Yet, unlike eclectic approaches (Katzenstein and Sil, 2004) that searched for explanations across paradigmatic boundaries and levels of analysis, Neoclassical realism builds upon and shares many of the assumptions of structural realism, such as the primacy of the international system.

However, moving beyond the parsimonious assumptions of structuralism, Neoclassical realism tempers the rigid notion of external determinism and rejects the idea of a direct and "smoothly functioning" transmission belt (Rose, 1998, p. 154). Its proponents argue that external stimuli influence policy outcomes through unit-level intervening variables, such as key decision makers' perceptions of the systemic stimuli. In short, while Neoclassical realism does not deny that international stimuli are the most important factor shaping any foreign policy, it considers that those external inputs are not automatically converted into outputs. As stated by Zakowski et al. (2018, p. 4) "it is not insignificant who the main decision-makers are, what groups they represent, what powers they possess, which values they embrace, and, finally, through what institutional lenses they perceive and define the national interests." An array of domestic factors such as

elites, government types, political culture, perceptions act as “filters or prisms that distort and modify external stimuli” (Zakowski et al. 2018, p. 4)

Our analysis of Japan’s Asian regional policy builds upon the work of Ripsman, Taliaferro, and Lobell (2016). In an effort to postulate Neoclassical realism as a theory of international politics, these authors put forward some theoretical and methodological propositions that contribute to the understanding of *gaiatsu*’s impact on Japan’s policy choices and its relative significance in different international contexts (see Figure 1). Their work suggests grouping the myriad of possible intervening variables into four distinct clusters: leader images and perceptions, capturing the psychological and cognitive parameters of leading decision makers; strategic culture, which reflects the organizational and ideational parameters that shape the strategic understandings of leaders, elites, and even society as a whole; state-society relations, which accounts for the interactions between the central institutions of a state and external stakeholder groups; and domestic institutions, which places the focus on formal institutions, organizational routines and processes, and bureaucratic oversight. This categorization allows us to establish a clear link between the intervening variables and the different elements and actors involved in Japan’s domestic political process.

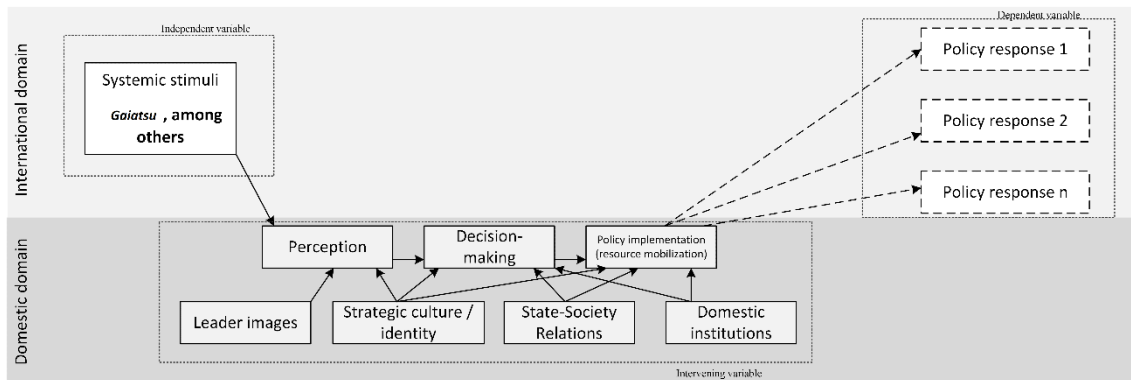


Figure 1. Neoclassical realism and *gaiatsu* in Japan’s regional strategy.⁵

In our view, Ripsman, Taliaferro, and Lobell’s Neoclassical realist model can contribute to understand how a systemic stimulus such as *gaiatsu* can have different degrees of impact on policy choices, depending on the international context at a given moment. According to these authors, looking at certain contextual parameters that modulate the independent variable can inform researchers as to which clusters of intervening variables are likely to be relevant in a particular case. Among such parameters, the authors highlight the nature of threats, opportunities and policy options that arise within the international system—what the authors call the permissiveness of the strategic environment—as well as the degree of clarity with which the system reveals them (Ripsman, Taliaferro and Lobell, 2016, p. 52-5). In that regard, it can be considered that during the Cold War, Japan encountered a highly restrictive strategic environment with high systemic clarity. Conversely, the post-Cold War period presents a more

⁵ Based on Ripsman, Taliaferro, and Lobell (2016).

permissive strategic environment, although developments such as the rapid rise of China have contributed to increased uncertainty about the nature of new threats and opportunities (i.e., lower clarity). In this period, any of the four clusters could be relevant, according to the model put forth by the authors.

Our Neoclassical realist model builds on the premise that certain dynamics of Japanese politics, such as the competitive struggle between bureaucracy and political power or interministerial conflicts, have not changed substantially throughout the periods covered by our analysis. As it will be discussed throughout the case studies, the clusters of leader images and domestic institutions have played a prominent role in setting the course of Japan's Asian regional policy. Japanese leaders have not only encountered frequent opposition from other domestic institutions; struggles and bargaining between different government agencies and ministries are also a key element in several of the cases. Nevertheless, the end of the Cold War revived debates about the country's identity, its place in the world, and its relationship with Asia, all of which are additional factors to take into consideration in the analysis of Japan's Asian regional policy in this later period. Each of the cases analyzed in this article carefully considers leading Japanese policymakers' perceptions and assessment of Tokyo's relative power position vis-à-vis a given Asian regionalism project or initiative, the role of domestic institutions, and Japan's strategic culture, in other words, collective expectations of a particular foreign policy issue.

As it will be shown in this article, Japan has not systematically yielded to US pressure in promotion or rejection of regional economic cooperation projects in Asia-Pacific. Rather, it has based its responses on debates generated within its own domestic institutions, on arguments raised by its own politicians, and on pressures brought to bear by its own domestic lobbies. *Gaiatsu*, as understood by neorealism, cannot fully capture the role of Japan's domestic interests and the motivations of its actors, as revealed in the case analyses of APEC, ASEAN Plus Three or ASEAN Plus Six. In other cases, as in ASEAN Plus One, *gaiatsu* does not explain Japan's attitude towards regional initiatives in Asia-Pacific. In this regard, the Neoclassical realist model does not only take into account the domestic variables -as Calder does- but it also concludes that those variables are relevant -intervenient- to the outcome of any foreign policy.

The end of the Cold War: APEC, from enthusiasm to failure

During the Cold War, the Asian regional order consisted of a system of alliances known as the "hub-and-spokes" system, an expression that evokes a metaphorical image of a wheel with the US at the center, linked by the spokes of various bilateral agreements with its regional allies: South Korea, the Philippines, Singapore, and Thailand (Ikenberry and Mastanduno, 2003). Asia differed from Europe in that, in the old continent, multilateral institutions were fostered on the basis of a sense of community and every effort had been made to integrate West Germany into those institutions. In Asia, by contrast, there was no security community, the states had no shared interests, and few attempts were made to establish regional organizations (Hemmer and Katzenstein, 2002).

Despite US reluctance to promote multilateral economic cooperation institutions *à la européenne*, this did not prevent Japan from instigating a series of economic cooperation initiatives in the 1960s, most notably the Pacific Trade and Development Conference (1968) and the Pacific Basin Economic Council (1968). However, it was not until the 1980s that Japan experienced its first real diplomatic success. In this case, the initiative taken by a leading politician such as Minister Ōhira Masayoshi was to prove

critical to the outcome of the project. Following presidential elections within the Liberal Democratic Party (LDP), Ōhira ousted Prime Minister Fukuda Takeo from office and proceeded to present to the leaders of the party's factions a plan in which he would refer to the Pacific Ocean as the "Pacific Basin", making the following statements: "[J]apan needs to maintain good relations with the US. [H]owever, just as the US pays special attention to Latin America, and West Germany to the EC, Japan needs to pay special attention to the countries of the Pacific region" (Hamanaka, 2009, p. 59). While Ōhira's words were ambiguous as to the inclusion of the US, by no means did he rule out the possibility of its involvement.

Once in office, Ōhira met the resistance of several domestic institutions, in particular, the Ministry of Foreign Affairs (MOFA). A number of officials from the Ministry even went as far as to delete any reference in the project to the possibility of US inclusion, while others expressed deep misgivings that the plan might harm Japan's interests in Southeast Asia (Hamanaka 2009, p. 59). The Ministry's defiance and the lack of support for Ōhira's plan forced the Prime Minister to present a final version of a project in which the government played no role. The revised project involved only companies and academics. This fierce resistance shown by the MOFA to a project in which the US was included seems to confirm the suggestion that *gaiatsu* was not the only factor in the formation of one of Japan's first regional projects.

In 1989, Japan recorded a fresh diplomatic success. Australian Prime Minister Bob Hawke proposed to his Japanese counterpart the setting up of a forum, the Asia-Pacific Economic Cooperation (APEC), to discuss economic and trade cooperation in the Pacific Basin. The benefits of a liberal order based on trade and economic cooperation between nations had previously been discussed during the Cold War in the fora mentioned above. On this occasion, however, three specific systemic stimuli would ensure these ideas matured into a political project (Beeson and Stubbs, 2012, p. 350-363). First and foremost, the initiative coincided with the end of the bipolar era. The founding premise of the project was to bring together the strongest economies of the Pacific Basin on the understanding that the end of the Cold War spelled a major change for the region, facilitating the transition from political and ideological rivalry to a new era of cooperation.

Second, the founding of APEC was possible because of the common interest of Japan, the US, and other countries in the region in unlocking the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) to prevent the imminent collapse of the multilateral trading system. Thus, the first APEC Heads of State Summit, held in Seattle in 1993, laid the foundations for the creation of a Pacific community to facilitate trade liberalization among its members. Finally, the consolidation of APEC was made possible by a certain amount of bandwagoning, in other words, betting on the horse that is likely to win. The momentum achieved by the European project thanks to the Maastricht Treaty of 1992 suggested that the new post-Cold War order would be marked by three large economic blocs: Europe, North America, and Asia-Pacific. The fear of an overly powerful Europe—the so-called "Fortress Europe"—prompted the creation of APEC as an institution with which to strengthen the Asia-America axis (Yeo and López i Vidal, 2008, p. 10).

Beyond the systemic stimuli that prompted Japan to react, a detailed analysis of Japan's role in the creation and subsequent evolution of APEC casts doubt on certain pre-established ideas regarding Japan's Asian policy, such as Japan's unflinching support for the US. As in any other country, foreign policy decision makers are not only housed in the MOFA; they are also to be found in the Ministry of Economy, Trade and Industry (METI or MITI before its reorganization in 2010), the Ministry of Finance (MOF), the

Ministry of Agriculture, Forestry and Fisheries (MAFF), and the Office of the Prime Minister. A number of studies of the jurisdictional conflicts between Japanese ministries have revealed the internal divisions that exist on foreign and trade issues (Grivaud, 2016). In the case of APEC, the MITI's initial proposal to its Australian counterpart was for the creation of a purely economic cooperation mechanism between Asian countries, but while this Ministry supported the idea of incorporating the US as a member, the MOFA was initially reluctant to do so. MOFA bureaucrats contended that its membership was, at the very least, unnecessary given that APEC was a forum exclusively for Asian nations. As Hamanaka (2011) points out, the inclusion of the US was not attractive from a diplomatic perspective. Eventually, and despite these interministerial disputes, the Japanese Government accepted US membership of APEC.

The first APEC Summit was held in Seattle, a clear indication of the will of President Bill Clinton's new Asia-focused US administration to negotiate the establishment of a free trade zone. This ambitious objective was institutionalized in the Bogor Declaration (1994), a commitment to achieving a free trade area for developed economies by 2010, and for developing economies by 2020. Beyond these broad objectives, APEC initially left the international community somewhat perplexed by its success in accepting as members two countries that failed to recognize each other—China and Taiwan—under the premise that the forum was composed of “economies” rather than states. By the mid-1990s, therefore, expectations ran high.

The splitting of APEC into two groups and its inability to address the 1997 financial crisis account for its failure in the late 1990s. From the outset, APEC reflected two distinct approaches to Asian regionalism, epitomized by a group of pro-Western countries on the one hand, and a group of pan-Asian countries on the other. The pro-Western countries took the view that APEC should become more than just a talk shop or an organization to pose for group photos and follow a results-oriented strategy in pursuit of trade liberalization, even if this involved forcing its members to adopt certain decisions in the name of general interest. In contrast, a number of pan-Asian countries, including Japan and Malaysia, sought to create a forum based on a consensus decision-making mechanism. In so doing, they wished to prevent those countries with more sensitive economies from being forced to take actions against their national interests. Japan's initial inclusion in a group different to that of the US demonstrates that the post-Cold War interests of the two have not always coincided.

Failure of Mahathir's East Asia Economic Caucus

Although APEC had not been created to provide solutions to financial troubles, a systemic stimuli such as the severe crisis that struck Southeast Asia in 1997 and APEC's inability to avert the economic downturn led to a generalized belief that APEC was devoid of content. In view of its perceived failings, most APEC members started to seek alternatives, which were to emerge in the form of the East Asia Economic Caucus (EAEC), and the Association of Southeast Asian Nations (ASEAN) Plus One, ASEAN Plus Three, and ASEAN Plus Eight. We proceed by analyzing each of these in turn.

In December 1990, Malaysia's Prime Minister Mahathir proposed the creation of the EAEC, a free trade zone between ASEAN members plus China, Japan, and Korea, deliberately excluding the US. For Mahathir, the success of the project relied primarily on the role played by Japan as regional leader. For Japan, leadership meant it could dominate a critical area for its exports, while, for the ASEAN countries, Japanese

involvement in the region was seen as a means of gaining a voice, albeit an indirect one, at G7 meetings, with Japan acting as an advocate for Asian interests. The US, however, was not interested in the project and applied the *gaiatsu* to ensure it did not get off the ground. As Secretary of State, James Baker openly stated, “In private, I did my best to kill [the EAEC]... without strong Japanese backing, [the EAEC] represented less of a threat to [America’s] economic interests in East Asia” (Doidge 2011, p. 129). Although the failure of Mahathir’s proposal has typically been attributed to US belligerence and *gaiatsu*, China’s lack of enthusiasm for the project and disagreements between Malaysia and Indonesia were equally to blame.

Despite its failure, all the parties involved were fully aware of the political dimension of the Caucus, especially Japan. However, if we look at the fourth cluster of the model (domestic institutions), it was precisely this disparity between the political and economic costs and benefits that prevented Japan from leading the initiative. For some bureaucrats and politicians—especially in the MOFA and among the members of the LDP—the EAEC was a highly attractive proposal, since it afforded Japan direct contact with the members of ASEAN. Yet, the METI argued that the EAEC threatened the interests of a trading nation like Japan, especially as it excluded its main trading partner, the US.

In addition to these interministerial disputes, changes in Japanese domestic politics generated opposing views on the matter. In 1993, the LDP, founded in 1955, lost power for the first time in its 38-year history, due to a seven-party coalition led by Hosokawa Morihiro. While conservative candidate Miyazawa (LDP) claimed he would only accept an EAEC that was part of the APEC process, the newly appointed Prime Minister Hosokawa (Japan New Party) and his successor, the socialist Murayama Tomiichi, both welcomed the project.

Although the Japanese Government eventually opted not to support the EAEC on the grounds that it constituted a trade bloc against the US, a detailed analysis shows that the importance attached to *gaiatsu* is often overestimated (Terada 2010; Hamanaka, 2011). Looking at the second (strategic culture) and fourth cluster (domestic institutions), disputes between competing ministries and bureaucrats demonstrate that US membership was not accepted equally by all the actors in the Japanese political system. In some cases, the reasons for these disputes lay in the disparity of economic interests linked with the different projects (clearly manifest in the disparate reactions of the MOFA and the METI); in others, they reflected fierce internal struggles between bureaucrats. But whatever the case, there is no clear pattern regarding the influence of *gaiatsu* on the outcome of all these projects. This pressure, though undoubtedly present throughout the period, has had different consequences, depending on the evolution of disputes between Japan’s domestic actors.

Hashimoto Doctrine: from ASEAN Plus One to ASEAN Plus Three

Following Mahathir’s failed attempt to create an ASEAN-like economic space, a closer analysis at the first (leaders images), second (strategic culture) and fourth cluster (domestic institutions) reveals the interest of different actors (leaders, ministries and agencies) involved in the design of Japanese regional policy to seek out new projects, most notably ASEAN Plus Japan and ASEAN Plus Three. In the case of this first initiative, in the mid-1990s, and with the return to power of the LDP (1994), the Hashimoto Ryūtarō administration showed an interest in forging a new mechanism of bilateral intra-regional cooperation—involving an international organization and a

state—and proposed the creation of ASEAN Plus Japan (Yeo and López i Vidal, 2008). According to the Hashimoto Doctrine, Japan should strive to lead a regional project under the ASEAN Plus Japan formula, that is, without the presence of such powers as China, the US and Russia (Government of Japan, 1997). In this forum, Japan would be able to engage in discussion with other powers on an equal footing. Interest in the project implied Japanese recognition of ASEAN as a major player in Asia and, at the same time, that the leadership of Japan was indispensable for ASEAN members to gain global recognition.

Despite Japanese enthusiasm for the project, several systemic stimuli (intra-regional and international factors) prevented ASEAN Plus Japan from establishing itself as a pivotal model for new Asian regionalism. As far as the individual actors were concerned, most ASEAN countries, aware of China's renewed role in the area, understood that the ASEAN Plus Japan formula threatened to antagonize China, and preferred to seek an alternative, more inclusive proposal. The Japanese Government, for its part, addressed US concerns about a project that deliberately excluded it by reassuring Washington that the 1997 meeting between ASEAN and Japan would place a clear emphasis on the new Japan–US–ASEAN security guidelines.

However, what eventually put a stop to the ASEAN Plus Japan project as a model for regional cooperation was the crisis that erupted in 1997 in Thailand before spreading throughout East Asia. There is a widespread belief that the Asian crisis gave rise to an unusual interest in regionalism in Japan; yet Japan's regional interests existed prior to the crisis, as we have already explained. Indeed, since the early 1990s, the country had considered leading several projects, with or without the implicit approval of the US. The Asian crisis, however, acted as a catalyst, forcing the region's countries to act in a more coordinated fashion.

Initially, the need for Japan and the EU to prepare a common agenda for discussion at the then newly-established Asia–Europe Meeting (ASEM, 1996) called for prior discussions between ASEAN, China, South Korea, and Japan. This need to find an Asian partner within ASEM meant the EU helped to forge an Asian identity and unite the group of countries. Then, in December 1997, the first ASEAN Plus Three meeting was convened in Kuala Lumpur, attended by the ASEAN members plus China, Japan, and South Korea, and aimed to address the serious crisis affecting the whole of East Asia.

One of the measures proposed to prevent the outbreak of further financial crises was announced by Japanese Deputy Minister of Economy Sakakibara Eisuke in September 1997, just months before the first meeting of ASEAN Plus Three. The suggestion was to create an Asian Monetary Fund (AMF), a proposal that, while not entirely new, represented a clear commitment to the founding of what was seen as an International Monetary Fund (IMF) exclusively for Asia. A Japanese initiative to set up a fund of approximately \$100 billion to rescue economies in trouble served, not only to legitimize Japan as the regional leader, but to send a clear warning that Tokyo would not take the same attitude as Washington on the matter (Witjaksono, 2004, p. 272). Indeed, the US had already announced that it would not be making funds available to bail out these economies, and this refusal was instrumental in consolidating the sense of solidarity among Asians in what was a clear manifestation of the so-called “Asian consensus.”

When the US and the IMF were informed about a potential AMF, the former initiated a campaign to block the proposal, in a clear expression of its disappointment with Japan's maneuverings. An analysis of the first cluster (leader images), gives us an idea of how the initiative was perceived and captures the psychological parameters of its leaders. US Secretary of the Treasury Larry Summers is reported to have said to his Japanese counterpart, Sakakibara, during an early-morning phone call, “I thought you were my friend” (Green, 2001, p. 248). Under pressure from the US and the IMF in

response to what they considered a threat to the Bretton Woods system, the proposal ultimately did not prosper. The pressure on Japan to abort the project did not, however, prevent the Asian countries from excluding the US from the forum. Mahathir's proposal for the creation of an ASEAN Plus Three was to emerge once again. After the IMF episode, how could a forum now be established with the overt exclusion of the US? Terada offers three reasons to explain the US attitude of "benign neglect" in the region (Terada, 2011, p. 135).

First, the ASEAN Plus Three meeting was the direct result of the US decision not to participate in the rescue of those Asian economies that needed an injection of capital. The message transmitted was that the crisis would only be overcome if the countries of Southeast and East Asia worked together; those countries therefore began to seek opportunities for intra-regional cooperation. Next, the second cluster (strategic culture) reflects the ideational parameters that shape the strategic understandings of leaders. In this sense, the first meeting of ASEAN leaders plus China, Japan, and South Korea was proposed by Malaysia's Prime Minister Mahathir, a committed standard-bearer for conducting the regional process among Asian powers only. Finally, in contrast to its earlier behavior with the EAEC, the US opted not to boycott this proposal. Washington had expressed concern about the creation of any institution with very clear (i.e., results-oriented) objectives which excluded the US; however, it was not concerned about what it considered to be process-oriented fora which had no clear agenda and whose primary objective was the exchange of views.

In the 2000s, however, this attitude of "benign neglect" expressed towards the ASEAN Plus Three process would change as a consequence of a systemic stimuli such as the re-emergence of China as a regional and global power. The reawakening of China as a superpower is one of the most exhaustively examined events in the theory of international relations in recent years. Indeed, the rise of China in the military and economic sphere began to concern the US administration, particularly as it began to employ more aggressive diplomacy with its neighbors, as illustrated with Japan (and the question of sovereignty over the Senkaku islands), as well as with Vietnam and the Philippines (and territorial disputes in the South China Sea). The proliferation of free trade agreements with China as the main actor, and from which the US was excluded, further contributed to this concern.

In addition, among Japan's domestic institutions, the METI considered ASEAN Plus Three an attempt to integrate East Asian countries within a single market, one in which there was considerable scope for Japanese companies to expand (Terada 2011, p. 146). Moreover, a more integrated, cohesive regional market offered Japan an opportunity to invest in the region and reduce its production costs. For the METI, not only was China not excluded from this initiative, but Beijing was being encouraged to play a pivotal role in the governance of the region (Owada, 2000). However, proposals for a free trade agreement between China and ASEAN meant Japan's MOFA began to view Chinese regional initiatives with some concern. According to one leading official, China-led regionalism could result in the marginalization of Japan. For this reason, the launching of a new initiative—the East Asia Summit—was welcomed as a fresh opportunity for Japan to lead the project.

East Asia Summit: from ASEAN Plus Six to ASEAN Plus Eight

As systemic stimuli such as the concerns about the rise of China escalated under the Bush and Koizumi administrations, the first and the fourth cluster -leader images and domestic

institutions- explain changes in Japanese view of regional initiatives. Prime Minister Koizumi Jun'ichirō, embracing the Fukuda Doctrine of the 1970s (he had, in fact, served as Fukuda's personal secretary), fostered relations with Southeast Asian nations in an effort to create an "Asian community". Given the prevailing security environment after 2001, the concept of "Asia" needed to be defined geographically, and Koizumi, a nationalistic politician with a close personal relationship with Bush, while offering seamless support for Washington's war on terrorism, opted to include Australia, India, New Zealand and, ultimately, the US, within the "Asia-Pacific". As Koizumi stressed in a 2006 official statement, "[T]he role [...] of the US is indispensable because of its contribution to regional security and the scale of its economic interdependence with the region... [C]ooperation with Southwest Asia, including India, is also of importance" (Hamanaka, 2009, p. 71). In a similar vein, in a speech in Singapore, Koizumi highlighted the need for an "expanded concept of East Asia" (*kakudai higashi Ajia*), that is, one not limited to the geographic scope of East Asia (Terada, 2010, p. 72). Thus, the challenge that China posed for both allies, the Sino-Japanese conflict and its consequences for the leadership of the region, and Koizumi's explicit support for Bush in combating terrorism, all led to Japan reconsidering its Asian strategy.

The Japanese plan to include nations such as India, New Zealand, and Australia in its Asian regional model clashed with China's regional strategy. The Chinese bid was to turn ASEAN Plus Three into an exclusive "East Asian Community", in which there was only room for China, Japan, South Korea, and the ASEAN nations. However, as Hamanaka (2009) reports, faced with Japan's refusal to accept the Chinese vision of regionalism, Beijing began to consider the benefits of an expanded Asian community. Well aware of the ambiguity inherent in the "Asia-Pacific" concept, China saw a unique opportunity to establish an ASEAN-style forum for dialogue in which its other allies—including, Russia, Mongolia and Pakistan—could participate. Hamanaka identifies the dilemma faced by both Japan and China: in seeking to counterbalance the power of their rival, they both considered the inclusion of certain allies, but were fearful of expanding the forum too much and running the risk of diluting it with too many members, as had eventually occurred with APEC.

The US response to the idea of building an "Asian club" was lukewarm. President Bush's advisors urged Japan not to promote any regional project that might deliberately seek to exclude the US, as with ASEAN Plus Three. The Japanese countered these fears by arguing that the US would nevertheless be able to exert an indirect influence via Japanese and Australian participation in the forum. This strategy of "indirect regionalism" relied on Washington considering Japan a regional ally in those instances in which it could not participate directly.

In December 2005, the first East Asia Summit was held in Kuala Lumpur under the motto "One Vision, One Identity, One Community". The summit was attended by the ASEAN Plus Three, as well as India, Australia, and New Zealand. The idea of ASEAN Plus Six was an attempt to please all parties: those who did not want the US in attendance—primarily China—and those who wanted an open, inclusive meeting—in this case, Japan and Indonesia.

This first meeting produced few tangible results apart from declarations of good intentions and the reaching of a number of minor agreements on issues such as the avian influenza, Koizumi's controversial visits to the Yasukuni Shrine, and changes to the role of China in the regional order. At the second ASEAN Plus Six Summit, held in the Philippines (2007), the general feeling of unease among members was exacerbated by the role that China was playing in the region. For some commentators, Beijing had begun to implement a strategy aimed at counterbalancing the presence of Australia, New Zealand,

and India by signing the ASEAN–China Free Trade Agreement (López i Vidal and Pelegrín, 2018).

Examining the fourth cluster, that is, the involvement of Japan’s ministries and agencies in promoting ASEAN Plus Six, Terada (2010) stresses the lack of interministerial consultation on policy matters and the associated jurisdictional conflicts, or “sectionalism” (Yoshimatsu, 2004, p. 15), that emerged: “[W]hen METI announced [ASEAN Plus Six] it did not consult MOFA, the ministry responsible for coordinating foreign policy and diplomacy” (Terada, 2010, p. 78-79). In this particular instance, these rivalries were such that there was a real danger of the subordination of national interests to those of the MOFA or the METI.⁶ While the METI regarded the proposal as a means for establishing a single market in East Asia, reducing regional trade costs, and securing markets, the MOFA saw ASEAN Plus Six as an organization with political goals, essentially that of maintaining regional stability (Government of Japan, 2003). What concerned the MOFA most was that Japan could find itself entangled in an integration process of developing economies, led by the Chinese. Hence, the inclusion of certain allies, most notably Australia, was the outcome of a change in the power structure of East Asia. As Hitoshi Tanaka, Deputy Minister for Foreign Affairs, claimed, “In my heart I truly hope Australia will participate. [W]e are doing this not for Australia’s sake, but for Japan’s sake. We need you” (Terada, 2005, p. 13).

After a further four summits without much in the way of concrete results, the sixth East Asia Summit indicated a fundamental shift in the membership battle, and both Russia and the US were formally admitted at the 2011 Bali meeting, converting the association into ASEAN Plus Eight. For some authors, this expansion is seen as a revival of APEC’s original goal of creating a trans-Pacific free trade community (Camroux, 2012).

TPP or the battle against the agricultural lobby

In line with a renewed interest in promoting the primary goal of the 1994 Bogor Declaration, in 2005, Singapore, Chile, New Zealand and Brunei decided to initiate conversations to establish a free trade agreement. The result was the signing of the Trans-Pacific Strategic Partnership Agreement (P-4), a minilateral agreement aimed at liberalizing its members’ economies, albeit within the limits of the WTO. The deal included an accession clause with a view to expanding the membership and creating a truly free trade area in Asia-Pacific (Lim et al., 2012). Then, in September 2008, the US formally commenced negotiations with the four original members and, only a month later, Australia, Vietnam, and Peru also declared their intention to join the P-4 trade bloc. As an indication of the transformation of the original P-4 into a macro-regional trade agreement, the negotiators changed the name to TPP. Next, in 2010, Malaysia joined the group, followed by Canada and Mexico in June 2012. When Japan finally acceded to start negotiations, the twelve states involved in the process already accounted for a third of the world’s trade, and 40 per cent of the global GDP (Li, 2014, p.138).

The election of Obama to the US presidency not only strengthened the initiative to create a region free of trade barriers, but also proposed to reshape the rules for trade. As part of the “pivot to Asia”, that is, a strategy to rebalance US foreign policy in the region, Washington attempted to persuade the countries of the Asia-Pacific to sign the TPP, and soon Japan became the US’s strategic partner. In this regard, the US Government was motivated by two main factors. First, the TPP represented a step towards

⁶ This phenomenon, known as *kokka yori shoga yusen*, can result in the duplication and waste of resources, and even paralyze the government.

the creation of an APEC Free Trade Area and, therefore, towards the relaunching of APEC as a Western “results-oriented” model of institutionalism and liberalism, abandoning the Asian “process-oriented” model of informalism and exclusivism. Obama’s support for the TPP was ultimately an effort to maintain a US-led trade and economic order and to write the rules of trade for the 21st century. Second, the new US regional strategy sought to limit the rise of China in the region (Ye 2015, p. 208) and restore a North American leadership that had been damaged by the 2008 economic crisis. The Obama administration regarded the TPP as a renewed commitment towards its traditional allies, Australia and Japan. In a speech delivered in 2015, the US Defense Secretary, Ashton Carter, said that the TPP was “as important to me as another aircraft carrier” (Parameswaran, 2015).

However, the fact that the TPP directly rivaled a number of projects previously defended by Tokyo begs the question as to the exact nature of Japan’s position on Obama’s proposal. Is the TPP consistent with Japan’s Asian regional policy, or is it a product of the traditional *gaiatsu* exerted by the US? To address these questions, we need to analyze the changes not only in the international domain, but also in the Japanese political system over the last decade with a view to understanding the policy response of Japan.

Abenomics and the TPP

Following his landslide victory in the lower house election of 2012, Abe Shinzō’s return to power was one of the most unexpected political comebacks in recent times. His first administration, in 2006, lasted only a year, brought down by a number of political scandals and his insistence on promoting a nationalistic agenda. Aware of his earlier weaknesses, Abe launched two main measures: the reform of the *Kantei* (Cabinet Secretariat), and the new economic policy referred to as *Abenomics*.⁷ If we look at Figure 1, the decision-making is one of the elements indicated as intervening variables in the Japanese Foreign Policy. Abe was aware of the relevance to reform the process, and he did not only increased the number of bureaucrats and politicians working at the *Kantei* (around 300), he also empowered the Cabinet Secretariat in the foreign policy process and permitted the Prime Minister to assume control of the bureaucracy. As pointed out by Terada (2019, p. 1050), Abe’s political strategy included “the excluding of those who opposed them in both political and bureaucratic arenas”. Secondly, Abe’s perception of reality, and his ideational (nationalistic) view about Japan’s place in the world stage did not prevent him from placing *Abenomics* as a primary goal to jolt the economy out of its sluggish state and implement a strategy of regrowth. *Abenomics* is based on what are known as the “three arrows”: an aggressive monetary easing policy, a flexible fiscal stimulus policy, and structural reforms. The Abe administration saw the TPP as a tool for raising productivity, increasing exports, and getting Japan’s economy back on the right track. After 2012, the Japanese economy started to feel the effects of these arrows: the yen dropped by one-third against the dollar, Japanese stock prices increased, and inflation had risen to 3 per cent by 2015. Abe argued that a multilateral free trade agreement and a weak yen would enable Japanese companies to increase their exports. At a press conference held on March 15, 2013, he justified his government’s decision to enter into TPP negotiations as a means to ensure Japan’s getting back on the road to development.

⁷ The term *Abenomics* – a portmanteau of the Prime Minister’s family name ‘Abe’ and ‘economics’ – is a clear allusion to an administration with a primary concern for economic matters.

He described the TPP as a framework that promised “future prosperity” in Asia-Pacific (Government of Japan, 2013).

As we have seen in all the cases analyzed, a number of actors within the Japanese political system have been reluctant to promote the comprehensive liberalization of trade through regional free trade agreements, due to the existence of vested interests among certain veto players. Those players are represented by the MAFF, agricultural interest groups, and *zoku* Diet members who defend agricultural interests, and whose opposition has been considerable in their efforts to protect products considered sacred, such as rice, sugar, dairy products, meat, and wheat. In recent decades, agricultural groups have lobbied against any free trade agreement that did not exclude these sensitive products (*senshitibu hinmoku*) (Government of Japan, n/d). By 2020, Japan had signed eighteen agreements, all of which included some exceptions related to farming products.

Nevertheless, in recent years, free trade advocates represented by the METI, the MOFA, large corporations and prime ministers such as Koizumi Junichiro, Fukuda Yasuo, or Abe Shinzō have emphasized the importance of reaching free trade agreements without any exceptions, despite the threat to the agricultural lobby. Concerning the TPP, as Zakowski et al. (2018, p. 211) point out, “[t]he LPD could not therefore agree to the TPP unconditionally. [T]oo easy concessions to the United States would have severe consequences for the ruling party”. Aware of the prevailing interministerial jurisdictional conflicts of interest and the electoral costs they entail, Abe built a strong team with key supporters of the TPP within the party in organs such as the Policy Research Council, the Regional Diplomatic and Economic Partnership, and the Committee for TPP Measures. Additionally, in order to reach an intra-party consensus, Abe appointed Nishikawa Koya, an anti-TPP politician, to the MAFF, and Koizumi Shinjirō, a son of the Prime Minister Koizumi Jun'ichirō, the Chairperson of the LDP PARC Agriculture and Forestry Policy Division, to convince farmers about the need to participate in the TPP. These were strategic moves designed to build consensus on the TPP, which would soon materialize.

In 2013, Abe finally acknowledged that an agreement had been reached with all ministries with the objective of overcoming economic stagnation: “With regard to the economic impact of elimination of tariffs, we made an estimate as a basis to unite the government, instead of unorganized efforts by each ministry.” (Government of Japan, 2013). And, he added, “Even if we eliminate all [agricultural] tariffs, our economy as a whole is expected to gain from the TPP’s positive influence.” (Government of Japan, 2013.) This was a veiled warning that the TPP would mean the destruction of jobs in the hitherto overprotected agricultural sector. The conclusion of negotiations and ratification of the TPP in 2016 represented one of the major victories of Prime Minister Abe and once again confirms the significance of the factors at play in Japan’s regional policy.

Japan and the TPP-11

On the third day of the new Trump administration, in January 23rd 2017 the US formally withdrew from the TPP, a decision taken by the President to stop the “unfair” advantage Japanese car sales enjoyed in the US (Hoyama, 2017). Despite the initial impact of this executive order on the Japanese Government, Abe not only remained in the agreement but pressed ahead with plans for a revived TPP-11, known as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). As pointed out by foreign affairs expert Funabashi Yoichi, “Now that the U.S. has barricaded itself behind the protectionist barrier of ‘America First’, Japan can no longer afford to wait for the

Americans' next move" (Funabashi, 2017). After a series of negotiations among the original TPP members (with the exception of the US), in March 2018 the CPTPP was signed in Santiago de Chile, amalgamating most of the TPP clauses but suspending twenty-two provisions introduced by the US. Albeit watered down by Washington's withdrawal, the CPTPP still represents almost 14 per cent of the world's GDP, and is considered the third largest free trade agreement after NAFTA and the European Single Market.

The new agreement has three main goals for the Japanese Government. First, to manifest Japan's clear commitment to free trade in an era of new protectionism. The government wishes to avoid "putting the global free trade system at great risk" (Hurst, 2018). Second, Japan seeks to lead a new Asian regionalism without US involvement by promoting regional trade agreements with its Asian allies. As such, Abe's and now Suga Yoshihide's administration are giving his backing not only to the TPP-11 without the US, but also to the proposed RCEP, a project that includes ASEAN members, South Korea, and India, and is led by China. Finally, the new TPP-11 must not be appraised in terms of its economic impact alone, but rather as part of a national strategy of considerable political and diplomatic importance. Besides being representative of Japanese commitment to new regionalism, the TPP-11 symbolizes the national strategy of strengthening trade-oriented economic diplomacy and could become what Wilson (2019) has called "a kingmaker for a mega-regional trade deal".

While Japan negotiated the CPTPP with its members, the US has been using its *gaiatsu* or traditional pressure to force Japan to approve a bilateral Free Trade Agreement between Tokyo and Washington, in accordance with Trump's bilateralist strategy (Terada, 2019, p. 1060). The agreement permits the lowering of tariffs on industrial goods and agricultural products such as beef, pork, cheese, and wine, and reaches an accord on digital trade. However, some sensitive products such as automobiles, rice, and some dairy products are not included. A number of US politicians such as Senator Tom Carper have therefore called the new agreement a "TPP-light—very light" deal.

While Prime Minister Abe Shinzō and the METI supported the strategy of establishing a bilateral free trade agreement with the US, the MOF was rather more prudent about the idea, arguing against Japan making any concessions to the US. As stated by Asō Tarō, the Minister of Finance, "When two countries negotiate, the stronger country gets stronger, and would only create unnecessary pain for Japan" (Kajimoto, 2019). However, Abe and the METI's view prevailed and Japan's final decision was to sign the agreement. Despite the possibility that, to a certain extent, this decision was made in response to pressure from Washington, Japan's support for the TPP-11 and the proposed RCEP clearly suggest that domestic interests and strategies have played a key role in determining Tokyo's Asian regionalist policy in recent years.

Conclusions

Throughout this article, we have been at pains to stress that the traditional view of *gaiatsu*/"reactive state thesis" as the essential change factor in Japanese foreign policy represents an inaccurate interpretation. We do not deny the importance of *gaiatsu* as an external systemic stimulus received by Japan. Indeed, the previous analysis has been examined according to the idea that systemic stimuli such as the Cold War, economic crisis, the rise of China, or the American Pressure are crucial for Japan's shaping of its regional strategy. However, our findings indicate the need to reconsider our current theoretical understanding of the nature of *gaiatsu* and how it works. While *gaiatsu* might

contribute to the understanding of certain decisions, on numerous occasions, domestic actors' interests have been stronger determinants of Tokyo's policies, even running contrary to US preferences. In this regard, we have shown that actions of individual political agents within Japan, governed by both short- and long-term domestic interests, have also played a significant role. Japan is by no means another example of a country whose foreign policy is highly influenced by the domestic context.

Undoubtedly, the "reactive state thesis" has been a predominant paradigm for analyzing Japanese foreign policy since the end of World War II. Its parsimonious explanations, which made it a useful model in the restrictive international context of the Cold War era, contributed to its popularity. However, the profound changes that both Japan and the Asia-Pacific region have experienced in the last two decades highlight the necessity to adopt more sophisticated models that can account for a greater causal complexity. Our Neoclassical realist-based assessment of the case studies presented here has demonstrated that the intervening variables of leaders' perceptions, as well as Japan's strategic culture and domestic institutions have become key factors in explaining the country's policy choices vis-a-vis the promotion and support of regional initiatives in Asia-Pacific. In line with Zawoski et al. (2018, p. 4), the systemic stimuli are translated in Japan's foreign policies after been "filtered through the perceptions and ideology of leaders and its political apparatus, and by the bureaucracy".

As discussed in the preceding analysis, the end of bipolarism led to a boom in regional and interregional cooperation throughout Asia-Pacific which is especially evident in the proliferation of regional free-trade agreements. Although the US maintains its leadership role in terms of security, since the 1990s Tokyo has promoted and sponsored economic cooperation projects in an attempt to consolidate its presence in what is the most economically dynamic area of the globe. In some cases, Japan has prioritized the inclusion of the US in fora such as APEC, TPP and ASEAN Plus Eight. In other cases, Tokyo has selectively promoted an exclusive concept of Asian regionalism similar to the projects sponsored by the Malaysian and Chinese governments in which the US is not involved—ASEAN Plus Three, ASEAN Plus Six, RCEP, EAEC and, more recently, TPP-11. Moreover, as we have seen in reference to APEC, ASEAN Plus Three, TPP and TPP-11, some Japanese Ministries are at odds with the position Japan has adopted vis-à-vis the US and they have adopted different strategies with the ultimate goal of countering US pressure and of ensuring the prevalence of their own interests.

Following the 2008 financial crisis, and coinciding with a clear decline in US economic leadership, the Obama administration sought to create some free-trade agreements in Asia-Pacific as a part of its commitment towards a more inclusive approach to Asian regionalism. In its attempt to establish the world's future trading rules, Japan's role has been deemed as crucial for the US administration. However, as explained by the Neoclassical realist model, with the return to power of Prime Minister Abe Shinzō in 2012, domestic actors have played a greater role in Japan's Asian regional Policy. As our analysis shows, the way in which domestic actors have chosen to interpret *gaiatsu* at any given moment in accordance with their own interests and goals is critical for understanding how US pressure may or may not influence Japanese foreign policy behavior. Specifically, in addition to successfully tackling the powerful agricultural lobby, Prime Minister Abe was able to unite the METI and the MOFA—which had initially taken quite different stances on the project—in a single consensual proposal towards the TPP. Abe has managed to utilize *gaiatsu* as a tool to generate domestic pressure for structural reform (Funabashi, 2017). To summarize, domestic intervening variables are conducive to Japan's participation in some of the projects in Asia-Pacific.

Furthermore, despite causing considerable commotion within the Abe government, the US withdrawal from the TPP coinciding with the election of the Trump administration provides further evidence that Japan does not always concede to *gaiatsu*. Abe's response has been to present a CPTPP, a new framework that allows Japan to be in the driving seat in keeping the partnership alive whilst simultaneously strengthening its leadership in the region. Prime Minister Abe is adamant that Japan must not miss this opportunity to participate in the creation of the trade rules for the 21st Century: "Future historians will no doubt see that the TPP was the opening of the Asia-Pacific Century." Thus, the reaction of Japan to a TPP without the US adds weight to the argument made throughout this article that questions the prevailing nature of the traditional model of *gaiatsu*.

References

Beeson, M., and Stubbs, R. (Eds.). (2012). *Routledge Handbook of Asian Regionalism*. New York: Routledge.

Berger, Th., Mochizuki, M.M. and Tsuchiyama, J. (Eds.). (2007). *Japan in International Politics: The Foreign Policies of an Adaptive State*. New York: Lynne Rienner.

Blaker, M. (1993). *Evaluating Japan's Diplomatic Performance*. New York: Routledge.

Bynander, F., and Guzzini, S. (2013). *Rethinking Foreign Policy*. New York: Routledge.

Calder, K. E. (1988). Japanese Foreign Economic Policy Formation: Explaining the Reactive State. *World Politics*, 40(4), 517-541.

Camroux, D. (2012). The East Asia Summit: Pan-Asian multilateralism rather than intra-Asian regionalism. In M. Beeson. and R. Stubbs (Eds.), *Routledge Handbook of Asian Regionalism*. New York: Routledge.

Carlsnaes, W. (1992). The Agency-Structure Problem in Foreign Policy Analysis. *International Studies Quarterly*, 36(3), 245-270.

Cooney, K. (2006). *Japan's Foreign Policy Since 1945*. New York: Routledge.

Chang, B. (2014). *The Sources of Japanese Conduct: asymmetric security dependence role conceptions and the reactive behavior in response to U.S. Demands*. Dissertation submitted to John Hopking University, Degree of Philosophy, Baltimore, Maryland.

Doidge, M. (2011). *The European Union and Interregionalism: Patterns of Engagement*. New York: Ashgate.

Funabashi, Y. (2017). The TPP and global power. *Japan Times*, 8 September. Accessed 16 October 2020.

<https://www.japantimes.co.jp/opinion/2017/09/08/commentary/japan-commentary/tpp-global-power/#.Xuo90Goza3I>.

Government of Japan. (1997). Diplomatic Bluebook 1997 - Japan's Foreign Policy in a World of Deepening Interdependence. *Ministry of Foreign Affairs*. Accessed 2 March 2020. <https://www.mofa.go.jp/policy/other/bluebook/1997/index.html>.

Government of Japan. (2003). Interim Report: Asian Dynamism and Prospects for Technical Cooperation Policies. *Ministry of Economy, Trade and Industry*. Accessed 16 October 2020. <https://www.meti.go.jp/english/report/downloadfiles/gTC0309e.pdf>.

Government of Japan. (2013). Press Conference by Prime Minister Shinzo Abe (15 March). *Prime Minister's Office*. Accessed 16 October 2020. http://japan.kantei.go.jp/96_abe/statement/201303/15kaiken_e.html.

Government of Japan. n.d. TPP ni okeru jūyō 5 hinmoku no kōshō kekka. *Ministry of Agriculture, Forestry and Fisheries*. Accessed 16 October 2020. https://www.maff.go.jp/j/kokusai/tpp/pdf/2-1_5hinmoku_kekka.pdf.

Green, M. J. (2001). *Japan's Reluctant Realism - Foreign Policy Challenges in an Era of Uncertain Power*. New York: Palgrave.

Grivaud, A. (2016). *La réorganisation du pouvoir politique au Japon : la haute fonction publique dans le système politique japonais des années 1990 à nos jours*. Ph.D in Foreign Language and Literature, East Asia and Human Sciences, École doctorale Langue, littérature, image : civilisation et sciences humaines, Sorbonne Paris Cité.

Hamanaka, Sh. (2009). *Asian Regionalism and Japan: The Politics of Membership in Regional Diplomatic, Financial and Trade Groups*. New York: Routledge.

Hamanaka, Sh. (2011). Asia's Past Financial Regionalism Projects and Their Contemporary Implications. *Asia-Pacific Review*, 18(1), 45-72.

Hemmer, Ch. and Katzenstein, P.J. (2002). Why Is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism. *International Organization*, 56(3), 575-607.

Hirata, K. (1998). Japan as a Reactive State? Analyzing the Case of Japan-Vietnam Relations. *Japanese Studies*, 18(2), 135-152.

Hirata, K. (2001). Cautious Proactivism and Reluctant Reactivism: Analyzing Japan's Foreign Policy toward Indochina. In A. Miyashita and Y. Sato (Eds.), *Japanese Foreign Policy in Asia and the Pacific. Domestic Interests, American Pressure, and Regional Integration*. New York: Palgrave Macmillan.

Hoyama, T. (2017). 'It's not fair,' Trump says of Japanese auto trade. *Nikkei Asian Review*, 24 September. Accessed 16 October 2020. <https://asia.nikkei.com/Spotlight/The-Trump-effect/It-s-not-fair-Trump-says-of-Japanese-auto-trade>.

- Hurst, D. (2018). Amid US Trade Tensions, Japan Formally Completes TPP-11 Entry. *Tokyo Report*, 13 July. <https://thediplomat.com/2018/07/amid-us-trade-tensions-japan-formally-completes-tpp-11-entry/>.
- Ikenberry, G. J., and Mastanduno, M. (2003). *International Relations Theory and the Asia Pacific*. New York: Columbia University Press.
- Inoguchi, T. (2016). *Japanese Politics Today: From Karaoke to Kabuki Democracy*. London: Springer.
- Kajimoto, T. (2019). "Japan finance minister Aso says must avoid bilateral FTA with U.S." *Reuters*, 30 March. Accessed 16 October 2020. <https://www.reuters.com/article/us-usa-trade-japan/japan-finance-minister-aso-says-must-avoid-bilateral-fta-with-u-s-idUSKBN1H604W>.
- Katzenstein, P. J., Jepperson, R.L. and Wendt A. (1996). Norms, Identity and Culture in National Security. In P. J. Katzenstein (Ed.), *The Culture of National Security: Norms and Identity in World Politics*. New York: Columbia University Press.
- Katzenstein, P. J., and Sil, R. (2004). Rethinking Asian Security: A Case for Analytical Eclecticism. In J.J. Suh, J.J, Peter J. Katzenstein and A. Carlson (Eds.), *Rethinking Security in East Asia: Identity, Power, and Efficiency*. Stanford: Stanford University Press.
- Keohane, R. O., and Nye, J. (1977). *Power and Interdependence: World Politics in Transition*. Boston: Little, Brown.
- Kitchen, N. (2010). Systemic pressures and domestic ideas: a neoclassical realist model of grand strategy formation. *Review of International Studies*, 36(1), 117-143.
- Li, Chien-Pin. (2014). US-China Economic Relations: Implications of the Trans-Pacific Partnership. In P.C.Y. Chow (Ed.), *The US Strategic Pivot to Asia and Cross-Strait Relations: Economic and Security Dynamics*. New York: Palgrave Macmillan.
- Lim, C. L., Elms, D. K. and Low, P. (Eds.). (2012). *The Trans-Pacific Partnership: A Quest for a Twenty-first Century Trade Agreement*. Cambridge: Cambridge University Press.
- López i Vidal, Ll., and Pelegrín, A. (2018). Hedging Against China: Japanese Strategy Towards A Rising Power. *Asian Security*, 14(2), 193-211.
- Mearsheimer, J. J. (2001). *The Tragedy of Great Power Politics*. New York: Norton.
- Mikanagi, Y. (1996). *Japan's Trade Policy: Action or Reaction?*. New York: Routledge.
- Miyashita, A. (Dec. 1999). Gaiatsu and Japan's Foreign Aid: Rethinking the Reactive-Proactive Debate. *International Studies Quarterly*, 43(4), 695-731.
- Moravcsik, A. (1997). Taking Preferences Seriously: A Liberal Theory of International Politics. *International Organization*, 51(4), 513-553.

Mulgan, A. D. (1997). The Role of Foreign Pressure (Gaiatsu) in Japan's Agricultural Trade Liberalization. *Pacific Review*, 10, 165 - 209.

Orr, R. M. (1990). *The Emergence of Japan's Foreign Aid Power*. New York: Columbia University Press.

Owada, H. (2000). Japan-ASEAN relations in East Asia, *Speech delivered at Hotel New Otani*, Singapore, 16th October 2000.

Parameswaran, P. (2015). "TPP as Important as Another Aircraft Carrier: US Defense Secretary." *The Diplomat*. Accessed 16 October 2020. <https://thediplomat.com/2015/04/tpp-as-important-as-another-aircraft-carrier-us-defense-secretary/>.

Ripsman, N. M., Taliaferro, J.W. and Lobell, S. E. (2016). *Neoclassical Realist Theory of International Politics*. Oxford: Oxford University Press.

Rose, G. (1998). Neoclassical Realism and Theories of Foreign Policy. *World Politics*, 51(1), 144-172.

Samuels, R. J. (2003). *Machiavelli's Children: Leaders and Their Legacies in Italy and Japan*. New York: Cornell University Press.

Schoppa, L. (1993). Two Level Games and Bargaining Outcomes: Why 'Gaiatsu' Succeeds in Japan in Some Cases but Not in Others. *International Organization*, 47(3), 353-386.

Schoppa, L. J. (1997). *Bargaining with Japan: What American Pressure Can and Cannot Do*. New York: Columbia University Press.

Schweller, R. L. (1992). Domestic Structure and Preventive War: Are Democracies More Pacific? *World Politics*, 44(2), 235-269.

Sherill, C.W, and Hough, R. A. (2015). Current Japanese Security Policy towards China and Neoclassical Realism: Testing IR Theories. *Journal of Asian Security and International Affairs*, 2(3), 237-265.

Terada, T. (2005). The Japan - Australia Partnership in the Era of the East Asian Community - Can they Advance Together?. *Trade Working Papers*, 22035. East Asian Bureau of Economic Research.

Terada, T. (2010). The Origins of ASEAN+6 and Japan's Initiatives: China's Rise and the Agent-Structure Analysis. *The Pacific Review*, 23(1), 71-92.

Terada, T. (2011). The United States and East Asian Regionalism: Inclusion-Exclusion Logic and the Role of Japan. In M. Borthwick and T. Yamamoto (Eds.), *A Pacific Nation: Perspectives on the US Role in an East Asia Community*. Tokyo: Japan Center for International Exchange.

Terada, T. (2019). Japan and TPP/TPP-11: opening black box of domestic political alignment for proactive economic diplomacy in face of 'Trump Shock'. *The Pacific Review*, 32(6), 1041-1069.

Walt, S. M. (2002). The Enduring Relevance of the Realist Tradition." In Katznelson, I. and Milner, H. V. *Political Science: State of the Discipline*. New York: Norton.

Waltz, K. N. (1993). The Emerging Structure of International Politics. *International Security*, 18(2), 44-79.

Wendt, A. (1987). The Agent-Structure Problem in International Relations Theory. *International Organization*, 41(3), 335-370.

Wendt, A. (1992). Anarchy is what states make of it: the social construction of power politics. *International Organization*, 46 (02), 391-425.

Wendt, A. (1999). *Social Theory of International Politics*. Cambridge: Cambridge University Press.

Wilson, J. (2019). Japan, a kingmaker for Indo-Pacific trade deals. *Japan Times*, 18 December. Accessed 16 October 2020. <https://www.japantimes.co.jp/opinion/2019/12/18/commentary/japan-commentary/japan-kingmaker-indo-pacific-trade-deals/#.XvIINJMza3I>

Witjaksono, S. (2004). Japan's role in responding to the crisis in Southeast Asia and East Asian regionalism. *Forum of International Development Studies*, 27(8), 267-289.

Yasutomo, D. T. (1995). *The New Multilateralism in Japan's Foreign Policy*. New York: St. Martin's Press.

Ye, M. (2015). China and Competing Cooperation in Asia-Pacific: TPP, RCEP, and the New Silk Road. *Asian Security*, 11(3), 206-224.

Yeo, L. H, and López i Vidal, Ll. (2008). *Regionalism and InterRegionalism in the ASEM Context: Current Dynamics and Theoretical Approaches*. Barcelona: CIDOB Foundation Asia Series.

Yoshimatsu, H. (2004). Political Leadership, Common Norms, and the Development of East Asian Regionalism. *The Graduate School of East Asian Studies Working Paper Series*. Yamaguchi University.

Zakowski, K., Bochorodycz, B. and Marcin Socha, M. (2018). *Japan's Foreign Policy Making. Central Government Reforms, Decision-Making Processes, and Diplomacy*. New York: Springer.