Hatoyama’s New Path and Washington’s Anxiety

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If we carefully read this piece, and the original Japanese version in Voice plus, we can see the ideas are modest compared with earlier DPJ defense policy positions. DPJ positions on suspending the oil refueling mission in the Indian Ocean, and reviewing the 2006 road map on realigning U.S. forces in Japan, are not mentioned either. Why, then, did this piece cause so much angst?

Washington’s long-standing relationship with the defeated Liberal Democratic Party (LDP) led to neglect in forging relations with the DPJ. Japanese conservative leaders and media may have also tried to send their own frustrations abroad; some in Washington simply dislike this piece’s criticism of American-style capitalism.

And some key paragraphs were omitted from the translation.

Significantly, Hatoyama’s critique of economic policy and financial architecture and his proposal for regional integration as a counter-weight to US influence opened a floodgate for misunderstandings about how he evaluates the U.S. alliance.

On economic policy, he writes:

The recent economic crisis resulted from a way of thinking based on the idea that American-style free-market economics represents a universal and ideal economic order, and that all countries should modify the traditions and regulations governing their economies in line with global (or rather American) standards.

This paragraph can be read as the criticizing the U.S. But this is a popular line of commentary in the U.S. too. While he uses the phrase ‘market fundamentalism’ in other places, Hatoyama simply attacks excessive deregulation. In fact, he then goes on to criticize LDP economic policy, especially privatization of the national postal service (including banking and insurance by post offices), as destroying regional communities and intangible values, which Japanese society had embraced.

The IHT excerpt somehow ignores Hatoyama’s concept of fraternity, an important part of his argument, which lays the foundation for his principle of subsidiarity.

Individuals have to solve what individuals can cope with. Families help individuals when solely individuals cannot. Regional communities and non-profit organizations help families when they cannot. If problems are not able to be solved, now the public administration needs to be engaged. Basic municipalities have to undertake what they can solve. Region-wide municipalities have to undertake what basic municipalities cannot. Central government is in charge of what region-wide municipalities cannot undertake, such as diplomacy, national security, and macro-economic management. Also, as the next step, partial sovereignty, such as currency circulation control, can be transferred to international organizations, as embodied in the EU [author's translation].

Apparently, this also implies small government. In other sections of both the Japanese and English versions, Hatoyama emphasizes the roles of the government in agriculture, environmental protection, social welfare, and maintenance of the medical system, leaving us to wonder what his economic principles are. His aim seems to be to criticize traditional...
LDP style big government with strong bureaucracy. More recently, the LDP shifted its economic policy to small government under Koizumi’s reforms. The LDP has now kept both camps of economic philosophy, and Hatoyama may have intended to kill two birds with one stone, thus creating these complicated proposals. However, even though the DPJ had promised large social spending, a representation of its populism, their macro-economic and social policy is paternalistic libertarian, not socialist.

The latter half of the English version is perhaps more controversial:

Another national goal that emerges from the concept of fraternity is the creation of an East Asian community. Of course, the Japan-U.S. security pact will continue to be the cornerstone of Japanese diplomatic policy. But at the same time, we must not forget our identity as a nation located in Asia...we must continue to build frameworks for stable economic cooperation and security across the region...

Readers familiar with diplomatic wording, will realize the English version put ‘an’, not ‘the’, and does not capitalize ‘community’.

The most sensitive lines are the following:

The financial crisis has suggested to many that the era of U.S. unilateralism may come to an end. It has also raised doubts about the permanence of the dollar as the key global currency. I also feel that as a result of the failure of the Iraq war and the financial crisis, the era of U.S.-led globalism is coming to an end and that we are moving toward an era of multipolarity. But at present no one country is ready to replace the United States as the dominant country. Nor is there a currency ready to replace the dollar as the world’s key currency. Although the influence of the U.S. is declining, it will remain the world’s leading military and economic power for the next two to three decades.

This presumes the decline of American hegemonic power in the financial realm, casting doubts on the validity of the U.S. dollar as the key currency. Hatoyama admits there is no replacement for the dollar, and does not suggest any alternative global financial architecture, like that which BRICs leaders have discussed. Hatoyama also proposes establishing a common Asian currency. He regards it as a multilateral tool to overcome the rise of nationalism, and to solve problems which dyadic negotiation cannot.

This section also mentions the end of the era of US-led globalism due to ‘the failure of the Iraq War.’ Yet Hatoyama also admits the U.S. will retain its lead as a military power for several decades. Simply, Hatoyama argues that American soft-power is waning, while its hard power is still strong. This is a common criticism of Bush administration policy. Hatoyama does not deny the significance of the U.S-alliance. What he points to is the dilemma that Japan faces being stuck between the U.S. and the rising power of China. In the Japanese article, he straightforwardly says, ‘to achieve regional stability we want to effectively make use of American military power.’

Before the conclusion which quotes Count Kalergi, he re-emphasizes his aims and perception:

I believe that regional integration and collective security is the path we should follow toward realizing the principles of pacifism and multilateral cooperation advocated by the Japanese Constitution. It is also the appropriate path for protecting Japan’s political and economic independence and pursuing our interests in our position between the United States and China.

What Hatoyama means by ‘collective security’ is unclear. He supports regional multilateral cooperation as he believes it would create a favorable status-quo for Japan in the region. His wording, ‘protecting Japan’s political and economic independence’ could be regarded as turning away from the U.S., but when read carefully, it merely suggests that Hatoyama does not support the Iraq War, and is a critic of dogmatic free-marketers. He dreams regional integration will promote regional stability, protect Japan from China’s negative impacts, and supplement the U.S-alliance. Perhaps Hatoyama wishes to contribute to the creation of movements like Australian Prime Minister Kevin Rudd’s Asia Pacific Community.
There are problems with the versions in both languages. Regional cooperation is proposed without concrete details. East Asia has already many security and economic mechanisms, such as ASEAN Regional Forum, East Asian Summit, ASEAN+3, and it is not clear how to restructure them. Without any evaluation of ongoing frameworks, such as the G2 and the China-Japan-U.S. trilateral dialogue, Hatoyama’s essay creates room for misunderstandings. Additionally, he fails to discuss how to approach North Korea, a crucially important security concern for Japan and the Japan-US alliance.

It is unfortunate if Hatoyama’s essay is interpreted as discussing Japanese choices with regard to the U.S. and China as a zero-sum game. It merely highlights the dilemma that Japan and other regional states cannot easily take sides, simultaneously expecting U.S. military and Chinese economic roles in the region. And it proposes regional integration as a positive-sum step in dealing with nationalist and inward-looking mentality. It is difficult to judge Hatoyama’s essay as anti-American.

When read carefully in the original and unabridged Japanese, Hatoyama’s proposals are modest. Now we should wait and see what Hatoyama’s administration will propose in detail. It is far too early to stereotype the DPJ’s foreign policy. There is the potential for the DPJ government to lead Japan in a more active and positive direction in the Asia and the Pacific, including with America.

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