



THE JAMES A. BAKER III
INSTITUTE FOR PUBLIC POLICY
OF
RICE UNIVERSITY

JAPANESE ENERGY SECURITY AND CHANGING GLOBAL ENERGY MARKETS:
*AN ANALYSIS OF NORTHEAST ASIAN ENERGY COOPERATION AND JAPAN'S EVOLVING
LEADERSHIP ROLE IN THE REGION*

BETWEEN BALANCE OF POWER AND COMMUNITY:
THE FUTURE OF MULTILATERAL SECURITY COOPERATION
IN THE ASIA PACIFIC

G. JOHN IKENBERRY
*ASSOCIATE PROFESSOR OF POLITICAL SCIENCE
THE UNIVERSITY OF PENNSYLVANIA*

AND

JITSUO TSYUCHIYAMA
*PROFESSOR OF INTERNATIONAL RELATIONS
SCHOOL OF INTERNATIONAL POLITICS, ECONOMICS, AND BUSINESS
AOYAMA GAKUIN UNIVERSITY*

PREPARED IN CONJUNCTION WITH AN ENERGY STUDY SPONSORED BY
THE CENTER FOR INTERNATIONAL POLITICAL ECONOMY
AND
THE JAMES A. BAKER III INSTITUTE FOR PUBLIC POLICY
RICE UNIVERSITY – MAY 2000

Introduction

The Asia Pacific is one of the most dynamic and potentially unstable regions in the world today, yet the security institutions that are available to manage tensions are scattered, weak, or nonexistent. The region encompasses a diverse mixture of rival great powers, thorny territorial disputes, unresolved historical memories, competing political ideologies, painful economic transitions, shifting military balances, and divergent cultures. The unsettled relations between Japan, the United States, China, Russia, North and South Korea, Taiwan, and Southeast Asia would be a challenge to manage, even if the region had well established governance institutions – but the absence of strong and coherent regional security institutions makes the challenge even greater.

Scattered across the region are a patchwork of bilateral alliances, ad hoc security dialogues, multilateral fora, ministerial meetings, track-two encounters and other mechanisms of engagement. The United States-Japan security pact is the single most important and stable institutional anchor in the region. But increasingly, leaders in the region are looking for wider and more inclusive multilateral mechanisms to manage the complex security dilemmas in the region. Japan has slowly diversified its security contacts in the region and is involved in an array of annual and ad hoc ministerial talks.¹ China and the United States have recently resumed high level talks between their military establishments, and various security experts and political leaders have called for more formal trilateral talks between China, the United States, and Japan.² The United States is currently exploring ways to establish a dialogue -- modeled on the Conference on Security and Cooperation in Europe -- between the wider set of states in the region. Ideas about new multilateral institutions are in the air.

How stable are the current ad hoc security arrangements in the region? The answer will depend in a large measure on American and Japanese foreign policies in the region. What are the limits and possibilities for more formal and coherent multilateral security arrangements in the

¹ Multilateral security dialogues in which Japan is involved include the Forum for Defense Authorities in the Asia Pacific Region, the International Seminar on Defense Science, the Asia Pacific Seminar, and the Western Pacific Naval Symposium.

² Kokubun Ryosei, ed., Challenges for China, Japan, U.S. Cooperation (Tokyo: Japan Center for International Exchange, 1998); and Morton I. Abramowitz, Funabashi Yoichi, and Wang Jisi, China, Japan, U.S.: Managing the Trilateral Relationship (Tokyo: Japan Center for International Exchange, 1998).

**BETWEEN BALANCE OF POWER AND COMMUNITY:
THE FUTURE OF MULTILATERAL SECURITY COOPERATION
IN THE ASIA PACIFIC**

region? The answer depends on the precise nature of such security multilateralism. There are a wide variety of cooperative security arrangements, ranging from great power concerts, collective security orders, multilateral alliances, and loose cooperative associations. The current security order in the Asia Pacific is organized around neither a balance of power, nor a fully multilateral system. The question that must be answered in analyzing the U.S.-Japan alliance is: Can the logic of cooperation between the United States and Japan be extended outward into the region creating a more inclusive cooperative security order?

To answer these questions, this paper explores the logic behind American and Japanese approaches to regional security and the prospects for a more comprehensive cooperative security order in the Asia Pacific. We argue that the current security order in the region bears the mark of long-established and distinctive American and Japanese approaches to regional security. The United States is pursuing what might be called a “liberal” grand strategy. The American approach to security in Asia is part of a more general liberal orientation to building security order – utilizing the integrative and binding mechanisms of institutions and economic interdependence.

Our argument is that American and Japanese approaches to security hold out some hope for a more inclusive and cooperative regional security order. Movement to a truly European-style community-based security system is not yet possible. For years to come, the Asia Pacific region will exist somewhere between a balance of power and a community-based order. To get at the problems and prospects for a more cooperative multilateral security system, it is necessary to look more closely at the various types of cooperative orders. Each type of multilateral security order is based on a different logic of relations between the states in the region. More precisely, each depends on a different type of social cohesion -- or cooperative principle -- among the states. And some of the cooperative principles are more realistic than others in the Asia Pacific context. Put differently, it is not just the configurations of power in the region that matter but also the cultural, social, and political bonds of solidarity – their presence or absence – that determine what is possible and what is not.

It is useful to explore the different types of security orders and identify their divergent political and cultural underpinnings. Broadly speaking, there are three general types of security

orders: balance of power, hegemonic, and community-based.³ Some scholars argue that the virtue of a balance of power system is that states do not need to agree on much other than the need to counter balance power; political or cultural affinities are not needed. Hegemonic order also can be based essentially on power realities, although the current security order in Asia, which is at least in part based on American hegemony, is given some stability and appeal because of non-power factors such as American cultural appeal and the institutional lines of communication between the United States and its Asian partners.

We focus first on the current American-led regional security order. This current arrangement might be called a liberal hegemonic order that has the U.S.-Japan alliance as its linchpin. Then we look at the liberal grand strategy guiding American involvement in the region and the types of engagement policies it pursues. Next we observe Japan's ambivalent views on security multilateralism and the historical roots of its security views. Finally, we examine a variety of community-based models that might form the basis of future security relations in the region. We argue that these cooperative security orders are not yet suitable for the region, but that as the region evolves – and develops more deeper and more integrative regional political identity – the possibilities might exist for gradual movement toward multilateral security cooperation.

Bilateral Alliances and American Hegemony

The current order in the Asia Pacific is built around the American system of bilateral alliances with Japan, South Korea, and other states in Southeast Asia. The traditional way of thinking about alliances is that they are temporary agreements between states aimed at aggregating power to counter an external threat. But the bilateral alliances in Asia (and Europe as well) also play a complex role in reassurance and restraint within these security partnerships.

³ For a discussion of community-based security orders, see Bruce Cronin, Community Under Anarchy: Transnational Identity and the Evolution of International Cooperation (New York: Columbia University Press, 1999). For the classic definition and discussion of community in domestic societies, see Thomas Bender, Community and Social Change in America (Baltimore: Johns Hopkins, 1982), esp. pp. 7-8.

That is, alliances can also be pacts of restraint for the states within the alliance. The U.S.-Japan alliance helps reassure Japan's neighbors (China and South Korea) that Japan will not revert to a more militarized and aggressive regional posture. The alliance also provides reassurances that the power of the United States will be connected to Asia in a predictable and stable way.⁴ Japan gains formal and regular access to security policy making within the United States. American hegemony may not be entirely welcome in Asia, but it is more acceptable to the extent that it is institutionalized through bilateral alliances and regional agreements.

The dominant reality in world politics today is America's unipolar power. The question is whether this power is stable and capable of sustaining the hegemonic regional security order in Asia. Realists argue that concentrated power tends to be counter-balanced, and it is only a matter of time before Asian states begin to resist American hegemony. In this view, the Asia Pacific region is destined to return to a more traditional balance of power system. Others argue that American power is unusual, and more benign than past great powers. Josef Joffe argues that it is America's soft power – its cultural appeal – that makes the United States more acceptable as a dominant state.⁵ Our argument is that it is the institutions that the United States has wrapped itself in – bilateral alliances and multilateral regimes – that makes American power more benign and acceptable. It is the self-imposed restraints on the American exercise of power that makes other states less likely to balance against it.⁶

The question of whether the American-dominated regional security order is durable and desirable hinges on whether America's cultural appeal and the institutions that commit and restrain the United States are credible in the eyes of Asian states, including China. In part, this will be determined by the alternatives. At the moment, it is very difficult to envisage a thorough, long-lasting replacement of this extended American order.

America's Liberal Grand Strategy

⁴ It was Yoichi Funabashi who said that the hidden stabilizer during the 1997-98 Asian financial crisis was the U.S.-Japan alliance. Funabashi, "Tokyo's Depression Diplomacy," *Foreign Affairs*, November/December 1998.

⁵ Josef Joffe, "How America Does It" *Foreign Affairs*, Vol. 76, No. 5.

⁶ See Ikenberry, "Institutional, Strategic Restraint, and the Persistence of American Postwar Order," *International Security*, Winter 1998/99.

**BETWEEN BALANCE OF POWER AND COMMUNITY:
THE FUTURE OF MULTILATERAL SECURITY COOPERATION
IN THE ASIA PACIFIC**

When the United States has had opportunities to build international political order, such as after 1919 and 1945, it has tended to do things differently than other states in similar situations. At these moments, liberal America has sought to create various sorts of integrative, reciprocal, and highly institutionalized political orders. It has stressed the multilateral organization of economic relationships, and it has placed a premium on the encouragement of democratic reform in defeated or transitional states. It has taken its own experience with building order – from the “founding fathers” period and after the civil war – and brought it to bear on regional and global problems of order building. The United States has not tended to make sharp distinctions between the logic of domestic and international order – both can be brutal and anarchic arenas of coercion and violence, and both can potentially be legitimate, reciprocal, institutionalized, and stable. In some instances, American leaders portray areas of the world as anarchic arenas that demand realist-oriented foreign policies, such as in relations with the Soviet Union during the Cold War, but American leaders are just as capable of depicting other arenas of international politics, such as in relations with Europe, as almost an extension of its own domestic politics.

This American orientation toward political order can be contrasted with the more traditional European and realist notions of order based on the balance of power or coercive domination. In this view, there is a fundamental and inevitable divide between the underlying character of domestic politics and international relations. Liberal ideas are of marginal relevance at best in overcoming the anarchic and power balancing of states. The liberal orientation toward order is also concerned with the management of power, but it brings a richer set of ideas about how economic interdependence, democratic community, political socialization, and binding institutions can contribute to stable and mutually agreeable order.⁷

The United States has also been remarkable in its ability to foster stable and legitimate order among states in highly asymmetrical power relations. The United States has had unprecedented power – truly hegemonic – yet it has been able to reassure weaker states that it will not dominate or abandon them. The United States has been able to build political relations with other states that overcome incentives to resist American power and trigger counter-

⁷ Ikenberry, “Institutions, Strategic Restraint, and the Persistence of American Postwar Order,” International Security.

balancing alliances. Some conservative American foreign policy practitioners and pundits organize their intellectual world-view around an assumed universality and inevitability of world and regional order built around the balance of power. “Hard” versions of this realist view lead to predictions that China and the United States are moving inevitably toward strategic competition and great power rivalry.⁸ “Soft” versions of this view, such as those associated with Henry Kissinger, also see Asia Pacific order built on a Chinese-American balance, but are more optimistic that these great power relations can be managed peacefully.⁹ Other conventional realist and balance of power thinkers assume that the alliances between the United States, Japan and South Korea will also be casualties of the end of the Cold War, unless China rises to replace the Soviet Union as the “glue” that holds the security partnerships together.

What these conventional Cold War views of world politics miss are the array of practices and policies that the United States can bring to dynamic and potentially unstable regions to establish stable relations without resorting to balance and strategic rivalry. At least since Woodrow Wilson, an American “liberal” grand strategy has been a part of the American foreign policy tradition. It is a strategy built around at least three elements of engagement, which seek to “open up,” “tie down,” and “bind together” potentially troublesome and unstable states.

“Opening up” means globalization, directing the great forces of trade and investment, cultural exchange, and transnational society into the closed hierarchy of statist politics. “These linkages bring with them powerful forces for change. Computers and the Internet, fax machines and photo-copiers, modems and satellites all increase the exposure to people, ideas, and the world beyond China’s border,” as President Clinton explained last October. Call this idea “strategic interdependence.” The idea is to create realms of wealth and autonomy within the economy and society, which encourages political pluralism and erodes the iron fisted control of the communist party. Expanding trade and investment also creates new and more vocal “vested interests” in closed societies who want to maintain continuous and stable relations with the outside world.

⁸ Richard Bernstein and Ross H. Munro, The Coming Conflict with China (New York: Alfred A. Knopf, 1997); Arthur Waldron, “How Not to Deal with China,” Commentary (March 1997); Robert Kagan, “What China Knows that We Don’t,” Weekly Standard, 20 January 1997.

⁹ David Shambaugh, “Containment or Engagement of China? Calculating Beijing’s Responses,” International Security, Vol. 21 (Fall 1996).

**BETWEEN BALANCE OF POWER AND COMMUNITY:
THE FUTURE OF MULTILATERAL SECURITY COOPERATION
IN THE ASIA PACIFIC**

Strategic interdependence is meant to accomplish at least two objectives. First, it is to help activate and reward internal groups and factions within the economy and society and strengthen their domestic position, thereby giving a boost to political forces that favor democracy and a pluralistic political system. When the United States saw the Soviet Union beginning to reform under the leadership of Gorbachev, this was part of the American strategy. Jack Matlock, the American ambassador to Moscow, took this view in a secret cable dated 22 February 1989: “We have a historic opportunity to test the degree the Soviet Union is willing to move into a new relationship with the rest of the world, and to strengthen those tendencies in the Soviet Union to ‘civilianize’ the economy and ‘pluralize’ the society. U.S. leverage, while certainly not unlimited, has never been greater.”¹⁰ The other objective of strategic interdependence is to create dependencies and “vested interests” who favor stable and continuous relations. This is often seen most clearly in the economic realm: international business leaders grow in number and importance in the target country and raise their collective voices in favor of political and economic openness and friendly relations.

“Tying down” means inviting other governments to get involved in international organizations such as the WTO and APEC. Here the idea is to create expectations and obligations on governments through membership in regional and global institutions. Political conditionality for gaining membership in these organizations can itself create leverage, but the expectation is also that once inside the institution, government officials will slowly be socialized into embracing its principles and norms. Standards of behavior are established, and even if a government only cynically endorses the principles, such as when Brezhnev signed the 1975 Helsinki Act, they can nonetheless be a powerful tool for governments and private activists. The Soviet leader had no intention of abiding by the human rights declaration, but his signature on the parchment became a rallying point for the world’s human rights movement. Later, many of the advisers around Gorbachev were also influenced by the “new thinking” coming from international organizations and progressive transnational movements. It is precisely because Soviet elites were not “contained” that new principles and ideologies of foreign policy could be implanted in Soviet officialdom.

¹⁰ Quoted in Robert L. Hutchings, American Diplomacy and the End of the Cold War: An Insider’s Account of the U.S. Policy in Europe, 1989-1992 (Washington, D.C.: Woodrow Wilson Center Press, 1997), p. 33.

“Binding together” means establishing formal institutional links between countries that are potential adversaries, thereby reducing the incentives for each state to balance against the other. This is the security component of a liberal grand strategy, and it has its origins at the Congress of Vienna in 1815 and its fullest expression in the post World War II Franco-German relationship. Rather than responding to a potential strategic rival by organizing a counterbalancing alliance, the threatening state is invited to participate in a joint security association or alliance. By binding to each other, surprises are reduced and expectations of stable future relations dampen the security dilemmas that trigger worst-case preparations, arms races, and dangerous strategic rivalry. Also, by creating institutional connections between potential rivals, channels of communication are established which provide opportunities to actively influence the other’s evolving security policy.¹¹ The binding logic is at work in the U.S.-Japan alliance. The web of intergovernmental consultation mechanisms give Japanese officials continuous and routine access to American security policy thinking and policy making. The binding logic of NATO allowed France and the other Western partners to acquiesce in Germany’s military rearmament during the Cold War. Even today, the United States and its European and Japanese partners ward off rivalry and balancing among themselves by maintaining their security alliances. It is the binding logic – more so than the response to external threats – that makes these institutions attractive today.

China may not be ready for an alliance, but the benefits of binding can be achieved in more modest institutional relationships, such as WTO membership, annual meetings of Chinese and American defense officials, membership in a non-proliferation regime, and participation in regional security forums. The idea is to respond to potential external threats by staying close to the nations that might create them, thereby reducing untoward surprises, reducing their autonomy of action. Such binding provides at least some opportunity to influence future activities. When discussion arose at the Paris peace conference in 1919 over whether Germany should be admitted to the League of Nations, Woodrow Wilson argued that it should, and he hinted at the binding

¹¹ For discussions of security binding, see Joseph M. Grieco, “State Interests and Institutional Rule Trajectories: A Neorealist Interpretation of the Maastricht Treaty and European Economic and Monetary Union,” *Security Studies*, Vol. 5, No. 3 (Spring 1996); Daniel Deudney, “The Philadelphian System: Sovereignty, Arms Control, and Balance of Power in the American States-Union,” *International Organization* 49 (Spring 1995); and G. John Ikenberry, “Constitutional Politics in International Relations,” *European Journal of International Relations* (Summer 1998).

logic of doing so. “It is a question of whether they were to be pariahs, or to be admitted into the League of Nations,” Wilson said, and that if they were included, at least after a period of probation, “Germany could be better controlled as a member of the League than outside it.”¹² It is a classic and enduring choice that states have when confronted with potentially dangerous or threatening states: to isolate them, contain them, and organize an alliance of states to insure against such an eventuality, or to include them within existing institutions, to attempt to co-opt them, monitor them closely, and limit their opportunities to act aggressively.¹³

These tactics and strategies work together, of course. The more that trade, investment, and political exchange work to open a country up to the outside, the more opportunities there are to tie them down and bind them with other states. This observation follows from a rather simple argument: the more open a state is – democratic, liberal, pluralist, decentralized – the more points of contact a state has with the outside world. Private actors in society can directly connect to international organizations and build extensive non-governmental relationships with similar actors in other states. The more connecting points and institutionalized relationships, the less likely or possible are arbitrary and sudden shifts in state policy. Webs of interdependence are created that mitigate the security dilemmas, lower the incentives to balance, and render shifts in power more predictable and tolerable.

America’s liberal grand strategy is not really new – it has been pursued quietly during the Cold War among the industrial democracies, and with remarkable, if unheralded, success. Promoting economic interdependence, institutional cooperation, and binding commitments are United States’ secret weapons for creating a stable world political order. It allows the United States to unleash the thousands of eager multinational companies, transnational organizations, and governmental representatives that stand ready to envelope a country and bring it into the wider liberal international order.

American Engagement in East Asia

¹² Quoted in Lloyd E. Ambrosius, *Woodrow Wilson and the American Diplomatic Tradition: The Treaty Fight in Perspective* (New York: Cambridge University Press, 1987), p. 133.

¹³ This is not to argue that all states are prone toward co-optation. Iraq, North Korea and other authoritarian states are the least likely to respond to this policy approach.

Since the end of the Cold War, the United States has pursued a variety of policies in the Asia Pacific, but on balance it has tended to bring liberal thinking into its overall orientation toward the region. The Clinton administration may not have a fully formed grand strategy in place -- it may still be searching for its intellectual and policy footing, but it is using liberal ideas nonetheless. It has recently described its policy toward China, for example, as “constructive engagement.” At the same time, this approach to China has not precluded the Clinton administration from sending two carriers to patrol the waters off Taiwan, and it still is willing to debate how to press China on human rights and trade problems. Obviously, distinctions between “containment” and “engagement” are too simple to capture the mix of policies available to the United States.¹⁴ We can look at American foreign policy toward the Asia Pacific in this light, and see what a more assertive liberal grand strategy might look like.

In the economic area, the liberal strategy is to foster expanded economic ties with China, encourage cross-cutting trade and investment patterns within the region among the various economic centers, and raise the level of multilateral political management of intra-regional economic relations. In many ways, the forces of trade and investment are driving the evolution of the Asia Pacific region. Japanese foreign investment exploded in the mid-1980s within Asia, reversing the earlier Western orientation of Japanese economic relations. At the same time, the overseas Chinese in Southeast Asia have also created a complex production and trade network in the region. The result is a growing intra-regional economy, not dominated by either the United States or Japan.

The very complexity and cross-cutting character of these relations is driving greater political and security engagement in the region.¹⁵ The American strategy should be to lead efforts toward the deepening of trade and investment interdependence, and encourage

¹⁴ An American strategy toward Asia was spelled out in a February 1995 Defense Department report, and it emphasized four overriding goals: maintain a forward presence of 100,000 in the region; put America’s alliances with Japan and South Korea on a firm basis; develop multilateral institutions such as the ASEAN Regional Forum to foster great security dialogue; and encourage China to define its interests in ways that are compatible with its neighbors and the United States. Department of Defense, United States Strategy for the East-Asia Pacific Region (Washington, D.C.: Department of Defense, 1995).

¹⁵ Yoichi Funabashi, Asia Pacific Fusion: Japan’s Role in APEC (Washington, D.C.: Institute for International Economics, 1995); and T. J. Pempel, “Gulliver in Lilliput: Japan and Asian Economic Regionalism,” World Policy Journal, Vol. 13, No. 4 (Winter 1996/97), pp. 13-26.

institutional groupings, such as APEC, to reinforce the open and “soft” character of Asia Pacific economic regionalism. It is also important for the United States to make sure that Asia Pacific regionalism encompasses the Western Hemisphere and not just Asia. This is important for several reasons, including insuring that a 1930’s style Asian bloc does not emerge, and it reinforces American corporate and other private sector interests in maintaining a political and security presence in the region.¹⁶

The internationalization of the Asia Pacific economies is important not just because the expansion of trade and investment promotes growth and rising living standards. The expansion of the internationally-oriented sectors in Japan, China, and South Korea also strengthens the position of cosmopolitan elites supportive of greater integration and stable multilateral relations. The rise of international business and banking in Japan, for example, has strengthened the internationalist coalition in Japan and added voices in favor of more extensive domestic economic reform and political pluralism.¹⁷ The same trajectory of internationalization, expanded vested interests, and domestic reform should be encouraged in China.

In the political area, the liberal agenda is squarely focused on the expansion of wider and deeper institutional relations between China, Japan, South Korea, the United States, and the ASEAN countries. This goal reflects a series of arguments about how institutionalized political relations help insure stable and legitimate political order. One argument is that to enmesh the regional powers in a series of regional and global institutions serves to establish explicit standards and expectations of government behavior in the wide realms of human rights, political accountability, property rights and business law. Yard sticks are erected that, often in subtle and indirect ways, allow governments and private groups to both support and criticize government policy and politics in neighboring countries. This, in turn, helps foster political community. Another argument is that a denser set of regional institutions provides forums and arenas for governmental and political elites to interact – thereby providing opportunities for the

¹⁶ This is a reference to the Japanese strategy of building a East Asian Co-Prosperity Sphere organized around its economic and military dominance.

¹⁷ Kozo Yamamura, “The Deliberate Emergence of a Free Trader: The Japanese Political Economy in Transition,” in Craig C. Garby and Mary Brown Bullock, eds., *Japan: A New Kind of Superpower?* (Washington, D.C.: Woodrow Wilson Center Press, 1994).

“socialization” of these elites into common regional norms and expectations.¹⁸ Finally, institutions can also provide functional problem solving mechanisms that bring together leaders and specialists across the region to find common solutions to problems. This is the old liberal argument about functional integration and the “spillover” of technical problem solving into more widely shared political bonds.¹⁹

The final area is regional security relations. As mentioned earlier, American security relations in Asia are organized through a series of bilateral alliances. These continue to play a stabilizing role in the region and, in ways not appreciated by realist policy specialists, to manage relations between the United States and its partners. These are important functions that should not be given up immediately, even if a more multilateral security organization does indeed emerge. The U.S.-Japan alliance and the U.S.-Korean alliance both provide vehicles for the United States to play an active role in the region. In this sense, they serve the same function as NATO does for American involvement in Europe. These alliances also stabilize relations between the United States and its Asian partners. This is the intra-alliance binding function of alliances that the realist balance of power perspective misses. From a liberal engagement perspective, these alliances need to be redefined to the American public and within the Asia Pacific region as defensive associations that are aimed primarily at stabilizing relations and mitigating conflict between the alliance partners. China in particular needs to understand this function of the U.S.-Japan alliance: it stabilizes Japan’s security situation in the region; it removes incentives for Japan to overturn its “peace constitution” and acquire nuclear weapons; and it mutes economic conflicts between the world’s two largest economies. These are alliance consequences that are good for China too.

The United States may eventually want to go beyond simply defining the agenda and functions of bilateral security alliances in Asia. A discussion should begin about ideas for a new regional security organization. This organization might simply be a forum that institutionalizes dialogues between Chinese, Japanese, Korean, and American defense officials. More

¹⁸ Iain Johnston, “Socialization in International Institutions: The ASEAN Regional Forum and I.R. Theory,” in G. John Ikenberry and Michael Mastanduno, eds., The Emerging International Relations of the Asia Pacific Region (forthcoming).

¹⁹ Philippe C. Schmitter, “Three Neo-Functional Hypotheses About International Integration,” International Organization, Vol. 23, No. 1 (Winter 1969).

ambitiously, it might include increased formal security commitments and collective security guarantees. Thinking through the character, organization, and phasing of this sort of regional security architecture is perhaps the most challenging area of American foreign policy today. Ideas from many quarters have already been suggested. Former Secretary of State Warren Christopher has suggested that discussion of a regional security organization be added to American foreign policy thinking on Asia. Likewise, former Secretary of State James Baker also proposed the development of more inclusive political arrangements for the management of relations in the region.

A new regional security organization for Asia is a thorny issue. The goal must be to bring China into an institutional security order in Asia, thereby binding it to the other major powers in the region. This would be a huge accomplishment, the most dramatic step possible in insuring that the rise of Chinese power is accomplished without provoking “security dilemma” reactions that destabilize the region and tip the region into an arms race and eventually a military conflict. But this new strategic partnership with China must be accomplished without undermining the stable security relations that the United States has with Japan and South Korea. These proven alliances – with their multiple functions – should not be exchanged for a regional security forum. The challenge will be to define objectives, steps, and a long-term process that can simultaneously integrate China into a regional security order and maintain the benefits of the current bilateral treaties.

Japan’s Ambivalent Multilateralism

Although it has begun to pursue a variety of multilateral diplomatic initiatives in recent years, Japan tends to prefer to operate bilaterally within the Asia Pacific region. There are several reasons why the Japanese tend to see international relations in terms of bilateralism. First, there are historical and geopolitical reasons. The multilateral security system in Europe emerged out of centuries of balance of power politics that socialized the states of Europe into a common framework and created conditions for multilateral security cooperation. By contrast, there never has been a true balance of power system in Asia. China was too strong politically by the time of the Opium War. As Coral Bell writes, the “centrality of the Chinese position, in geographic and demographic reality as well as in the Chinese concept of world politics, is the prime obstacle to

the belief in a workable Asian balance of power.”²⁰ Likewise, Japan has been too strong economically after it became the first modernized power in Asia from the late 19th century onward. As a result, there has never been a comfortable balance between the two. All other Asian powers have been too weak to make balance against the big two. The absence of a working balance of power system has meant that one of the critical forces that fostered a tradition of regionalism and multilateral order in Europe did not take root in Asia. This situation has also contributed to the absence of a strong sense of shared identity and culture in Asia.

Second, Asia has existed as a so-called “intrusive system” -- that is, the operation of security relations within Asia have been conducted as part of a wider Pacific and global system of great power relations.²¹ Politically significant external states have helped shape relations within the Asian subsystem. Without the involvement of the European and American great powers, the Asian system would not have maintained regional order by itself. The leading states in this intrusive system -- Japan and China -- could gain greater leverage in seeking their interest in Asia by bringing Euro-American influence to bear on their regional policy objectives. The outside states which have been allied to either Japan or China have tended to play a relatively indirect and benign role in the region, allowing their regional partners to operate as they wished as long as their larger global interests were not put at risk.

There are also cultural reasons for Japan’s reluctant multilateralism. The Japanese view of international relations has tended to be hierarchic, reflecting Japan’s long experience with pre-modern Sino-Japanese relations. The international order in Asia during the Ching Dynasty (1644-1912) is often characterized as a tribute-system that included such “nations” as Korea, Vietnam, the Ryukyu, and Japan all loosely connected to the Chinese suzerain state. Though it is debatable whether this system has regular patterns and institutions in the true sense of contemporary international relations, Sino-centered thinking and an assumption of Chinese superiority remain even in these days.

²⁰ Coral Bell, “The Asian Balance of Power: A Comparison with European Precedents,” Adelphi Paper, No. 44, 1968.

²¹ See Luise Cantori and Steven L. Smith eds., The International Politics of Regions: A Comparative Approach (Englewood Cliffs, New Jersey: Prentice-Hall), 1970, p.25.

Domestic cultural understandings reinforce the sense of hierarchy. The Japanese tend to see international relations as giving expression externally to the same cultural patterns that are manifested internally within Japanese society. As is often noted, Japanese society is characterized by the prevalence of vertically organized structures. Hierarchy is evident throughout its society in such relationships as the quasi-familistic hierarchical order of parent-child relations. Social anthropologist Chie Nakane presents the ideal type of Japanese group with all subordinate members linked directly to the leader.²² One of the most well known relationships in the Japanese business society is keiretsu (systematization). For example, besides the oligopolistic alignments controlled by financial groups, there are manufacturing keiretsu in such industries as chemicals and steel, and parts keiretsu in automobiles and electronics industries. In the keiretsu, a few hundred small plants and firms, called offspring companies, are aligned under a parent company in order to secure continuous order, as well as technological and financial support.²³ If the images of international relations reflect the domestic power structure in a society, Japanese perspective in its foreign relations may be characterized as hierarchical. When the Japanese try to locate Japan in international society, their domestic model offers itself as an analogy. If this is the case, Japan's diplomatic behavior is biased toward vertically organized bilateral relations.

Japanese diplomatic experience also reinforces bilateralism at the expense of multilateral relations. When Japan has entered into a specific international order through geopolitical alignments, Japan's strategy is somewhat similar to the logic of keiretsu. If this analogy is justified, one may be able to say that Japanese thinkers situate Japan not only in the horizontally arranged international system (i.e., in terms of unipolar or multipolar order) but also in the stratified international system (i.e., patron-client relations). When Japan joins such an international system, alliance policy should come into play.

More specifically, the Japanese obsession with bilateralism stems from their diplomatic experience since the late 19th century. At the turn of the century, Japan was considering two great powers as a possible ally – Great Britain and Russia. In short, the rationale for an alliance with England was what might be called “bandwagoning for profit” – that is, allying itself with

²² Chie Nakane, *Japanese Society* (Berkeley; University of California Press, 1970), p.51.

²³ Chie Nakane, *Japanese Society*, p. 96.

an economically dominant power. The rationale for alliance with Russia was what might be called “bandwagoning for survival” -- that is, allying itself with a threatening power.²⁴ In the end, Japan decided to go with Great Britain for a variety of reasons including economics, but also because Great Britain did not participate in the Triple Intervention by which Japan had to give up the Liaotung Peninsula. In the case of the U.S.-Japanese security treaty of 1951, the rationale was similar to the earlier Anglo-Japanese alliance. The U.S. could guarantee Japan’s safety as well as economic growth. Hence, it was bandwagoning for profit once again. Even in the case of the Axis Pact of 1940, one may find the same logic in Japanese thinking. Though many of the mid-European powers turned to Nazi Germany out of fear, Japan did it to obtain expected economic gain. The Axis Pact brought disaster to Japan, while the alliances with England and the United States have been regarded as great successes.

Japan’s experience with multilateral diplomacy has also shaped its views. For the Japanese, there have been two successful experiences of multilateral diplomacy: the entente diplomacy in 1907-1913 and the Washington Treaty system in the 1920’s. Two years after the conclusion of the Anglo-Japanese alliance, the Russo-Japanese War erupted in February 1904. Several months after the war started, England reached an entente with France (Russia’s ally) in order not to be embroiled in the Russo-Japanese War. Based on this Anglo-French entente and the Anglo-Japanese alliance, Japan concluded an entente with France in June 1907, and then a Russo-Japanese entente was concluded a month later. Finally, based on these entente treaties, England came to conclude an entente treaty with Russia in August 1907. This whole round of entente diplomacy was the most successful case of multilateralism in Japanese eyes, which laid a reliable diplomatic foundation not only in Asia, but also in Europe. This entente system can be a model for Japan’s multilateral diplomacy in the years to come.

However, there is a pitfall to this model. The entente system of 1907 gradually created contradictions between the Anglo-Japanese alliance (the center pillar of Japanese diplomacy at that time) in which Russia was a common “foe,” on the one hand, and the entente system, in which Russia was a “friend” of both England and Japan, on the other. The point is that a system

²⁴ Jitsuo Tsuchiyama, "Ironies in Japan's Defense and Disarmament Policy," in Purnendra Jain and Takashi Inoguchi, eds., *Japan's Foreign Policy Today* (New York: St. Martin's Press, forthcoming).

of bilateral alliances and multilateral ententes is complicated and each has a possibility of undermining the other.²⁵

Another case of multilateral diplomacy was the Washington Treaty Regime, which ended the Anglo-Japanese alliance. This regime institutionalized a set of general norms, rules and principles that imposed constraints on naval armaments among the five leading powers. For the Anglo-American powers, the Washington Treaty was meant only as a tool to manage security relations. But for the Japanese, it was more than an arms control treaty. In Akira Iriye's words, "it was viewed as an alternative to their unilateral policies or exclusive alliances and ententes aimed at particular objectives. Instead, the Washington system indicated a concept of multinational consultation and cooperation in the interest of regional stability."²⁶ The Washington Treaty System was not only the most successful case of arms control between the wars, but also a multilateral security framework in the Asia Pacific. Yet, as the Soviet Union and China, excluded from the system, gained more influence, and as Sino-Japanese relations deteriorated further in the 1930s, the Washington system gradually failed to function.

As these Japanese historical experiences indicate, conducting multilateral diplomacy requires the Japanese government's subtle and well-nuanced diplomacy. This is a challenging task for the postwar Japanese foreign policy elite, whose eyes for too many years have been accustomed to analyzing international affairs through a bilateral framework of U.S.-Japanese relations. The deep relationship with the U.S. has created a psychological hesitation for the Japanese to move toward multilateral diplomacy.

In spite of a propensity to deal with security issues by managing the bilateral relations of the U.S.-Japanese alliance, the Japanese have come to have a more positive view toward multilateral diplomacy in the years since the end of the Cold War. To begin, the Japanese expected a decline of American hegemony in the early 1990s, and this made them think more seriously of alternatives to the American-led security order. For example, the Report of the Advisory Group on Defense Issues (the so called Higuchi Report) made public in Aug. 12, 1994 stated that "the United States no longer holds an overwhelming advantage in terms of overall

²⁵ See, for example, Morinosuke Kajima, The Emergence of Japan as a World Power 1895-1925 (Rutland, Vermont: Charles F. Tuttle, 1968).

²⁶ Akira Iriye, The Origins of the Second World War in Asia and the Pacific (London: Longman, 1987).

national strength.” Then, it said, “[t]he question is whether the United States will be able to demonstrate leadership in multilateral cooperation.” As the most distinguished institution of cooperative security, the Report mentioned the United Nations, and indicated that “it is essential that multilateral cooperation be maintained under U.S. leadership.” The report said Japan should “play an active role in shaping a new order” instead of playing a “passive role.”²⁷ Partly because of this thinking, Japan has been very supportive to the ASEAN Regional Forum (ARF) security dialogue at the official level. At the non-ministerial level, the Conference on Security Cooperation in Asia and the Pacific (CSCAP) was established in 1993, and is promoting dialogue with states that include Australia, Canada, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Thailand and the United States. Japan’s Self Defense Agency has also initiated security dialogues with China and Russia. All of those efforts will increase transparency in the security area. Japan’s ODA and its policy in the UN’s PKO activities are often regarded as part of Japan’s multilateral commitments as well.

Taken together, it appears that the Japanese are now more positive toward multilateral diplomacy than in the past. However, no Japanese officials within the foreign policy establishment expect that multilateral arrangements can replace the bilateral security relations in the near future. It continues to be a challenge to conduct both bilateral and multilateral relations at the same time without creating contradictions – and thereby repeating the problems that Japan experienced in the first quarter of the 20th century. To deal with North Korea and China, a multilateral approach may function as a type of preventive diplomacy, at least to some extent. However, there is no high expectation that multilateral institutions will have a crisis management function. For example, there is some skepticism in Japan whether the Agreed Framework, concluded among four governments including North Korea, could produce the expected outcome.

Are the U.S.-Japan alliance and multilateral security dialogues compatible or contradictory? The multilateral security frameworks in Asia such as ARF are expected to work as confidence building measures and, as a result, they can decrease the chance of growing

²⁷ Higuchi Report, Advisory Group on Defense Issues, The Modality of the Security and Defense Capability of Japan: The Outlook for the 21st Century (Tokyo: Defense Agency, August 1994).

security dilemmas. However, they are not likely to have deterrence and defense functions in the near future. In other words, they do not have “teeth” yet. That is why those multilateral frameworks cannot do much once a crisis takes place – perhaps best seen in the case of East Timor in the Summer of 1999. This is even a more serious problem when long-range missiles and nuclear threats are involved. To deal with such problems, the U.S.-Japan alliance cannot be easily replaced by multilateralism. Therefore, there is a sort of division of labor. Conversely, if ARF gets “teeth” down the road, it might create contradictions with the U.S.-Japan alliance. Even more importantly, when China gains influence within multilateral frameworks and begins to be more democratic, Japan may face a dilemma even though no party in Asia wants a China-centered multilateral arrangement at this point. Likewise, the deployment of Theater Missile Defense in the area around Japan would make Sino-Japanese-U.S. relations more complicated. The missile defense would be seen in Beijing as a provocative sign that the U.S.-Japan alliance was taking a newly threatening turn. The missile shield would reduce Japanese and American vulnerability to Chinese nuclear missiles, and this would undermine the security that China receives from the existing system of mutual deterrence.

Community Based Security Orders

When advocates call for security multilateralism in the Asia Pacific, they generally mean some sort of community-based cooperative order. These come in many varieties, and each echoes a different historical or regional experience. Each is based on a different principle of cohesion, which may or may not be present in the Asia Pacific context.²⁸

The most basic order might be a concert system among the great powers. This involves an agreement among the great powers that they will collectively manage regional security relations. A concert system is built on mutual recognition and acceptance among the great powers. Actions taken – territorial adjustment and military engagement – are expected to be discussed among the great powers. The historical case of a concert system in action, of course, is the Vienna settlement after 1815. The stable peace in Europe after the Napoleonic wars was

²⁸ For an overview of cooperative security proposals, see Ashton Carter, William J. Perry, and John D. Steinbruner, A New Concept of Cooperative Security (Washington DC: The Brookings Institution, 1992).

insured by intense diplomatic collaboration within a framework of rules and norms. The success of the concert was possible at least in part because the great powers of that era were more or less status quo powers without major territorial ambitions. The question is whether a concert-type order might emerge in the Asia Pacific among China, Japan, the United States, and perhaps Russia.²⁹ The answer hinges on whether the great powers can come to see each other as members of an exclusive club with rights and obligations and whether conflict resolution mechanisms will emerge that these states can wield.

Another type of multilateral security order is a common security association. The purpose of the association is to protect and advance a particular ideological or political form among the states – such as communism, monarchy, or democracy. The states are grouped together and establish security bonds because they embrace similar political ideals. The Nonaligned Movement, the Arab League, the British Commonwealth, and the Holy Alliance are examples. This type of community security arrangement is more demanding than the great power club: it requires that the states share similar domestic political institutions and define their security in terms of the protection of those domestic institutions. There is little in the Asia Pacific region -- defined by its diversity of regime types and polity principles -- that lends itself to this particular type of community security system. A security order based on democracy would divide the region more than unite it. In an era where ideology has lost its appeal, it is difficult to envisage what common set of ideas could be embraced in a way that would transcend the other regional differences.

Another type of multilateral security order is a pluralistic security community. This type of order emerges when states within a specific region come to see their security as fundamentally linked.³⁰ Facilitated by shared norms, common domestic institutions, and high levels of interdependence, states within a security community come to expect peaceful change. States see themselves as fundamentally linked to other states, bound by common norms, political experience, and regional location. Western Europe after World War II is perhaps the best example of a pluralistic security community. The preconditions for a security community are

²⁹ See Amitav Acharya, "A Concert of Asia?" *Survival* (Autumn 1999).

³⁰ On security communities, the classic study is by Karl Deutsch. The most recent study is Emanuel Adler and Michael Barnett, *Security Communities* (New York: Cambridge University Press, 1998).

very demanding and it is not easy to see how they could be adopted in the Asia Pacific region anytime soon. The ambiguity of regional boundaries (Is the United States in or out of the region? How does South and Southeast Asia relate?) makes the emergence of a tight regional identity very difficult to achieve. The diversity of political institutions and competing models of politics and economics within the region also makes a security community difficult to achieve. The Asia Pacific has become more democratic in recent decades, and there is rising interdependence among the states, however the evolution of shared norms and linked systems is still at an early stage.

A final multilateral security order is the classic collective security system. This is the model of security order that we associate with Woodrow Wilson and the League of Nations. The principle of association in a collective security order is that of a shared identity as a single community of nations. As Cronin notes, “Within such a system states not only renounce their right to initiate unilateral military action but also accept obligations to participate in collective action against an aggressor regardless of who it may be.” In such a system, international law and institutions are the basic organizing elements. Such a system is not as exclusive as orders based on regional identity, shared ideology, and great power status. The security order works when states are highly committed to a set of principles of collective action.

The discussion of community-based security orders suggests that different types of orders are based on different types of common identity and logic of inter-state cohesion. If cohesion, regardless of its type, is not possible, the order is likely to revert to a hegemonic or balance of power order. So the challenge for security multilateralism in the Asia Pacific is to figure out what principles of community and cohesion exist or can be created in the region. Is geographical identity, ideological affinity, pan-nationalism, or cosmopolitanism likely to be the most robust basis for common identity – and therefore for establishing the bonds that are necessary for security multilateralism? In each type of community-based security manifests a shared value that allows states to reduce their “risk premium” on security protection because they gain greater confidence that the other states will not act in unexpectedly untoward ways. The insecurities of anarchy are mitigated, but political solidarity is rare and fleeting in world politics. It is difficult to engineer or create. It requires intensive interaction between peoples on a sustained basis. The

³¹ Cronin, Community under Anarchy, p. 12.

question is what are its prospects in the Asia Pacific. The authors would posit that the concert system is most promising. It is a demanding order – although perhaps less so than the others – but it does not require a full convergence of ideology or political structures. Great powers need to develop trust and formal mechanisms to resolve conflict, but each of the other sorts of community-based security orders is problematic.

There is reason to try to hold onto American hegemony – and try to make it more acceptable to China and other states in the region – while these long-term processes of integration and convergence take place. It might be that the most dynamic agent of regional integration that will set the stage for greater community-based security cooperation is the “new economy” that is emerging – the internet and high-tech revolution that is washing over the globe. The one thing that South Korea, Japan, China, the United States, and the rest of the region have in common today is the head-long embrace of the information age and the powerful waves of economic restructuring affecting political change and convergence. The question might well be: can the common embrace of 21st century internet capitalism provide the political solidarity to build a stable and cooperative multilateral security order?

Conclusion

The prevailing security order in the Asia Pacific region is a mixture of bilateral alliances, multilateral dialogues, and ad hoc diplomacy. This paper argues that this messy and layered regional order is somewhere between a balance of power and a community-based system. It is neither a stark system of counter-balancing military competition nor a multilateral cooperative system. It is somewhere in between, organized around the U.S.-Japan alliance.

The prospects for going beyond this ad hoc system are uncertain. Both the United States and Japan have powerful incentives to maintain the bilateral system. While this might be an

³² Two recent essays reflect on this revolution as it relates to Asia. Ian Buruma, “What Happened to the Asian Century?” New York Times, December 29, 1999; and Peter Montagnon, “Catching the New Wave,” Financial Times, December 28, 1999.

obstacle to a more inclusive security order, it is not altogether bad. The U.S.-centered system does have stabilizing features. The binding character of the alliance works to restrain and reassure the various states in the region. The United States is connected to Asia in a way that makes its preeminent power capacities less risky and uncertain. Japan is connected to the United States and thus gains some predictability in its own position within the region. The other states in the region do not need to fear the remilitarization of Japanese foreign policy as well. China may not find this bilateral system – with itself on the outside – the most desirable security arrangement, but it does have the advantage of restraining the outbreak of military competition between itself and Japan.

The American strategy towards Asia is also based on a more general liberal orientation. This strategy seeks to build order by approaching three levels of political order: state interests, capabilities, and identity. In fostering heightened levels of mutual economic dependence, the anticipation is that states will define their interests in a way that requires the maintenance of stable and continuous relations. This is true in two respects. First, economic growth and rising incomes rely increasingly on trade and investment, foreign policies of openness and accommodation. Second, the rise of economic interdependence creates a wider array of "vested interests" who will seek to prevail upon the state to maintain stable and continuous relations.

The liberal grand strategy also seeks to alter the capabilities of states. This is accomplished primarily through the fusing of security policies into alliances. The liberal institutional goal is to bind states together to reduce the security dilemma incentives for balancing and power aggregation. It also anticipates that the institutional grounding of security policies provides transparency and possibilities for scrutiny by other states. When states must concert the exercise of their military power with other states, this creates transaction costs that make arbitrary and abrupt military actions less likely. The binding of states together also has the effect of rendering less threatening shifts in economic advantage. The United States has only been willing to bind itself to other democracies, so the use of this liberal security mechanism is not yet available for wider multilateral use.

**BETWEEN BALANCE OF POWER AND COMMUNITY:
THE FUTURE OF MULTILATERAL SECURITY COOPERATION
IN THE ASIA PACIFIC**

Finally, the liberal grand strategy also holds to the view that the way state elites perceive their identities within regional and global political community is important. It matters if countries in the Asia Pacific have a common vision about the region as a political community. Few would dispute the argument that the European Union has only been able to proceed toward the remarkable goal of monetary and political union because of shared sense of a common political identity – they are Europeans. Such a sense of shared identity in the Asia Pacific does not exist. But it is the liberal hope that through expanded economic, political, and security bonds, a greater sense of common political identity will emerge and pave the way for a more coherent and institutionalized multilateral security order.