



## **Japan as the Indispensable Power in Northeast Asia**

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# **D R A F T**

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In East Asia, “times they are a-changing” and the pundits are full of speculation about what the new “architecture” for the region will look like. America, the world’s only superpower, is in serious trouble, and meanwhile China is on the rise. Focus is on how relations between United States and China will work out and discussion of new forms of multilateralism. Often ignored in these discussions, however, is the key role of Japan. Japan is too rich and too powerful to be left out. Whatever the future of East Asia, Japan will have to be a foundational participant. This paper will make the case that Japan is the indispensable power in the region.

The Japanese are worried about the rise of China, but they worry even more about the relative decline of their post-World War II security guarantor, the United States. Ever since the end of the Allied occupation of Japan in 1952, Japan has relied on the United States to guarantee its security. But, now, American hegemony in East Asia has become problematic. The disastrous policies of George W. Bush’s eight years in office have left the United States weakened militarily, economically, and morally. Over-stretched militarily in two unwinnable wars, staggered by a global financial crisis largely of its own making, and humiliated in its claim to be a moral example to the world by uncontrovertible evidence of torture, America under Obama must try to find new ways to lead in what looks to be a post-hegemonic world --- while Japan watches.

Japan’s leaders worry about what those new ways might be. Conservative Japan would much prefer to maintain the status quo, but there is no longer a status quo to depend on. Hilary Clinton in her initial trip as Secretary of State visited Japan first, but it is clear that she and the President seek to build their East Asian policy in cooperation with China. There is no way that Washington can hope to deal effectively with the global financial crisis, climate change, Iran, and North Korea without Beijing’s cooperation. Like all countries in East Asia, Japan has got to consider how to position itself within this process of fundamental power transition.

Japan will have to play a major part in any new design for East Asia. If Japan is ignored, it can readily sabotage the new arrangements. For example, there cannot be a successful East Asian Community without Japan’s participation. ASEAN doesn’t want to find itself vulnerable in an ASEAN plus one arrangement just with China, but insists on an ASEAN plus three (with China, South Korea, and Japan). Similarly, the Six Party Talks on the DPRK nuclear programs cannot succeed without major financial incentives offered to Pyongyang, for which Japan is expected to make the major contribution. Alternatively, if the region were to turn away from cooperation toward a confrontation between the two major powers, the US and China --- some

version of a new cold war --- Japan would be the mainstay of the American strategic position in East Asia. The US could not hope to confront China successfully in the region without Japan's full support.<sup>1</sup> Finally, if Japan's interests are ignored, it could go nuclear and destroy any future hope for multilateral cooperation in the region.

This paper has five parts: The Uniqueness of Japan; Japan and Its Asian Neighbors; Territory and Energy Security; Japan at the Six Party Talks; and How to Deal with China.

## 1. The Uniqueness of Japan

Everything is changing, and Japan must change with it. After the Democratic Party of Japan's crushing electoral defeat of the Liberal Democratic Party in August, the new Hatoyama government has the opportunity to take the country in new directions, but it is unclear whether they will have the vision and determination to prevail.<sup>2</sup>

Pressures have been growing for years, both within and outside of the country, for Japan to adopt the international role of a so-called normal nation, to behave in its foreign affairs like any other great power would be expected to do: turning its formidable economic might into political and military influence, and even deciding to go nuclear, if necessary, to assert its position in the global power hierarchy. But Japan is not a normal nation. It is unique in many important ways. And Japan's very uniqueness provides significant opportunities to play an importantly different kind of role in international affairs.

What are some of the key dimensions of Japan's uniqueness?

- Just prior to the modern period, Japan was purposefully isolated from outside influences by its Tokugawa leaders for some 250 years --- and a characteristic Japanese cultural distinctiveness was shaped during that period.

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<sup>1</sup> As Richard Bernstein and Ross H. Munro argued more than ten years ago in their provocative essay "The Coming Conflict with America" (*Foreign Affairs* 76:2, March/April 1997, 18-32): "The United States cannot block Chinese hegemony in Asia unless Japan is an equal and willing partner in the process". For some of the best recent analysis of Japan's security policy, see Richard J. Samuels, *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia* (Ithaca and London: Cornell University Press, 2007); Kenneth B. Pyle, *Japan Rising: The Resurgence of Japanese Power and Purpose* (New York: Public Affairs, 2007); and Gavan McCormack, *Client State: Japan in the American Embrace* (London and New York: Verso, 2007).

<sup>2</sup> Yukio Hatoyama, "A New Path for Japan," *New York Times*, August 26, 2009; Mark Landler and Martin Fackler, "US Is Seeing Policy Thorns in Japan Shift," *New York Times*, September 2, 2009; and Willy Lam, "Sea-change in Japanese Politics Offers Hopes for Better Ties with China," *China Brief* online, Vol. 9, Issue 18, September 10, 2009 [http://www.jamestown.org/programs/chinabrief/single/?tx\\_ttnews\[tt\\_news\]=35467&tx\\_ttnews\[backPid\]=25&cHash=5f3ce5f463](http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews[tt_news]=35467&tx_ttnews[backPid]=25&cHash=5f3ce5f463) For an Australian perspective, see Peter Drysdale, "Time to re-think the economic partnership with Japan in Asia," *East Asia Forum* online, September 13, 2009 <http://www.eastasiaforum.org/2009/09/13/time-to-re-think-the-economic-partnership-with-japan-in-asia/>

- Admiral Perry's "black ships" broke down the Tokugawa barriers to commerce with the West in the middle of the 19<sup>th</sup> century, and Japan subsequently became the first non-Western country to industrialize successfully.
- Turning that industrial power into military might, Meiji Japan became the only non-Western imperialist power in the modern period, for a time competing successfully with Russian, British, German, and American imperial interests in East Asia.
- Defeated in World War II, Japan was the only country in history to be attacked with nuclear weapons, in Hiroshima and Nagasaki.
- Adopted under the Occupation by the Allied Powers, the Japanese Constitution includes the unique provision in Article 9 that "the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes."
- Successfully re-industrialized after World War II, Japan has served as an economic model for other developing Asian countries, joined the influential G7 as the only non-Western member, and achieved the rank of second largest economy in the world.
- Finally, during the sixty years since 1945, Japan has lived in peace with its neighbours, was the world's number-one bilateral foreign aid donor, and has made major contributions to United Nations institutions and international peace-keeping operations.

Yet successive Japanese governments have made little use of Japan's distinctive history to fashion the kind of unique international role that Japan might play. Instead, in strategic deliberations like the Six Party Talks on North Korea, Japan was often seen as simply providing another vote for the United States, a "yes man" to George W. Bush, or a country in denial about the atrocities of its imperial past with a prime minister insistent on insulting his Asian neighbours by repeatedly visiting the Yasukuni Shrine or denying that so-called "comfort women" were coerced into sexual slavery during the war.

However, Koizumi Junichiro, when he was prime minister, was obviously a man capable of the kind of decisive action that is needed. Sometimes people forget that he risked not just one but two unprecedented trips to Pyongyang to try to work out problems with Kim Jong Il.<sup>3</sup> And which other post-WWII Japanese prime minister would have dared to attack conservatives in his own party by putting "assassin" candidates up for election against them in their own constituencies? Koizumi's margin of victory in the September 2005 election gave him a special opportunity, both to overrule the upper house should they oppose his reform plans again, and also to take significant initiatives in foreign policy; but the opportunity to improve relations

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<sup>3</sup> For the "Japan-DPRK Pyongyang Declaration" concluded between Prime Minister Koizumi and Chairman Kim Jong-Il in September 2002, see [http://www.mofa.go.jp/region/asia-paci/n\\_korea/pmv0209/pyongyang.html](http://www.mofa.go.jp/region/asia-paci/n_korea/pmv0209/pyongyang.html)

with Asia was largely squandered by Koizumi's insistence on visiting the Yasukuni Shrine.

When Japan attempts to gain a permanent seat on the United Nations Security Council, some United Nations member-states must ask themselves: how has Japan *earned* consideration for a permanent seat? What is special about Japan when compared with all the other countries that would like to achieve such an elevated strategic status? What benefit might the rest of the world gain by supporting Japan's hopes for a permanent UNSC seat? I think that Prime Minister Hatoyama and his colleagues in the ruling coalition should have to answer these questions. Japan showed the way to economic prosperity in Asia in the past. Can Japan help to lead Asia toward greater strategic stability and security in the future?

## **2. Japan and Its Asian Neighbors**

Prime Minister Hatoyama might begin by declaring that Japan is not a "normal" great power, nor does it intend to become one. He might emphasize that Japan has a unique past, both because of its important modernization achievements and equally because of its imperial past and the tragic facts of Hiroshima and Nagasaki, and that Japan fully intends to build a unique future. No country has a stronger claim to lead the world in peace-making and peace-keeping. Japan is importantly different, and its claim to be heard in the world could be based significantly on those differences --- including, like all countries, its unique cultural traditions.

No non-Western country in the world knows better than Japan how to deal with the pervasive influence of the West. Japan has been desperately poor and prosperously rich. Japan has known the arrogance of military victory and imperial conquest and the horror of defeat, the humiliation of foreign occupation and the exhilaration of recovery from disaster. This is a rich historical experience from which important inferences might be drawn to define a distinctive 21<sup>st</sup> century leadership role for Japan.

The historical analogy that comes to mind is the vitally important economic initiative taken by Japanese leaders, like Okita Saburo, in the early post-WWII years. They were the authors of the "East Asian economic miracle," leaders who re-built Japan's ties with its Asian neighbors, this time on the basis of win-win strategies to achieve joint economic prosperity rather than by military conquest. That structure of mutually beneficial economic interdependence has deepened in each subsequent year, and stands today as the best evidence for all of its participants, China included, that regional cooperation in East Asia can really work. I think that the need for imaginative political and strategic initiatives today is as urgent for Japan as was the need for economic initiatives in the 1950s and 1960s.

Of first importance is the need to achieve reconciliation with China and Korea; and Prime Minister Abe made a good start by visiting both Beijing and Seoul during his first days in office. Moreover, PRC Premier Wen Jiabao's state visit to Japan in 2007

and his address to the Japanese Diet was also a great success.<sup>4</sup> The history issue is clearly one of the most difficult to deal with because of problems of different values and perspectives, alternative national identities, and competing national interests.<sup>5</sup> Prime Minister Abe with the Chinese established a joint history project co-headed by Kitaoka Shinichi for Japan and Bu Ping for China to undertake this difficult work.

A perspective that might help is to suggest that the discussions about resolving their differences regarding history be put in the context of practical proposals for multilateral cooperation for the present and the future, like specific plans relating to the ongoing Six Party Talks or the discussions about an East Asian community. The Chinese and Koreans know that the ASEAN countries insist that Japan must be an major part of any East Asian community, and that Japan is needed as always to help pay the bills for any new undertakings in the region. But Prime Minister Hatoyama should put an end to “checkbook diplomacy.” In the future, Japan should of course pay its way, but it should require in return that its ideas be heard and its interests respected.

### **3. Territory and Energy Security**

Japan has territorial disputes with all of its closest neighbors: Takeshima/Dokdo with Korea; Senkaku/Diaoyu Dao with China; and the so-called Northern Islands with Russia. In the case of Russia, sixty years after the end of World War II, Tokyo unbelievably still has not concluded a peace treaty with Moscow. The security pact with the United States has permitted Japan the luxury of postponing the need to reach strategic accommodations with its Asian neighbors. But in the rapidly changing international climate, this procrastination may soon be a luxury that Japan can no longer afford.

Energy security, especially for Japan which imports more than 80% of its energy needs, is only one of the many complex range of insecurities that countries face today: along with military, political, economic, environmental, and public health insecurities. For example, some scientists cogently argue that climate change, all by itself, is the greatest threat to our continued existence. One thing is clear: no individual state, no matter how powerful, can adequately manage this range of insecurities alone. Self-help strategies are not adequate to the task. An effective response to the broad range of threats to national security requires a shared, multilateral response.

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<sup>4</sup> In August 2006, we held an international workshop at the ANU on “Reconciliation between China and Japan: A Search for Solutions,” which produced many constructive ideas. A report from the workshop that includes papers, short biographies of the participants, and a rapporteur’s report, are available online at: <http://rspas.anu.edu.au/blogs/peacebuilder/> After the workshop, we published a collection of revised papers in a special issue of the journal *Asian Perspective*, 31:1, 2007 <http://www.asianperspective.org/>

<sup>5</sup> Some of the most important, recent works on this very controversial topic are: Yomiuri Shimbun, *Who Was Responsible? From Marco Polo to Pearl Harbor* (Tokyo: Yomiuri Shimbun, 2006); Franziska Seraphim, *War Memory and Social Politics in Japan, 1945-2005* (Cambridge, MA: Harvard University Press, 2006); He Yinan, “National Mythmaking and the Problems of History in Sino-Japanese Relations,” Lam Peng Er (ed.), *Japan’s Relations with China; Facing a Rising Power* (London: Routledge, 2006); and Takashi Yoshida, *The Making of the “Rape of Nanjing”: History and Memory in Japan, China, and the United States* (Oxford: Oxford University Press, 2006). [cite also the China/Japan/Korea textbook]

With regard to Japanese and Chinese claims in the East China Sea, Mark Valencia, a specialist on resolving competing territorial claims at sea, has proposed a series of concrete and realistic options that could lead to joint, Sino-Japanese development of the energy resources of the area, which would greatly benefit the two countries, both heavily dependent on energy imports.<sup>6</sup> Equally important, a joint development agreement could turn a potential confrontation, that might even escalate into a shooting war, into a win-win collaboration that might serve as a foundation for further collaborative projects of mutual benefit.

At present, unfortunately, cooperation between Japan and its geographically closest neighbor, Russia, is even more constrained. A lingering territorial dispute over several of the Kurile Islands northeast of Hokkaido remains an obstacle to concluding a final World War II peace treaty. Moreover, when you ask Russian and Japanese diplomats and analysts about the problem, they typically tell you how difficult it would be to make the concessions needed to achieve a resolution of the dispute.

Never discussed, at least in my experience in observing this situation, is the “opportunity cost” of the lost potential benefits that cooperation might have brought if the two countries had resolved their differences. Think, for example, of the immense potential mutual benefit that might have been gotten over those many years from creating a positive diplomatic environment for a greater linking of Japanese capital and technology with Russia's immense natural resources.

This dispute over the Kurile Islands is, in my opinion, a classic case of what happens when government officials limit themselves to pursuing status-quo policies of confrontation. It is especially common with respect to contested issues where the continuing confrontation is perceived to be virtually inevitable, despite the substantial benefits that mutual cooperation might provide to both parties to the dispute. In other words, there is an insufficient accounting for the price of failure to resolve the conflict, i.e., the opportunity cost of maintaining the confrontational status quo.

Fukuzawa Yukichi's advice for Japan to turn its back on Asia may have been good advice during the end of the 19<sup>th</sup> century but not for the beginning of the 21<sup>st</sup>. Sixty years after the end of World War II, it is time for Japan to build a solid peace with its Asian neighbours.

#### **4. Japan at the Six Party Talks**

Northeast Asia is one of the most volatile regions in the world, and the border between North and South Korea is the world's most militarized border, the source of continuing tension and crises since the 1953 truce that ended the Korean War. The current crisis, begun with the visit of US Assistant Secretary of State James Kelly to Pyongyang in October 2002 and charges by the United States that the DPRK was developing a second nuclear weapons program based on uranium enrichment (in

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<sup>6</sup> Mark J. Valencia, “The East China Sea Dispute: Context, Claims, Issues, and Possible Solutions,” *Asian Perspective* 31:1, 2007.

addition to the plutonium program halted by the Agreed Framework of 1994), lead to series of meetings by the four major powers (the US, China, Russia, and Japan) with both North and South Korea, the so-called Six Party Talks. Meanwhile, the crisis deepened when the DPRK threw out the inspectors from the International Atomic Energy Agency (IAEA), resumed plutonium production, withdrew from the Nuclear Nonproliferation Treaty, launched missiles into the Sea of Japan, and finally tested its first nuclear device October 2006 --- followed by a second test in May of this year.<sup>7</sup>

Paradoxically, and strange as it may seem, this crisis is probably the best opportunity to date for the construction of a multilateral security institution in Northeast Asia. The idea is to extend the process of resolving the DPRK nuclear crisis in order to design and to implement a series of bilateral and multilateral agreements to assure the national security of both the DPRK and South Korea; to encourage their gradual, peaceful reconciliation and reunification; and to establish the strategic stability necessary for productive trade and investment. A key element would be energy cooperation focused on the exploitation of Russian resources and their transportation through the region to markets that would benefit all of the parties.

The objective would be to integrate the DPRK into a new regional security institution, whether or not North Korea is finally convinced to give up its nuclear weapons. At minimum, just a freeze on nuclear weapons by Pyongyang would be enough. On that basis, a security mechanism founded on a network of bilateral and multilateral security commitments might be sufficient to contain the possibility of NK sales of nuclear materials to terrorists and to undercut the logic of a possible nuclear arms race that might include Japan or South Korea --- or even Taiwan. Over time, security assurances and material support to the DPRK might be enough to convince Kim Jong Il or his successor that he does not need a nuclear deterrent.

To achieve an acceptable resolution to the North Korean nuclear crisis, much less to construct a new multilateral security institution, would be immensely difficult --- given the need to satisfy all six parties in the negotiation.<sup>8</sup> Moreover, any viable security agreement must be based on trust, and there is obviously very little trust between the two key parties, the US and the DPRK. However, one of the key elements in this kind of arrangement is to gain the trust of all parties in the process. A major advantage of a multilateral agreement like this, compared with a bilateral agreement, is that all of the parties have a stake in the commitments that have been made, so that if one party should fail to honor its commitments, all of the other five would have cause to pressure it to comply. A cooperative-security mechanism should be constructed on a web of both bilateral and multilateral agreements in such a way that not just one or two but *all* parties gain from the arrangement, and all would be

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<sup>7</sup> For an important Japanese perspective, see Yoichi Funabashi, *The Peninsula Question: A Chronicle of the Second Korean Nuclear Crisis* (Washington, DC: Brookings Institution Press, 2007). For the joint statement of September 19, 2005 from the fourth round of the SPT, see: <http://www.state.gov/r/pa/prs/ps/2005/53490.htm> and the February 13, 2007 agreement, see: <http://www.state.gov/r/pa/prs/ps/2007/february/80479.htm> .

<sup>8</sup> The Stanley Foundation has undertaken an important study of the experience of the earlier KEDO project to implement the 1994 Agreed Framework to identify the most important lessons to be learned about establishing multilateral security institutions in NE Asia. Stanley Foundation, "What Did We Learn From KEDO?" Policy Dialogue Brief, November 2006 <http://www.stanleyfoundation.org/publications/pdb/KEDO07pdb.pdf>



deprived if any member should fail to meet its commitments. In that way, trust in the process might gradually increase the bilateral trust enjoyed by its members.<sup>9</sup>

Japan, thus far, has been a reluctant participant in the six-party process, insisting that the problem of North Korean abduction of Japanese nationals in the past be resolved before Tokyo was prepared to make any financial contribution. However, the opportunity to build an unprecedented six-nation security community in Northeast Asia offers Japan a chance to achieve several key strategic objectives all together: 1) to play a major role in shaping the future of the region; 2) to construct mutually beneficial relations with Japan's neighbors; 3) to keep its key ally, the United States, deeply involved in the security of the region (rather than exclude the US as would be the case under most notions of an East Asia community); and, finally and by no means least, 4) to build a structure of strategic stability in Japan's immediate geographical neighborhood conducive to maintaining an environment of peace and prosperity.

## 5. How to Deal with China

China presents the greatest challenge for Japan. China's rise (whether "peaceful development" or "China threat") has been analyzed repeatedly by experts in magazine articles and books, but only recently has the debate begun about America's relative decline --- in both its hard and so-called "soft" power.<sup>10</sup> Even less attention has been devoted to the relationship between China's rise and the US decline. But that relationship, no matter how difficult it is to measure in material terms, has begun to reshape strategic relations around the world, particularly in East Asia. It is the major strategic transformative event of our time.

The crux of that structural shift in global power has emerged in China's relations with Japan, America's most important ally in Asia. It is there that the future of the region will very likely be decided: cooperation or confrontation. The stakes are high. Leaders in Beijing and Tokyo, responding to the changing strategic environment, will decide whether to make a future together as the major members of an East Asian community or to take sides in a renewed Cold War between the United States and China. Crises over North Korea, Taiwan, the East China Sea, or a possible Japanese decision to "go nuclear" will test their willingness to work together for the future of a peaceful and prosperous East Asia.

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<sup>9</sup> Peter Van Ness, "Designing a Mechanism for Multilateral Security Cooperation in Northeast Asia," *Asian Perspective* 32:4, 2008, pp. 107-126, available online at: <http://www.asianperspective.org/articles/v32n4-f.pdf>

<sup>10</sup> See, for example, Josef Joffe. "The Default Power: The False Prophecy of America's Decline," *Foreign Affairs* 88:5, September/October 2009, pp. 21-35; Christopher Layne, "The Waning of US Hegemony --- Myth or Reality? A Review Essay," *International Security* 34:1, Summer 2009, pp. 147-172; and Mark Selden et al., "As the Empire Falls: Lessons Learned and Unlearned in 'America's Asia,'" *Critical Asian Studies* 41:3, September 2009, pp. 447-468. The International Institute of Strategic Studies, in its *Strategic Survey 2009: The Annual Review of World Affairs*, reported that "Clearly the US share of 'global power,' however measured, is in decline." Quoted in "US Power Fading but it Still Has Main Role: IISS," *Taipei Times*, September 16, 2009.

Some analysts would say that Japan has very little influence on the key strategic decisions in the region, but they are wrong. As China grows in economic and political influence, and the reign of American hegemony in the region is increasingly called into question, Japan's decisions become more central. Much of the impetus for the building of an East Asian Community has come from the ten member-countries of the Association of Southeast Asian Nations. For them, the foundation of the EAC should be the "ASEAN plus three" --- linking up with China, Japan, and South Korea.<sup>11</sup> They especially want Japan to play a major role in the EAC. For them, the East Asian Community is their way of trying to deal with an emerging China. It could also play an important part in Japan's way of dealing with China.

After more than a decade of stagnation and deflation, and now the impact of the global financial crisis, the Japanese economy has been losing ground when compared with China.. According to the World Bank, Japan's GDP is about one-third of the size of the US economy while China's is just one-quarter, but if the current economic growth rates of the three major powers are sustained into the future, these relationships will continue to change in China's favor. So now is a more advantageous time for Japan to initiate an accommodation with its Asian neighbors than any time in the foreseeable future.

China is presently committed to East Asian multilateralism, a strategy that Beijing is convinced is best for maintaining the stability in the region that its economic modernization requires.<sup>12</sup> ASEAN wants Japan to be a vital part of that multilateral design because they need Japan to help balance the emerging China. Russia also wants to be an important part of the development of the region. Moscow hopes to build its participation in the Six Party Talks into a major role in the future economic development plans for Northeast Asia. Now would appear to be an ideal time to negotiate a peace treaty with Russia to formally conclude World War II, and to lay the foundation for mutually beneficial projects, linking Japanese capital and technology with Russian energy resources.

The United States will be skeptical at best about regional cooperation in East Asia,<sup>13</sup> as we know from their opposition in the past both to Mahathir's proposal for an East Asian Economic Caucus in the early 1990s and to the Japanese initiative to establish

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<sup>11</sup> See, for example, Hyung-kyu Chey, "The Changing Political Dynamics of East Asian Financial Cooperation: The Chiang Mai Initiative," *Asian Survey*, Vol. XLIX, No. 3, May/June 2009, pp. 450-467.

<sup>12</sup> State Council Information Office, People's Republic of China, "China's Peaceful Development Road," a white paper. People's Daily Online, December 22, 2005. For an analysis, see David C. Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007).

<sup>13</sup> See, for example, Richard L. Armitage and Joseph S. Nye, *The U.S.-Japan Alliance: Getting Asia Right through 2020* (Washington, DC: Center for Strategic and International Studies Report, February 2007); and Ashley J. Tellis, "Preserving Hegemony: The Strategic Tasks Facing the United States," in *Strategic Asia 2008-09: Challenges and Choices* (National Bureau of Asian Research, 2008). For a response to Tellis, see Peter Van Ness, "The Problem with George: US Hegemony in Disarray," *Global Asia* 4:1, Spring 2009, pp. 50-51, online at: [http://www.globalasia.org/Current\\_Issues/Volume\\_4\\_Number\\_1\\_Spring\\_2009/The\\_Problem\\_with\\_George\\_US\\_Hegemony\\_in\\_Disarray.html?PHPSESSID=fc3147accbb1faf64b3cf4c61c835b25](http://www.globalasia.org/Current_Issues/Volume_4_Number_1_Spring_2009/The_Problem_with_George_US_Hegemony_in_Disarray.html?PHPSESSID=fc3147accbb1faf64b3cf4c61c835b25)

an Asian Monetary Fund to help countries in the region to deal with the financial crisis of 1997-1998. But the US is now stretched to the breaking point militarily because of commitments in Iraq and Afghanistan, and economically by the global financial crisis. Moreover, with respect to both North Korea and Iran, the United States is close to running out of viable options other than continued negotiations, because of its inability to make credible a military option or even to threaten more severe UN Security Council sanctions. As a result, the United States is probably less likely today to stand in the way of proposals to build multilateral cooperation in the region, especially when such arrangements would in fact not be contrary to US interests.

Japan is a major power, and it has the potential influence of a great power in the region in the current environment of a rising China and a weakening US hegemony. For example, if there is to be a successful East Asian community, it will require Japanese leadership together with China, because the other countries in the region do not want to have to choose between them. Moreover, if the American government in its anxiety about a rising China should opt for a Dick Cheney-type policy of confrontation, which in turn might lead to a new Cold War in Asia, Japan could decide to say “no.” Without the support of its principal ally in Asia, Washington would not be able to sustain a Cold War policy toward China for fear that doing so would press China and Japan together in an alliance against the United States --- a scary possibility that has worried several US administrations. On the other hand, should Japan decide to go nuclear in response to its own fears about China and North Korea, a nuclear arms race would be inevitable, and probably a new Cold War as well.

Japan has a wonderful opportunity to help shape events in ways that would contribute to its own interests as well as to the broader concerns of the region. None of this is incompatible with Japan’s bilateral security relationship with the United States, and each of these steps would help to build a more stable Northeast Asia. This is the challenge facing Prime Minister Hatoyama and the new DPJ government of Japan.

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