

Japan

Can Koizumi salvage the sinking vessel?

MONZURUL HUQ in Tokyo

Japan is yet to see the magical skill of the new prime minister on whom the nation seems to have put trust. Junichiro Koizumi, the unlikely successor of the embattled and disgraced former head of government, Yoshiro Mori, could successfully steer the boat of the party leadership to the right direction with the valuable support that he received from the rank and file of the Liberal Democratic Party (LDP). Now that some members want to see him steering the ship of Japan's ailing economy to the direction of its recovery, if he is going to show the same skill of leadership as seen in the race for the premiership is still a guessing game.

The new cabinet he formed was the first indication that despite his commitment of a radical departure from the normal practices of the backdoor manoeuvring within the different faction of the political party in power virtually without any interruption for nearly five decades, the promised departure would not be an easy task at all. The new cabinet is no doubt a shift from what people of Japan are used to, at least in three respects. First, it includes a number of younger members who are considered to be more accommodative to any radical changes; second, the cabinet has five female representatives, highest in Japan compared with any previous time; and finally, the non-governmental representation in the cabinet is also quite significant. But at the same time, the delicate balance between the party factions also has its reflection in the cabinet and this eventually might prove fatal for the new administration to implement much-needed changes that might trigger economic recovery.

Economy was the key issue that Koizumi stressed on throughout his campaign for the party leadership race. Japan's economy is passing through a long period of stagnation and deflation, and there is no sign of

any early recovery yet. Much for the situation has so far been blamed to the failed leadership of earlier administrations, which saw pumping public money into the ailing financial and construction sectors as the only way to help the country finding a breathing space during this difficult time.

This not only failed to bring in any long-term positive impact, but at the same time could also convert the government of Japan into one of the most debt-ridden in the world. Most of the money pumped into the financial sector as well as in public construction projects was collected from ordinary citizens in the form of bonds. Total accumulation of bonds in recent years has been more than thirty trillion yen, but not much to show that the money has been spent rationally to help the economy find its way of recovery. As a result, the new prime minister's call for a radical shift in economic strategy and bold implementation of structural reforms did have a wider support not only from party membership, but also from the general public. And the end result was a tremendous backing for the new administration, which saw a record support rate of more than 80 percent during its initial days, highest ever in Japan for any government.

But the euphoria created surrounding Koizumi's promises and pledges did not also take much longer to show the first signs of its own cracking. This came with the policy speech that he delivered the week after assuming the post of the PM. The policy speech, once again, was full of sweet words about reform and economic recovery. But as he is now already the head of the government, people were naturally eager to hear more about concrete ways of bringing in those changes.

Unfortunately, Koizumi not only failed to provide any such guidelines, but also indicated that a gradual shift in his own areas of priority would not take much longer to come. And a week after that policy

speech, the shift now seems even much more imminent.

Unlike conventional Japanese leaders, Koizumi carefully maintains a dual character in his ideological following. In economic and fiscal matters he seems to be a radical, at least in promises that he utters. But there is also an extreme conservative side of this new Japanese leader, which is often reflected when he talks about political or security issues related to Japan or its history. He has already pledged to visit the Yasukuni Shrine on 15 August, the day when the Emperor made the announcement of Japan's unconditional surrender after the end of World War II. Yasukuni has always been a centre of controversy between Japan and her closest neighbours, as the Tokyo shrine honours among all Japanese war dead a number of class A war criminals who were convicted and executed after World War II. Visiting the shrine on the day of Japan's surrender would be a symbolic gesture of paying tribute to those who brought extreme misery to millions of fellow Asians and Japan's Asian neighbours are bound to feel anger.

Another thorny issue that the new prime minister as a conservative politician faces is Japan's pacifist constitution that forever renounces war as a sovereign right of the nation. Article 9 of the constitution not only forbids Japan to be involved in any war, but also prohibits the use of forces in settling international disputes. The conservative political circles of Japan for quite long are feeling a sense of uneasiness with the constitution and did not hesitate their willingness for its thorough revision. But as public opinion is still in favour of country's pacifist constitution, they had so far no other option but to wait for the arrival of the right moment.

Koizumi's unprecedented popularity has opened a new possibility for them and they would probably try hard to use this public support in

favour of initiating a policy that would allow Japan to become a recognised military power of the region. But what they are probably not taking into account is the hard fact that the public support for Koizumi is exclusively for his position on economic issues, not for other matters. And here the new prime minister faces his toughest challenge.

Even Junichiro Koizumi himself knows quite well that it wouldn't be any easy task for him to salvage the country from the current economic depression. And moreover, time that he is getting to show any signs of success is also quite short. LDP is to face tough upper house election in July and any backtracking from the governmental pledges on economic issues might have a negative impact on voters, which might eventually result in a sharp drop in Koizumi's public support ratings. So, the risk related to economic issues are quite high and this probably resulted recently in a shift in new administration's priorities.

Japan's ruling elite are now calling for a change in country's constitution that would elect a prime minister by a direct vote. What shape the government would take under this new proposed arrangement is still not clear. But what is crystal clear is that, the conservative block wants to utilise the recent sudden popularity of the new prime minister to consolidate their hold on power, and once that goal is achieved, to go for implementing other policy matters that they are trying hard to see being realised for quite long. Until then, as economic matters are bound to take a back seat, any recovery might remain as elusive as it had been during Japan's lost decade of post-bubble economy.

China

Does Bush meet an Asian Tartar?

A M M SHAHABUDDIN

'IKE father, like son', is a time-honoured popular saying. But sometimes the son, taking cue from dad, tries to outsmart the father, and does it very skillfully. The new President of America, George W. Bush, is a case in point. His illustrious father George Bush, Sr, raised a "desert storm" in the Mid-East to catch the 'little Hitler' of Iraq, Saddam Hussein, by the neck for invading a sovereign country, Kuwait, and battered his country to pieces to become a national hero.

Now, George W. Bush, Jr. has raised a menacing tornado in South Asia over the most unexpected mid-air collision involving a US 'spy' plane (in diplomatic parlance a 'surveillance' plane), and a Chinese jet fighter in the South China Sea near Chinese coastal line over Hainan, on April 1, destroying the Chinese plane and killing its pilot who met a watery grave. Meanwhile, the US spy plane, with its 23 crew members made an emergency landing on Chinese soil, without permission from China. Since then, Bush, Jr. has been beating about the bush, making unusual sounds and fury to force China to accept US demands for return of the plane with its crew.

America demands that the plane should be released immediately to fly back home. For, it had not committed anything wrong since it was flying the international air space when the collision occurred because of the intervention by the Chinese jet fighter, resulting in the crash. Hence there is nothing wrong for which America should apologise, as demanded by the China. On the other hand, China demands that America should apologise for its illegal intrusion into Chinese air-space in the coastal area, as recognised by the UN convention on the law of the sea and that it should also categorically assure the Chinese authorities of stopping such illegal

spying over China's territory. However, neither America, nor China, seems to be ready to budge an inch from their demands.

What Law of the Sea Says

It may be mentioned here that the UN convention on the law of the sea, regulating the rights and obligations of different coastal states, was literally born at the third world conference on the Law of the Sea in 1973 and was opened for signature by participating states in 1982. The convention entered into force in 1994, one year after it had received its sixtieth ratification or accession. It has now more than 120 state parties, including America, which unfortunately has not yet ratified the law for reasons best known to them. The UN sea law categorically states that coastal states (here China) exercise sovereignty over their territorial sea up to 12 nautical miles and ships and aircrafts of all countries are allowed, what is called "transit passage" through straits used for international navigation. Hence the flight of the US spy plane over China's coastal areas was a gross violation of the UN convention, as it was not granted a "transit passage" by China.

As they say, it is not difficult to find a

stick if you want to beat a dog. So he has started bringing out his 'sticks' to use against China. When former President Clinton was much more sober, moderate and, even to some extent, pacific, in dealing with China, signing a couple of trade agreements that opened US access to China's consumer market and also opened the so far closed doors of World Trade Organisation (WTO) for China's admission in near future.

So, following the mid-air collision between the US spy plane and China's jet fighter over China's coastal area in the South China Sea, Bush is very keen and eager to bring out from his cupboard more 'skeletons' like the NMD, sale of high-tech weapons, including missiles, submarines and destroyers, with a view to cutting down China to its proper size to fit in the greater strategy of America in the South Asian region, along with possible boosting of another rising Asian power, Japan, a close ally of America.

An encouraging signal

Meanwhile, an encouraging signal has come from China which has allowed America to inspect their plane now resting on Chinese soil since 1st April last. Now America should refrain from its present hawkish policy towards China. Bush has got an opportunity to prove himself more as a seasoned statesman than an immature and inexperienced politician. The ball is now in his court and much depends on how he serves it. As pointed out by *The People's Daily* of China, America had "neglected facts" and had "mixed up black and white" which is not at all "conducive" for the development of good Sino-American relations. What Bush had said earlier was short of a declaration of war against China in order to save Taiwan.

Any wrong step on the part of either America or China would further vitiate the atmosphere, creating more distrust and mistrust.

The writer is a retired UN official.

EAST ASIA

A growing storm

DAVID LAGUE in Hong Kong AND TRISH SAYWELL in Singapore

CMDR. PETER NAUGHTON was steering his flotilla of two guided-missile frigates and a supply ship through the Taiwan Strait on April 17, just as Chinese and United States negotiators were wrangling over a downed US spy aircraft on Hainan Island to the south.

Unexpectedly, a People's Liberation Army naval patrol ship appeared and aggressively intercepted the Australian warships, demanding they leave Chinese territorial waters.

A tense stand-off ensued as Naughton spoke to the Chinese patrol-boat skipper by radio and insisted that his ships had the right of innocent passage, a well-established principle under the law of the sea, through the strait. Eventually, the Australian fleet ignored the Chinese demands and continued without incident on to a refuelling stop in Hong Kong.

However, the interception, the first time that China has challenged Australian warships in the Taiwan Strait, is widely seen as a disturbing signal that Washington's key allies in East Asia are likely to come under pressure from Beijing as the U.S. and China head toward open strategic competition.

"Things have changed dramatically in the last two months," says Alan Dupont, a regional security expert at the Australian National University and a former senior Australian diplomat. "In a sense, we're returning to the Cold War."

Not surprisingly, the focus of this Sino-U.S. strategic competition is Taiwan, the island that Beijing considers a renegade province and has threatened to retake by force if it indefinitely delays negotiations on reunification.

However, for some analysts, there is a more fundamental reason for Sino-U.S. tension than Taiwan. Robyn Lim, professor of international relations at Nagoya's Nanzan University, believes many commentators miss the point in charting the ebbs and flows in Sino-U.S. ties without realizing that the central cause of friction is that Beijing and Washington

have no motive for strategic cooperation despite their close business ties.

This common interest evaporated with the end of the Cold War, in which the two sides were united in containing the Soviet Union. Now China, freed from threatening Russian forces to the north and in Soviet client Vietnam to the south, is expanding its strategic reach east and south by claiming rights over the whole South China Sea and increasing its influence in Southeast Asia. "Enjoying the advantages of size, demographic weight and centrality, China is demanding a free hand in East Asia," says Lim.

Despite the differences in approach between the Clinton and Bush administrations in dealing with this problem, it is widely accepted at a senior policymaking level in most regional governments that no U.S. government wants China to have an entirely free hand in the region.

The fear is that a failure to meet this challenge would effectively end Washington's role as a balancer of forces in East Asia, in itself a huge blow to U.S. prestige and leadership. This could affect regional security. Japan would feel exposed, which could trigger a potentially destabilizing Japanese military build-up. There would also be concerns about the Korean peninsula as the two heavyweights of East Asia, China and Japan, jostle for influence.

But as long as the U.S. seeks to block China's influence, the major fault line will remain Taiwan.

For recently retired Australian Defence Department strategic analyst Allan Behm, when China intercepted the Australian warships it was sending Washington an unmistakable signal about its sovereignty over Taiwan and surrounding waters. "What it was about was China saying to the U.S., through us: 'You are sailing your ships through what we claim to be our territorial waters without our permission,'" he says.

Hammering home the message, China's Foreign Ministry lodged an official protest with the Australian embassy in Beijing over the warships' passage.

Dupont believes other regional governments are also going to feel the squeeze if the region's two big powers step up their rivalry. "We're in the

same position, frankly," he says. "We're faced with not wanting to choose between two trading partners. But as tensions ratchet up, we're being put under pressure."

Clearly, seriously antagonizing China could entail economic risks for U.S. allies. Australia, for example, has worked hard to win a contract to supply liquefied natural gas worth up to \$10 billion over 20 years for power generation in southern China. Presumably, Australia's chances of winning this deal would evaporate if Canberra agreed to help provide eight submarines that the U.S. offered on April 23 to sell to Taiwan. Japan also has a huge stake in business ties with China.

There is also a limit to how far Beijing can take economic warfare without seriously damaging its own interests. This is especially true if it is also in conflict with the U.S. and Japan, key sources of foreign investment, which is vital for China's economic growth and the survival of the communist party's grip on power. As the last colonial governor of Hong Kong, Chris Patten, noted, British trade with China grew solidly right through the five tempestuous years of his term before the 1997 handover.

Now it appears that tensions may be rising. Although it was a jolt to the region to watch the sudden downturn in Sino-U.S. ties that began with the mid-air collision between the U.S. Navy EP-3 spy aircraft and a Chinese fighter on April 1, the Bush administration continued to press China. If President George W. Bush's subsequent decisions to sell advanced weapons to Taiwan, including the submarines, and proceed with plans for a missile-defence system weren't enough to deepen the slide, his pledge to do "whatever it took" to defend Taiwan was bound to infuriate Beijing.

Now the U.S. has said it will downgrade military contacts and is reviewing all other official contacts with China while negotiations continue over the recovery of the downed spy aircraft.

The trend leads regional analysts to conclude that Bush clearly intends to treat China as a key regional rival for strategic influence, abandoning the Clinton administration's policy of embracing a rising China in a bid to integrate it into the international system.

This shift and China's response is distinctly unwelcome for most South-East Asian governments. "The handling of the aircraft collision is only the latest indication of a potentially undesirable regional strategic situation, with the Bush administration taking a hard line in this crisis and China playing it for all it is worth," says a senior official with the Association of Southeast Asian Nations.

While many observers forecast that economic pragmatism will promote accommodation between Beijing and Washington, some commentators feel there is little that can be done in the near term at a diplomatic level to resolve their underlying and fundamental tensions.

There were high hopes for the Asean Regional Forum as a confidence-building body but neither Washington nor Beijing has helped it reach that goal. In the view of many analysts and regional policy makers, Beijing has used its membership of this grouping to fend off efforts to resolve disputes, such as territorial rows in the South China Sea. Washington has been a lukewarm participant in these sessions, regarding the forum as a dilution of its overarching role in the region. U.S. Secretary of State Colin Powell is expected to attend an ARF meeting in Hanoi in July. But few experts expect much impact on Sino-U.S. ties.

Most Southeast Asian states appear to favour the U.S. presence, but it is an awkward embrace complicated by China's regional economic importance. China has signed bilateral cooperation treaties with Asean states and is part of a larger "Asean plus Three" grouping that includes South Korea and Japan and meets every year.

The challenge for most regional governments is how to avoid antagonizing China. "At the moment, it's unclear how the Southeast Asian governments will handle the problem of maintaining equal relations with the region's two major powers as the U.S. and China drift further apart on major issues," says Tim Huxley, an expert on Southeast Asian security at the University of Hull in England. "If its relations with the U.S. continue to deteriorate significantly, China may increasingly attempt to win over political elites in Southeast Asia on a 'We Asians' basis."

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